

**CAPE BRETON-VICTORIA REGIONAL
CENTRE FOR EDUCATION
Financial Statements**

March 31, 2020



Cape Breton-Victoria Regional Centre for Education

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Management's Responsibility for Financial Reporting

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies is described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The external auditors, MNP LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Cape Breton-Victoria Regional Centre for Education and meet when required. The accompanying independent auditor's report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

Nancy Dove, Director of Financial Services

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Financial Statements

March 31, 2020

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Independent Auditors' Report

To the Minister of Education and Early Childhood Development

Opinion

We have audited the accompanying financial statements of Cape Breton-Victoria Regional Centre for Education which comprise the statement of financial position as at March 31, 2020 and the statements of operations, accumulated operating surplus, change in net financial assets, cash flows and continuity of scholarship fund for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Cape Breton-Victoria Regional Centre for Education as at March 31, 2020 and the results of its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Centre for Education in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Cape Breton-Victoria Regional Centre for Education for the year ended March 31, 2019 were audited by MGM & Associates, Chartered Professional Accountants of Sydney, Nova Scotia, Canada, prior to its merger with MNP LLP. MGM & Associates, Chartered Professional Accountants expressed an unmodified opinion on those statements on June 27, 2019.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

In preparing financial statements, management is responsible for assessing the Centre for Education's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre for Education or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre for Education's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Centre for Education's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre for Education's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre for Education to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sydney, Nova Scotia
June 26, 2020

MNP LLP

Chartered Professional Accountants

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Statement of Financial Position

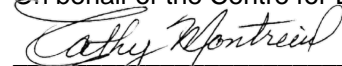
March 31, 2020, with comparative figures for 2019


	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents		
General	\$ 12,060,806	\$10,813,884
School-based funds (note 2)	4,500,318	4,467,648
	16,561,124	15,281,532
Accounts receivable		
Province of Nova Scotia (note 3)	6,668,240	6,139,036
Government of Canada (note 4)	460,796	401,828
Other	1,900,454	2,076,113
	9,029,490	8,616,977
Province of Nova Scotia, other		
Retirement service awards receivable – teaching (note 5)	762,749	821,045
Retirement service awards receivable – non-teaching (note 5)	237,935	363,884
Sick leave receivable – teaching (note 6)	14,656,372	15,217,690
Sick leave receivable – non-teaching (note 6)	1,465,609	1,534,878
	17,122,665	17,937,497
Restricted cash and investment – scholarships	373,813	371,518
Total financial assets	43,087,092	42,207,524
FINANCIAL LIABILITIES		
Payables and accruals – trade	3,927,251	2,613,369
Teachers' salary payable	2,515,300	2,485,700
Non-teaching vacation pay payable	1,172,303	1,022,593
Other salary payable	2,536,438	2,211,352
	10,151,292	8,333,014
Payables and accruals – government		
Province of Nova Scotia	114,065	14,717
Government of Canada	246	84
Municipalities	33,034	1,486
	147,345	16,287
Province of Nova Scotia, other		
Retirement service awards obligation – teaching (note 5)	762,749	821,045
Retirement service awards obligation – non-teaching (note 5)	237,935	363,884
Accrued sick leave obligation – teaching (note 6)	14,656,372	15,217,690
Accrued sick leave obligation – non-teaching (note 6)	1,465,609	1,534,878
	17,122,665	17,937,497
Contaminated sites liability (note 7)	451,675	450,785
Liability for future environmental clean-up (note 8)	2,902,900	2,897,180
Deferred revenue	6,308,376	7,368,495
Scholarship trust funds	373,813	371,518
Total financial liabilities	37,458,066	37,374,776
NET FINANCIAL ASSETS	5,629,026	4,832,748
NON-FINANCIAL ASSETS		
Prepaid expenses	835,099	1,036,503
Tangible capital assets (note 9)	225,525	164,903
Total non-financial assets	1,060,624	1,201,406
ACCUMULATED SURPLUS	\$ 6,689,650	\$ 6,034,154

Contingencies (note 15)

See accompanying notes to financial statements.

On behalf of the Centre for Education

 Deputy Minister

 Regional Executive Director

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Statement of Operations

Year ended March 31, 2020, with comparative figures for 2019

	2020		2019
	Budget	Actual	Actual
REVENUES			
Province of Nova Scotia	\$ 140,621,715	\$ 147,015,812	\$ 139,455,854
Municipal contributions	16,804,789	16,804,789	16,466,400
Board generated	3,394,078	4,977,625	5,144,657
School-based funds (note 2)	4,300,000	4,201,611	4,206,536
Government of Canada	1,280,607	1,391,058	1,377,129
	166,401,189	174,390,895	166,650,576
EXPENSES			
School services	123,720,968	126,370,027	123,376,644
Property services	15,986,920	19,503,653	17,812,909
Transportation	6,275,663	6,388,813	6,673,791
Other programs	6,467,825	6,690,184	4,886,994
School-based funds (note 2)	4,300,000	4,544,721	4,035,262
School services administration	3,690,455	3,883,962	3,928,231
Financial services	1,756,925	1,817,035	1,740,081
Technology services	1,391,468	1,576,336	1,430,361
Human resources	1,023,500	1,027,291	997,112
Operations administration	1,163,659	1,148,867	869,321
Office of the Regional Executive Director	518,806	663,075	564,249
Tangible capital asset amortization	105,000	121,435	88,793
	166,401,189	173,735,399	166,403,748
OPERATING SURPLUS	\$ -	\$ 655,496	\$ 246,828

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Statement of Accumulated Operating Surplus

Year ended March 31, 2020, with comparative figures for 2019

				2020	2019
	Unrestricted	School-based Funds	Reserve	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 1,651,417	\$ 4,307,286	\$ 75,451	\$ 6,034,154	\$ 5,787,326
Operating surplus	960,529	(343,110)	38,077	655,496	246,828
BALANCE, END OF YEAR	\$ 2,611,946	\$ 3,964,176	\$ 113,528	\$ 6,689,650	\$ 6,034,154

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Statement of Change in Net Financial Assets

Year ended March 31, 2020, with comparative figures for 2019

	2020	2019
NET FINANCIAL ASSETS, BEGINNING OF YEAR	\$ 4,832,748	\$ 4,900,388
Changes during the year		
Operating surplus	655,496	246,828
Acquisition of tangible capital assets	(182,057)	(94,206)
Amortization of tangible capital assets	121,435	88,793
Decrease (increase) in prepaid expenses	201,404	(309,055)
Increase (decrease) in net financial assets	775,494	(67,640)
NET FINANCIAL ASSETS, END OF YEAR	\$ 5,629,026	\$ 4,832,748

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Statement of Cash Flows

Year ended March 31, 2020, with comparative figures for 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus	\$ 655,496	\$ 246,828
Non-cash items		
Amortization of tangible capital assets	121,435	88,793
Change in non-cash operating working capital		
(Increase) decrease in accounts receivable	(412,513)	768,027
Decrease (increase) in prepaid expenses	201,404	(309,055)
Increase (decrease) in payables and accruals – trade	1,313,882	(2,158,180)
Increase in salaries payable	504,396	209,583
Increase (decrease) in payables and accruals – government	131,058	(46,826)
Increase (decrease) in contaminated liability	890	(644,215)
Increase in liability for future environmental clean-up	5,720	37,180
(Decrease) increase in deferred revenue	(1,060,119)	2,029,188
	1,461,649	221,323
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of tangible capital assets	(182,057)	(94,206)
INCREASE IN CASH AND CASH EQUIVALENTS	1,279,592	127,117
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	15,281,532	15,154,415
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 16,561,124	\$ 15,281,532
Represented on the financial statements by		
General	\$ 12,060,806	\$ 10,813,884
School-based funds	4,500,318	4,467,648
	\$ 16,561,124	\$ 15,281,532

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Scholarship Fund Financial Position

March 31, 2020, with comparative figures for 2019

	2020	2019
ASSETS		
Cash and investments	\$ 373,813	\$ 371,518
FUND BALANCE		
Rossetti	\$ 161,890	\$ 161,097
George MacKay Bursary	148,632	147,761
Annie Bell Grady Memorial	18,739	18,283
Townsend	1,030	1,020
McDonagh	5,356	5,324
Panagiotakos	9,166	9,065
McQuarrie	3,088	3,105
Annie Hall	1,963	1,945
C.J.C.B.	3,994	3,994
Daniel Munroe	2,991	2,967
John D. MacLeod Memorial	935	932
T.L. Sullivan Memorial	1,857	1,836
Mary Elizabeth Brennan	2,279	2,253
William Hilchie Memorial	3,005	2,971
Isabel MacDermid Memorial	3,249	3,288
Wendell & Diane Coldwell Memorial	737	739
Jon David Corbett	3,079	3,043
Leonard Matheson	1,397	1,383
Ellen Dunn Balah	54	149
Minor Hockey	372	363
	\$ 373,813	\$ 371,518

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Statement of Continuity of Scholarship Fund

Year ended March 31, 2020, with comparative figures for 2019

	Rossetti	MacKay	Grady	Townsend	McDonagh	Panagiotakos	McQuarrie
Balance, beginning of year	\$ 161,097	\$ 147,761	\$ 18,283	\$ 1,020	\$ 5,324	\$ 9,065	\$ 3,105
Interest earned	2,093	3,671	456	25	132	226	48
	163,190	151,432	18,739	1,045	5,456	9,291	3,153
Scholarship awarded	1,300	2,800	–	15	100	125	65
Balance, end of year	\$ 161,890	\$ 148,632	\$ 18,739	\$ 1,030	\$ 5,356	\$ 9,166	\$ 3,088

	Annie Hall	C.J.C.B.	Munroe	MacLeod	Sullivan	Brennan	Hilchie	MacDermid
Balance, beginning of year	\$ 1,945	\$ 3,994	\$ 2,967	\$ 932	\$ 1,836	\$ 2,253	\$ 2,971	\$ 3,288
Interest earned	48	–	74	23	46	56	74	51
	1,993	3,994	3,041	955	1,882	2,309	3,045	3,339
Scholarship awarded	30	–	50	20	25	30	40	90
Balance, end of year	\$ 1,963	\$ 3,994	\$ 2,991	\$ 935	\$ 1,857	\$ 2,279	\$ 3,005	\$ 3,249

	Coldwell	Corbett	Matheson	Dunn Balah	Minor Hockey	2020 Total	2019 Total
Balance, beginning of year	\$ 739	\$ 3,043	\$ 1,383	\$ 149	\$ 363	\$ 371,518	\$ 372,670
Interest earned	18	76	34	55	9	7,215	5,994
	757	3,119	1,417	204	372	378,733	378,664
Scholarship awarded	20	40	20	150	–	4,920	7,146
Balance, end of year	\$ 737	\$ 3,079	\$ 1,397	\$ 54	\$ 372	\$ 378,813	\$ 371,518

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements

Year ended March 31, 2020

The Cape Breton-Victoria Regional Centre for Education is incorporated under the provisions of the Education Act of the Province of Nova Scotia and its principal business activity is operating a regional school system serving the Cape Breton Regional Municipality and the Municipality of the County of Victoria. The Centre for Education is registered as a charitable organization under the Income Tax Act and, therefore, is exempt from income tax and may issue official receipts to donors for income tax purposes.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector which, for purposes of the Centre for Education's financial statements, are represented by the accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA), supplemented where appropriate by other CPA Canada accounting standards or pronouncements.

These financial statements have been prepared using the following significant accounting policies:

(a) Revenues

Revenues are recognized on an accrual basis. Grants received, donations and fees collected in advance of the provision or use of related services are deferred. The main components of revenue are funding from the Province of Nova Scotia, Government of Canada and Municipal contributions.

Each year, contributions by volunteers support the delivery of certain programs within schools. Due to the difficulty in determining or otherwise estimating the value of these contributions and because these services are not otherwise purchased, contributed services are not quantified and recognized in these financial statements.

The Centre for Education recognizes as revenue provincial government transfers representing the year over year change in the accrued retirement and service awards obligation and accrued sick leave obligation as the transfer has been authorized.

(b) Expenses

Expenses are recorded on an accrual basis and include the cost of supply inventories purchased during the year. Provisions are made for contingent liabilities when it is likely that a liability exists and the amount can be reasonably determined. These provisions are updated as estimates are revised.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial assets

Cash and cash equivalents are recorded at cost which approximates market value.

Accounts receivable are recorded at the principal amount less valuation allowance. These allowances are recorded where collectability is considered doubtful.

(d) Financial liabilities

Teachers' salary and benefit costs are accrued at year end. As directed by the Province of Nova Scotia, an offsetting receivable is recorded from the Province. The annual accrual and offsetting receivable are adjusted as required.

Salaries, vacation pay and benefits of non-teaching employees are also accrued at year end. There is no equivalent offsetting receivable from the Province except for vacation pay.

(e) Net financial assets

Net financial assets represents the financial assets less direct financial liabilities of the Centre for Education.

(f) Non-financial assets

Tangible capital assets have useful lives extending beyond the accounting period, are held for use in the production or supply of goods and services and are not intended for sale in the ordinary course of operations. Tangible capital assets are recorded at gross historical cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, construction, development and installation of the tangible capital asset, except interest. Contributions are not netted against the cost of the related tangible asset. All tangible capital assets are capitalized in accordance with Province of Nova Scotia thresholds and are amortized over the estimated useful life of the asset. The amortization expense is recorded in the statement of operations.

Amortization of tangible capital assets is provided using the following methods and annual rate:

Asset	Basis	Rate
Service vehicles	Declining balance	35%

Prepaid expenses are cash disbursements or other transfers of economic resources 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 good or service is used or consumed.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements, continued

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Accumulated surplus

Accumulated surplus represents the financial assets and non-financial assets of the Centre for Education less the financial liabilities. This represents the accumulated balance of net surplus arising from the operations of the Centre for Education.

(h) Scholarship trust funds under administration

The scholarship trust funds represent capital contributed in trust from which the income thereon is used to provide scholarships for eligible students. A schedule of trust funds is included in the financial statements.

(i) Use of estimates

The preparation of the financial statements requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the carrying value of capital assets, valuation of post retirement benefits and obligations, valuation allowance of accounts receivable and obligations resulting from employee contract negotiations.

(j) Financial instruments

Measurement of financial instruments

The Centre for Education initially measures its financial assets and financial liabilities at fair value.

Financial assets subsequently measured at amortized cost includes cash and cash equivalents, restricted cash and accounts receivable.

Financial liabilities subsequently measured at amortized cost includes payables and accruals and payroll related accruals.

The receivable and obligation relating to retirement service awards and sick leave are recorded based on actuarial valuation.

Investments are subsequently measured at fair market value.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements, continued

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Unless otherwise noted, the Centre for Education is not exposed to significant credit, market or liquidity risks arising from these instruments.

(k) Liability for contaminated sites

The Centre for Education accrues a liability to estimate the cost to remediate contaminated sites to the level necessary to allow the property to meet the environmental standard appropriate to its current use of status. This relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The liability is based on estimates and assumptions using the best information available to management.

2. SCHOOL-BASED FUNDS

These financial statements include funds arising from certain school and student activities that are controlled and administered locally by each school, but for which the Centre for Education is accountable. Revenues from school-based funds are recognized as the funds are received. School fund activities are recorded as funds are expended.

Changes in cash held by schools are as follows:

	2020	2019
Opening balance	\$ 4,467,648	\$ 4,321,759
Additions to school-based funds	4,201,611	4,206,536
School funded activities	(4,544,721)	(4,035,262)
Decrease (increase) in prepaids	237,012	(289,553)
Decrease (increase) in accounts receivable	164,355	(125,436)
(Decrease) increase in deferred revenue	(97,403)	370,412
Increase in accounts payable	71,816	19,192
	\$ 4,500,318	\$ 4,467,648

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements, continued

Year ended March 31, 2020

3. ACCOUNTS RECEIVABLE, PROVINCE OF NOVA SCOTIA

	2020	2019
Teachers' salary accrual	\$ 2,515,300	\$ 2,485,700
Environmental liability recovery	2,116,275	2,112,105
TCA capital	1,046,799	849,325
International student program	525,146	415,089
Information economy initiative	306,950	87,621
Other	84,802	95,134
Non-Teaching Directors service award	66,765	64,944
Gas tax rebate	6,203	29,118
	\$ 6,668,240	\$ 6,139,036

4. ACCOUNTS RECEIVABLE, GOVERNMENT OF CANADA

	2020	2019
Harmonized sales tax	\$ 460,796	\$ 401,828

5. RETIREMENT SERVICE AWARDS

Teachers receive a service award upon retirement, disability, death or termination, when entitled to a vested pension, under the contracts between the Nova Scotia Teachers' Union local and the predecessor boards. The contracts prescribe the formulae used in calculating the payment as well as the period over which the payment is to be made.

Non-teaching employees are entitled to 50% of sick leave accrual upon retirement, death, resignation or termination, provided the employee has at least ten years of service or an employee with at least ten years of service on retirement, death, resignation or termination shall be entitled to \$250 for each year of service to a maximum of thirty-five years of service, whichever is greater.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements, continued

Year ended March 31, 2020

5. RETIREMENT SERVICE AWARDS (CONTINUED)

The Province of Nova Scotia assumed responsibility for the payment of service awards for all qualifying Centre for Education employees effective April 1, 2002. As a result, school boards were required to make certain entries on their financial statements beginning with the year ending March 31, 2002, to record the value of projected liabilities, as well as a corresponding receivable from the Province of Nova Scotia. These entries have been determined by the Nova Scotia Department of Finance in relation to an independent actuarial evaluation performed for them. This evaluation calculated the present value of the service awards payable for past services for the Centre for Education to be \$762,749 as of March 31, 2020 (2019 - \$821,045) – teaching; \$237,935 as of March 31, 2020 (2019 - \$363,884) – non-teaching.

The information below provides further detail on the calculation of the accrued retirement service award obligations.

TEACHING

			2020	2019
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 641,323	\$ 179,722	\$ 821,045	\$ 9,502,246
Interest cost	19,798	–	19,798	38,345
Unamortized items recognized on curtailment (prior year)	–	–	–	271,100
Unamortized adjustment for prior year settlement error	–	–	–	82,448
Amortization of actuarial (losses) gains	–	(9,323)	(9,323)	5,740
Benefit payments	(68,771)	–	(68,771)	(8,807,734)
Actuarial loss	4,100	(4,100)	–	(271,100)
Balance, end of year	\$ 596,450	\$ 166,299	\$ 762,749	\$ 821,045

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements, continued

Year ended March 31, 2020

5. RETIREMENT SERVICE AWARDS (CONTINUED)

The information below provides further detail on the calculation of retirement service award expense.

TEACHING

	2020	2019
Interest obligation	\$ 19,798	\$ 38,345
Amortization of actuarial gains (losses)	(9,323)	5,740
Unamortized adjustment for prior year settlement error	-	82,448
	\$ 10,475	\$ 126,533

NON-TEACHING

			2020	2019
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 258,243	\$ 105,641	\$ 363,884	\$ 792,804
Interest cost	7,065	-	7,065	11,630
Unamortized items				
Recognized on curtailment (prior year)	-	-	-	106,455
Amortization of actuarial (loss) gain	-	(52,414)	(52,414)	5,113
Benefit payments	(80,600)	-	(80,600)	(445,663)
Actuarial loss	100	(100)	-	(106,455)
Balance, end of year	\$ 184,808	\$ 53,127	\$ 237,935	\$ 363,884

The information below provides further detail on the calculation of retirement service award expense.

	2020	2019
Interest obligation	\$ 7,065	\$ 11,630
Amortization of actuarial gain (loss)	(52,414)	5,113
	\$ (45,349)	\$ 16,743

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements, continued

Year ended March 31, 2020

6. ACCRUED SICK LEAVE

The Centre for Education has recognized in these consolidated financial statements, the liability associated with accumulated sick leave earned by teaching and non-teaching staff. The Centre for Education has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2018. These entries have been determined by the Nova Scotia Department of Finance in relation to an independent actuarial evaluation performed for them.

This evaluation calculated the present value of the accumulated sick leave for past services for the Centre for Education to be \$14,656,372 as of March 31, 2020 (2019 - \$15,217,690) – teaching; \$1,465,609 as of March 31, 2020 (2019 - \$1,534,878) – non-teaching.

The information below provides further detail on the calculation of the accrued benefit obligation.

TEACHING

			2020	2019
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 9,786,046	\$ 5,431,644	\$ 15,217,690	\$ 15,802,045
Current service cost	668,900	–	668,900	646,000
Interest cost	312,674	–	312,674	317,731
Sick leave taken	(1,007,300)	–	(1,007,300)	(1,006,300)
Amortization of actuarial loss	–	(535,592)	(535,592)	(541,786)
Actuarial loss	33,600	(33,600)	–	–
Balance, end of year	\$ 9,793,920	\$ 4,862,452	\$ 14,656,372	\$ 15,217,690

The information below provides further detail on the calculation of accumulated sick leave expense.

	2020	2019
Current service cost	\$ 668,900	\$ 646,000
Interest cost	312,674	317,731
Amortization of actuarial loss	(535,592)	(541,786)
	\$ 445,982	\$ 421,945

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements, continued

Year ended March 31, 2020

6. ACCRUED SICK LEAVE (CONTINUED)

NON-TEACHING

			2020	2019
	Actual Obligation	Unamortized Gains (Losses)	Total	Total
Balance, beginning of year	\$ 1,542,125	\$ (7,247)	\$ 1,534,878	\$ 1,587,811
Current service cost	166,800	–	168,800	188,908
Interest cost	48,144	–	48,144	52,180
Sick leave taken	(287,200)	–	(287,200)	(300,366)
Actuarial loss	4,000	(4,000)	–	–
Amortization of actuarial loss	–	2,987	2,987	6,345
Balance, end of year	\$ 1,473,869	\$ (8,260)	\$ 1,465,609	\$ 1,534,878

The information below provides further detail on the calculation of accumulated sick leave expense.

	2020	2019
Current service cost	\$ 166,800	\$ 188,908
Interest cost	48,144	52,180
Amortization of actuarial loss	2,987	6,345
	\$ 217,931	\$ 247,433

7. CONTAMINATED SITES

The Province of Nova Scotia has established under the Environment Act and under the OH&S Act regulations and codes of practice for dealing with asbestos containing materials. These include regulations for the disposal of asbestos containing materials and codes of practice for management of and for removal of asbestos containing materials. Nova Scotia's Department of Labour and Advanced Education considers building materials as asbestos containing if it contains asbestos at a concentration greater than or equal to 0.5% asbestos fibers.

Asbestos is present in one of our buildings that is no longer in productive use. Remediation will be part of any demolition project or sale of such building. The cost per square foot for the liabilities recorded in the financial statements was based on current demolition costs. It is expected this building will either be demolished or sold within the current fiscal year.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements, continued

Year ended March 31, 2020

8. LIABILITY FOR FUTURE ENVIRONMENTAL CLEAN-UP

The Centre for Education has identified three properties that are either scheduled for closure or renovation that have asbestos containing materials greater than provincial standards referred to in note 7. The Centre for Education has recorded a liability based on management's best estimate of the cost of remediation and has recorded a receivable from the Province of Nova Scotia for its commitment to fund the renovation at one affected school.

9. TANGIBLE CAPITAL ASSETS

			2020	2019
	Cost	Accumulated amortization	Net	Net
Service vehicles	\$ 1,651,029	\$ 1,425,504	\$ 225,525	\$ 164,903

10. DEFERRED TEACHERS' SALARIES

Under the terms of the teachers' contract, the Centre for Education withholds a portion of certain eligible teachers' salaries and deposits it with the Nova Scotia Teachers' Credit Union. These amounts are subsequently withdrawn by the teachers in a year when they are on leave of absence. As of March 31, 2020, the Board had \$534,823 (2019 - \$386,512) of such funds on deposit together with a corresponding liability of \$534,823 (2019 - \$392,674).

11. PENSION PLANS

(a) Teachers

The Centre for Education's teachers are members of the pension plan established by the Province of Nova Scotia pursuant to the Teachers' Pension Act. The Province of Nova Scotia has accepted responsibility for funding this plan. A provision is included in the Centre for Education's statement of operations for the related pension amounts in the amount of \$10,424,300.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements, continued

Year ended March 31, 2020

12. PENSION PLANS (CONTINUED)

(b) Non-teachers

The Centre for Education's Canadian Union of Public Employees (CUPE) staff participate in a money purchase pension plan which is accounted for by the Centre for Education as a defined contribution plan. Employer pension costs of \$1,178,139 (2019 - \$1,084,630) are included in the statement of operations which represent the cost of employer contributions for current service of participating employees during the year. Employees and the Centre for Education both contribute at the rate of 5% (CUPE) and 9% (Confidential non-CUPEW) of pensionable earnings.

The Centre for Education also contributes to an RRSP plan for its (Confidential non-CUPE) employees. Employees and the Centre for Education both contribute at the rate of 9% of pensionable earnings. Included in the March 31, 2020 statement of operations are employer contributions of \$114,653 (2019 - \$73,413), which represents the pension cost to the Centre for Education.

12. INSURANCE

The Centre for Education is a member of the School Insurance Exchange, which provides all insurance coverage, with the exception of fleet insurance, which is contracted to a private carrier.

13. RELATED PARTY TRANSACTIONS

These financial statements do not include certain expenses paid on behalf of the Centre for Education by the Province of Nova Scotia, including but not limited to:

- P-3 schools and facilities leases and operating costs, and
- Payments for the medical premiums.

14. FINANCIAL INSTRUMENTS

The Centre for Education is exposed to various risks through its financial instruments and includes the following significant risk at March 31, 2020.

Credit risk

The Centre for Education's exposure to credit risk relates to accounts receivable and arises from the possibility that creditors do not fulfill their obligations. This risk is mitigated due to receivables being from various levels of government based on approved agreements.

The Centre for Education performs continuous evaluation of its accounts receivable.

CAPE BRETON-VICTORIA REGIONAL CENTRE FOR EDUCATION

Notes to Financial Statements, continued

Year ended March 31, 2020

14. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Centre for Education will encounter difficulty raising funds to meet its liabilities. This is mitigated through regular monitoring of cash flows.

15. CONTINGENCIES

The Board has been named a defendant in a legal matter and other grievances. The outcome of the matters is not determinable and settlement, if any, will be accounted for as a charge to operations in the period of settlement.

16. SUBSEQUENT EVENT

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and the spread of the virus has severely impacted many economies around the globe. The Province of Nova Scotia declared a Provincial State of Emergency on March 22, 2020 and all public schools in the province were closed effective March 23, 2020. The closure has remained in effect for the duration of the 2019-20 school year. The Centre for Education has also taken significant measures to follow public health protocols including closing the regional office to the public, social distancing, and limiting non-essential travel. Despite the closure of public schools, a continuity of learning plan was implemented for students and all permanent and long-term casual employees continued to be paid.

The Centre for Education has assessed its ability to continue as a going concern. The financial and operational impact to future operations is unknown as the situation is dynamic and the duration of impacts is not known at this time. However, at the time of the financial statement date, there is no indications the Centre for Education will have difficulty meeting cash flow needs or collecting accounts receivable and the Department of Education and Early Childhood Development will continue providing funding to the Centre for Education.

17. COMPARATIVE FIGURES

Certain 2019 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.