

**Annapolis Valley Regional
School Board
Consolidated Financial Statements
March 31, 2016**

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Morse Brewster Lake

Chartered Accountants

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Independent Auditor's Report

To the Chairman and Members of the

Annapolis Valley Regional School Board

We have audited the accompanying consolidated financial statements of **Annapolis Valley Regional School Board**, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statement of operations and accumulated surplus, change in net debt and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2016 and the results of operations, changes in net debt and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

Berwick, Nova Scotia
June 29, 2016

Morse Brewster Lake

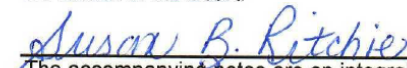
Chartered Accountants

Annapolis Valley Regional School Board
Consolidated Statement of Financial Position
As at March 31, 2016

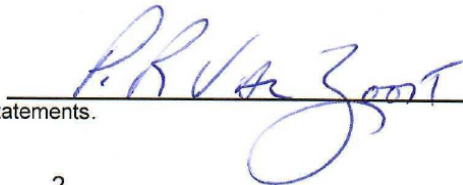
	2016	2015
Financial Assets		
Cash and Cash Equivalents		
Cash	\$ 4,212,451	\$ 9,541,002
School Based Funds (Note 3)	2,662,886	2,607,021
Total Cash and Cash Equivalents	6,875,337	12,148,023
Accounts Receivable		
Province of Nova Scotia	20,587,622	16,246,875
PNS - Teacher's Salary Accrual	1,715,100	2,024,700
Government of Canada	519,225	448,575
Other	517,656	688,016
PNS - Long-Term Service Awards	8,956,209	7,624,195
Total Financial Assets	39,171,149	39,180,384
Capital Assets		
New Book Value of Capital Assets (Note 2)	-	-
Total Financial and Capital Assets	39,171,149	39,180,384
Liabilities		
Accounts payable and accrued liabilities	3,399,612	3,828,138
Payables and Accruals - Government		
Province of Nova Scotia	80,885	34,151
Municipalities	38,057	47,077
Government of Canada	1,282,286	1,271,851
Other Payables & Accrued Liabilities	2,799,272	3,818,830
Teachers Salary Accruals	1,715,100	2,024,700
Deferred Revenues	2,262,809	1,942,317
Long-Term Service Awards Liability (Note 2)	8,956,209	7,624,195
Long-Term Sick Leave Accrual (Note 7)	13,961,694	13,907,127
Total Liabilities	34,495,924	34,498,386
Equity - Capital	-	-
Total Liabilities and Capital Equity	34,495,924	34,498,386
Net (debt)/surplus	4,675,225	4,681,998
Non-Financial assets		
Prepaid expenses	453,871	424,294
Tangible capital assets (Schedule E)	1,036,643	1,054,822
Accumulated surplus/(deficit) end of year	6,165,739	6,161,114
Committed Surplus		
School Budget Carry-over	-	111,756
Cafeteria Carry-over	-	-
School Based Funds	2,662,886	2,607,021
Non-Financial Assets	1,490,514	1,479,116
Total Committed Surplus	4,153,400	4,197,893
Uncommitted Surplus	\$ 2,012,339	\$ 1,963,221

Trust Funds Under Administration (Note 4)
Commitments (Note 5)
Contingencies (Note 6)

On Behalf of the Board



The accompanying notes are an integral part of these financial statements.



P. R. V. Zoot

Annapolis Valley Regional School Board
Consolidated Statement of Operations and Accumulated Surplus
As at March 31, 2016

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Revenue (Schedule A)			
Province of Nova Scotia	\$ 108,596,917	\$ 107,951,405	\$ 107,062,304
Government of Canada	1,115,833	1,013,244	957,442
Municipal Contributions	21,282,800	21,282,792	20,765,112
School Generated Funds (Note 3)	4,000,000	4,192,769	4,320,894
Other Revenues	3,534,893	3,950,624	3,709,218
Total Revenues	<u>138,530,443</u>	<u>138,390,834</u>	<u>136,814,970</u>
Expenses (Schedule B)			
Total Board Governance	361,996	379,138	346,260
Total Regional Management	3,378,549	3,325,071	3,403,947
Total School Management	19,983,332	19,368,443	19,046,625
Total Instruction	61,977,391	62,805,815	62,584,299
Total Student Support	21,002,510	21,758,667	19,549,075
Total Adult Education	438,749	429,992	695,949
Total Property Services	13,293,543	13,221,731	13,773,292
Total Student Transportation	9,353,659	9,248,641	9,297,831
Other Programs	3,713,818	2,812,529	2,932,673
School Generated Funds (Note 3)	4,000,000	4,136,905	4,157,731
Interest Expense	912,944	788,020	912,944
Amortization Expense	113,952	111,259	97,126
Total Expenses	<u>\$ 138,530,443</u>	<u>138,386,209</u>	<u>136,797,753</u>
Annual Surplus/(deficit) before unusual items		4,625	17,217
School Board surplus/(deficit) on an expense basis		<u>4,625</u>	<u>17,217</u>
Accumulated surplus/(deficit) beginning of year:			
Previously Reported		<u>6,161,114</u>	<u>6,143,897</u>
Accumulated surplus/(deficit) end of year		<u>6,165,739</u>	<u>6,161,114</u>
Committed Surplus			
School Budget Carry-over		-	111,756
Cafeteria Carry-over		-	-
School Based Funds		2,662,886	2,607,021
Non-Financial Assets		1,490,514	1,479,116
Uncommitted Surplus		<u>\$ 2,012,339</u>	<u>\$ 1,963,221</u>

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
 Consolidated Statement of Change in Net (Debt)/Surplus
 For the Year Ended March 31, 2016

	2016	2015
Net (debt)/surplus beginning of year	\$ 4,681,998	\$ 4,592,713
Changes in the Year		
Surplus/(Deficit), on an Expense Basis	4,625	17,217
Acquisition of tangible capital assets	(93,080)	(29,312)
Amortization of tangible capital asset	111,259	97,126
(Increase) Decrease in prepaid expenses	(29,577)	4,254
Net (debt)/surplus end of year	<u>\$ 4,675,225</u>	<u>\$ 4,681,998</u>

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Consolidated Statement of Cash Flow
For the Year Ended March 31, 2016

	2016	2015
Operating Transactions		
Accumulated surplus	\$ 6,165,739	\$ 6,161,114
Change in prepaid expenses	(29,577)	4,254
Change in deferred revenue	320,492	176,905
Change in accounts receivable	(5,263,451)	2,571,535
Change in accounts payable	(1,709,535)	2,524,938
Change in long-term debt	1,386,581	642,699
Cash Provided by Operating Transactions	870,249	12,081,445
Acquisition of Tangible Capital Assets	(93,080)	(29,312)
Amortization of tangible capital asset	111,259	97,126
	18,179	67,814
Increase in cash and cash equivalents	888,428	12,149,259
Previous Year's Acculated Surplus	(6,161,114)	(6,143,897)
Cash and cash equivalents at beginning of year	12,148,023	6,142,661
Cash and cash equivalents at end of year	\$ 6,875,337	\$ 12,148,023

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule A - Supplementary Details of Revenues
For the Year Ended March 31, 2016

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Revenue			
<u>Province of Nova Scotia:</u>			
Operating	\$ 79,437,500	\$ 81,662,762	\$ 79,870,249
Restricted	26,224,107	22,796,468	23,108,815
Capital	113,400	113,366	247,931
Other	606,292	1,436,984	1,720,235
Recoveries	190,918	226,726	90,373
Teachers Salary Accrual	<u>2,024,700</u>	<u>1,715,100</u>	<u>2,024,700</u>
Total Province of Nova Scotia	<u>108,596,917</u>	<u>107,951,405</u>	<u>107,062,304</u>
<u>Government of Canada:</u>			
IA Northern Development	860,450	874,687	659,308
Secretary of State	<u>255,383</u>	<u>138,557</u>	<u>298,133</u>
Total Government of Canada	<u>1,115,833</u>	<u>1,013,244</u>	<u>957,442</u>
<u>Municipal contributions:</u>			
Mandatory	<u>21,282,800</u>	<u>21,282,792</u>	<u>20,765,112</u>
Total Municipal Contributions	<u>21,282,800</u>	<u>21,282,792</u>	<u>20,765,112</u>
<u>School Generated Funds:</u>			
School Generated (Note 3)	<u>4,000,000</u>	<u>4,192,769</u>	<u>4,320,894</u>
Total School Generated	<u>4,000,000</u>	<u>4,192,769</u>	<u>4,320,894</u>

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule A - Supplementary Details of Revenues
For the Year Ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
<u>Other Revenues:</u>			
Board Generated - Other	375,735	790,067	572,528
Other Revenue - Schools	1,181,715	1,193,259	1,122,640
Tuition - Students	737,361	550,576	504,219
Registration	945,000	1,000,327	1,113,481
Rentals			6,281
Interest/Investments	115,000	68,406	111,670
Recoveries - Non-governmental	175,000	205,576	195,556
Non-Government Grants		139,733	79,922
Donations	5,082	2,680	1,000
Sale of Assets			1,922
Total Other Revenues	3,534,893	3,950,624	3,709,218
 Total Revenues	\$ 138,530,443	\$ 138,390,834	\$ 136,814,970

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule B - Supplementary Details of Expenses
For the Year Ended March 31, 2016

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Expenses:			
<u>Board Governance:</u>			
Board Members	\$ 238,793	\$ 256,136	\$ 223,635
Board Secretary	57,328	57,127	56,750
NSSBA & Other	65,875	65,875	65,875
Total Board Governance	361,996	379,138	346,260
<u>Regional Management:</u>			
Management Services	1,970,699	1,184,921	1,259,208
Financial Services	832,556	1,219,753	915,806
Human Resources Services	379,501	727,789	887,685
Communication Services	87,135	84,881	84,340
ITS - Regional	108,658	107,728	256,908
Total Regional Management	3,378,549	3,325,071	3,403,947
<u>School Management & Support:</u>			
School Management	10,672,106	10,702,973	10,333,880
Program & Curriculum Support	7,865,544	6,808,566	6,422,958
ITS - Site Specific	1,445,682	1,856,904	2,289,787
Total School Management	19,983,332	19,368,443	19,046,625
<u>Instructional & School Services:</u>			
Instruction	59,606,174	60,511,398	60,468,277
Guidance Services	1,697,080	1,701,206	1,518,507
Library Services	674,137	593,211	597,515
Total Instruction	61,977,391	62,805,815	62,584,299
<u>Student Support:</u>			
Program Management	9,724,039	9,905,498	114,849
Instruction	9,411,605	10,108,558	16,541,058
Program & Curriculum Support	1,866,866	1,744,611	2,893,168
Total Student Support	21,002,510	21,758,667	19,549,075

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule B - Supplementary Details of Expenses
For the Year Ended March 31, 2016

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
<u>Adult & Community Education:</u>			
Program Management	-	-	216,697
Instruction	438,749	429,992	479,252
Total Adult Education	438,749	429,992	695,949
<u>Property Services:</u>			
Management Services	1,025,216	1,000,282	1,006,741
Custodial Services	4,873,687	4,774,890	4,604,127
Maintenance Services	6,984,640	6,973,169	7,538,980
Grounds Services	410,000	473,390	623,444
Total Property Services	13,293,543	13,221,731	13,773,292
<u>Student Transportation:</u>			
Management Services	448,452	425,589	420,833
Transportation (Board)	3,660,809	3,713,332	3,827,071
Maintenance (Board)	1,122,040	1,138,257	1,105,411
Transportation (Contract)	4,122,358	3,971,463	3,944,516
Total Student Transportation	9,353,659	9,248,641	9,297,831
Other Programs	3,713,818	2,812,529	2,932,673
School Based Funds (Note 3)	4,000,000	4,136,905	4,157,731
Interest Expense	912,944	788,020	912,944
Amortization Expense	113,952	111,259	97,126
Total Other Expenses	8,740,714	7,848,712	8,100,474
Total	\$ 138,530,443	\$ 138,386,209	\$ 136,797,753

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2016

Trusts

	March 2015	Additions	Interest	Disbursements	March 2016
ARRA Library Trust	\$ 4,024	\$ -	\$ 95	\$ -	\$ 4,119
AVRSB BD Mem Sch Fd	7,312	-	178	300	7,190
Raymond Banks Memorial	11,026	-	262	-	11,288
Barteaux Trust	509	250	15	500	274
Bateman Trust	4,751	-	112	20	4,843
Beals Trust	412,576	-	9,798	8,900	413,474
Beattie Trust	11,788	-	280	0	12,068
Borden Trust	3,870	-	92	95	3,867
Brannon Trust	575	-	14	50	539
Brazil, Duane Mem	8,656	-	204	500	8,360
Carter Trust	2,054	-	52	500	1,606
Card Trust	-	50,000	866	-	50,866
Charles Eaves Award	15,744	-	374	-	16,118
Clarke	6,969	-	165	170	6,964
Coldwell Trust	5,085	-	121	125	5,081
Cummings Trust	14,671	238	349	500	14,758
Dakin Trust	6,472	-	155	-	6,627
Dalton Trust	17,524	-	416	-	17,940
Daniel Arnold Memorial	5,835	830	143	1,200	5,608
DeEll Trust	54,172	-	1,294	1,395	54,071
Dorothy Russell	1,294	100	34	-	1,428
Eastern Star	5,075	26,500	114	1,000	30,689
Fairn	48,079	-	1,159	4,000	45,238
Harvey	4,346	-	103	105	4,344
Haskell Trust	26,149	335	623	1,000	26,107
Hibbard Trust	11,395	242	270	-	11,907
Horton Alumni Trust	263	-	8	250	21
Horton Golden Trust	-	5,731	99	1,000	4,830
Hudgins Trust	465	-	11	11	465
Inglis Trust	20,742	-	492	174	21,060
IODE Olympic Chapter	84,688	-	2,029	5,000	81,717
IOOF Wolfville	16,773	-	391	500	16,664
Jones - BRES	7,318	-	173	-	7,491
Jones - BRHS	16,397	-	387	-	16,784
Johnston Trust	31,049	-	740	1,200	30,589
Lightfoot Trust	147	-	4	-	151
Lyons Trust	4,775	-	113	120	4,768
MacFarlane	935	-	62	954	43
MacNutt Trust	62,537	-	1,472	500	63,509
Mitchell Trust	1,792	-	42	-	1,834
MRHS 40th Ann. Trust	25,441	-	606	1,000	25,047
Neily Trust	448	-	10	11	447
Nixon Trust	6,250	40	149	200	6,239
Candice Parker Trust	4,736	-	115	500	4,351
Paul Bethune	50,000	-	847	1,100	49,747
Harry E. Parker Trust	6,653	300	158	500	6,611
Rena B. Parker Trust	38,314	-	904	940	38,278
Frank Pecora Mem Bursary	2,060	-	36	500	1,596
Quartermain Trust	992	-	23	1,000	15
Rainforth Trust	584	-	14	-	598
Sinnott Trust	11,114	-	262	270	11,106
Terri Spinney Mem	66	-	2	-	68
Earle Spicer Trust	27,795	-	660	700	27,755
Bill Wade Memorial	9,302	4,500	288	3,000	11,090
Whitman Memorial	9,704	-	232	500	9,436
Worthylake Trust	5,937	-	149	-	6,086

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2016

Trusts	March 2015	Additions	Interest	Disbursements	March 2016
Champlain Refresh	10,019	33,900	-	35,586	8,333
Horton Refresh	88,448	300,000	-	328,961	59,487
Northeast Kings Refresh	24,362	105,114	-	105,055	24,421
Pine Ridge Refresh	-10,133	68,106	-	61,378	-3,405
Champlain Capital Fund	11,695	1,595	-	1,741	11,549
Horton Capital Fund	81,852	16,004	-	78,732	19,124
Northeast Kings Capital Fund	23,202	4,947	-	21,893	6,256
Pine Ridge Capital Fund	16,424	3,205	-	6,065	13,564
Total Trusts	1,383,097	621,937	27,766	679,701	1,353,099
Foundation Total	359,139	180,484	5,105	55,582	489,146
Total Trusts & Foundation	\$ 1,742,236	\$ 802,421	\$ 32,871	\$ 735,283	\$ 1,842,245

School Generated Funds

	March 2015	Additions	Interest	Disbursements	Transfers	March 2016
Aldershot	\$ 26,877	\$ 56,280	-	\$ 53,372	-	\$ 29,785
Annapolis East	66,818	98,685	-	105,990	-	59,513
ARRA Special	46,414	-	-	-	(46,414)	-
AWEC Office	83,439	120,256	52	112,771	46,414	137,390
Avon View	121,069	301,320	-	276,939	4,101	149,551
Berwick	59,314	46,137	-	55,561	-	49,890
BRES	26,317	31,267	-	32,763	-	24,821
BRHS	77,199	121,817	177	133,261	-	65,932
Brooklyn	22,116	58,383	-	60,271	4,101	24,329
Cambridge	22,540	43,657	-	38,292	-	27,905
Central Kings	161,093	321,393	-	301,993	-	180,493
Champlain	17,010	37,092	-	26,126	-	27,976
Clark Rutherford	3,059	29,051	-	28,033	-	4,077
Coldbrook	76,246	171,977	-	192,943	-	55,280
Dr Arthur Hines	13,001	42,430	-	41,653	-	13,778
Dwight Ross	22,074	30,473	12	31,448	-	21,111
EMS	62,907	87,667	-	80,417	-	70,157
Falmouth	25,675	44,877	-	44,069	-	26,483
Gaspereau	23,139	38,033	-	39,542	-	21,630
Glooscap	31,473	41,435	-	46,149	-	26,759
Hantsport	52,947	36,215	50	41,629	-	47,583
Highbury Education	6,470	5,773	-	4,507	-	7,736
Horton	326,103	438,040	-	508,416	-	255,727
KCA	70,275	192,729	131	169,331	-	93,804
Kings Co Adult High	10,028	2,614	-	3,076	-	9,566
Kingston Dist	31,510	112,366	-	110,983	-	32,893
LE Shaw	15,621	28,768	-	34,878	-	9,511
Lawrencetown	38,309	38,476	-	28,002	-	48,783
Lawrencetown Ed. Ctr.	3,992	38,461	-	37,192	-	5,261
MRHS	179,047	253,957	360	247,788	-	185,576

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2016

School Generated Funds

	March 2015	Additions	Interest	Disbursements	Transfers	March 2016
New Minas	38,675	67,176	-	57,136	-	48,715
Newport Stn	15,375	6,284	-	9,357	(12,302)	-
Northeast Kings	193,852	353,980	-	354,515	-	193,317
Pine Ridge	106,914	116,081	-	123,355	-	99,640
Port Williams	25,998	39,697	-	47,414	-	18,281
Somerset	20,129	60,248	-	62,491	-	17,886
St Mary's	53,502	32,623	-	30,229	-	55,896
Three Mile Plns	22,061	29,714	-	26,688	-	25,087
WHEC	8,913	20,232	-	21,859	-	7,286
West Hants	48,572	137,253	1,288	117,317	4,100	73,896
West Kings	212,477	303,088	760	276,700	-	239,625
Windsor Adult High	7,070	3,213	-	2,107	-	8,176
Windsor EI	19,720	33,044	-	30,119	-	22,645
Windsor Forks	32,435	25,347	-	13,497	-	44,285
Wolfville School	79,246	92,331	-	76,726	-	94,851
Total School Generated Funds	\$ 2,607,021	\$ 4,189,940	\$ 2,830	\$ 4,136,905	\$ -	\$ 2,662,886

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule E - Supplementary Details of Tangible Capital Assets
As of March 31, 2016

Costs of Tangible Asset(s)

	Buildings	Vehicles	Building Betterments	2016	2015
Opening Costs	\$ 427,951	\$ 698,243	\$ 849,485	\$ 1,975,679	\$ 1,946,367
Additions	-	93,080	-	93,080	29,312
Disposals	-	-	-	-	-
Closing Costs	<u>427,951</u>	<u>791,323</u>	<u>849,485</u>	<u>2,068,759</u>	<u>1,975,679</u>

Accumulated Amortization(s)

Opening Balance	129,096	593,183	198,578	920,857	823,731
Disposals	-	-	-	-	-
Amortization Expense	14,943	63,770	32,545	111,259	97,126
Closing Balance	<u>144,039</u>	<u>656,953</u>	<u>231,123</u>	<u>1,032,116</u>	<u>920,857</u>

Note Book Value (NBV)	<u>283,912</u>	<u>134,369</u>	<u>618,362</u>	<u>1,036,643</u>	<u>1,054,822</u>
Opening Balance, April 1, 2015	298,855	105,060	650,907	1,054,822	1,122,636
Closing Balance, March 31, 2016	<u>283,912</u>	<u>134,369</u>	<u>618,362</u>	<u>1,036,643</u>	<u>1,054,822</u>
Increase (decrease) In Net Book Value	<u>\$ (14,943)</u>	<u>\$ 29,309</u>	<u>\$ (32,545)</u>	<u>\$ (18,179)</u>	<u>\$ (67,814)</u>

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements
March 31, 2016

1. Nature of Operations

The Annapolis Valley Regional School Board is an independent legal entity with an elected board as required under the Education Act. The Board provides educational services from grade primary to grade 12 at public schools within the Annapolis Valley. The Board is a registered charity under the Income Tax Act and is exempt from income tax and can issue official receipts to donors.

2. Summary of significant accounting policies

These consolidated financial statements have been prepared to conform in all material respects to Canadian generally accepted accounting principles prescribed by the Public Sector Accounting and Auditing Handbook for Federal, Provincial and Territorial Governments, of the Public Sector Accounting Board. These consolidated financial statements have been prepared using the following significant accounting policies:

Revenues

Revenues are recorded on an accrual basis. The main components of revenue are funding from the Province of NS, Government of Canada and Municipal Contributions. The Board receives contributions by volunteer support in the delivery of certain programs within the schools. Due to the difficulty in determining or estimating the value of these contributions, contributed services are not quantified and recognized in these financial statements.

Expenses

Expenses are recorded on the accrual basis. Provisions are made for probable losses on accounts receivable, and for contingent liabilities when it is likely that a liability exists and the amount can be reasonably determined.

Pension Liabilities

The Board contributes to Registered Retirement Savings Plans and Registered Pension Plans on behalf of the non-teaching employees. The Board's teachers are members of a pension plan established by the Province of Nova Scotia as required by the Teachers' Pension Act. The Province of Nova Scotia and the Nova Scotia Teachers' Union are responsible for funding this plan.

Service Awards

During the 2000-2001 and the 2013-2014 fiscal years the Province of Nova Scotia assumed full responsibility for accumulated liability associated with teaching and non-teaching employee retirement allowances. School boards are responsible only for the current service cost of this benefit. The projected liability is offset by a corresponding receivable from the Province. The amount of the projected liability has been determined by the Nova Scotia Department of Finance, based on an actuarial valuation.

Net Debt

Net Debt represents the direct liabilities of the Board less financial assets.

Financial Instruments

Cash and cash equivalents are recorded at cost which approximates market value. The Board's financial instruments consist of cash and cash equivalents, receivables, payable and accruals and other liabilities. It is management's opinion that the Board is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values.

**Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements Continued
March 31, 2016**

2. Summary of significant accounting policies continued

Cash and cash equivalents

Cash and cash equivalents included cash on hand, balances with banks, short term deposits and bank balances held by schools.

Non Financial Assets

All capital acquisitions are now recorded using Tangible Capital Asset accounting. All non financial assets previously recorded that do not meet these guidelines have been removed from these statements.

All tangible capital assets purchased by the Board are recorded as assets and amortized based on the Province of Nova Scotia's tangible capital asset accounting policy thresholds. The thresholds and amortization rates are as follows:

Buildings	\$250,000	Amortization	5%	Declining Balance
Vehicles	\$ 15,000	Amortization	35%	Declining Balance
Building betterments	\$150,000	Amortization	5%	Declining Balance

Prepaid Expenses are cash disbursements for goods or services, other than Tangible Capital Assets and inventories of supplies, of which some or all will provide economic benefits in one or more future periods. The prepaid amount is recognized as an expense in the year the goods or service is used or consumed.

Accumulated Deficit/Surplus

Accumulated Deficit/Surplus represents the liabilities of the School Board less financial assets, and non financial assets. This represents the accumulated balance of net deficit/surplus arising from the operations of the Board.

Use of Estimates

In preparing the Board's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts by fund of revenue and expenditure. Actual results could differ from these estimates.

3. School Based Funds

The Board is required to include in its financial statements the financial activities of its school sites. To meet this requirement, the Board has instituted a new school based funds policy to promote appropriate internal controls, provided each site with a standard computer based accounting system and established common reporting standards for school based funds. The following is a summary of these financial activities, a site by site listing is provided in Schedule D.

March 31, 2015	Additions	Interest	Disbursements	March 31, 2016
\$2,607,021	\$4,189,940	\$2,830	\$4,136,905	\$2,662,886

(Student Council Funds are included in the School Based Funds totals. Cafeteria funds are no longer school based and are administered in the regional Financial System)

**Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements Continued
March 31, 2016**

4. Trust funds

The Annapolis Valley Regional School Board manages a number of trust funds primarily for the generation of scholarships and awards. A summary of the trusts and their activity is found in Schedule D of these financial statements. Effective April 1, 1997, the Board incorporated the activities of the former Kings County District School Board Foundation. These are now carried as a separate Trust Account.

5. Contractual Obligations

Contract	Vendor	2016-17	2017-18	2018-19	2019-20
Contracted School Bus Transportation Services	Stock Transportation	\$3,813,358	1,605,565	-	-
Regional Office Rent	Western Kings Health Society	\$62,818	-	-	-
NSSPI Photocopier	Xerox Canada	\$95,166	\$104,008	\$104,008	\$102,856
Totals		\$3,970,342	\$1,709,573	\$104,008	\$102,856

6. Contingency

There is a claim outstanding against the Annapolis Valley Regional School Board. The outcome of this claim is not determinable and therefore no amount has been recorded in the accounts of the Annapolis Valley Regional School Board. Any settlement resulting from the resolution of this claim will be treated as a charge to operations in the period the settlement occurs.

7. Accumulated sick leave liability

The Board has recognized in these consolidated financial statements, the liability associated with accumulated sick leave earned by teaching and non-teaching staff. The Board has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2016.