



Consolidated Financial Statements

South Shore Regional Centre for Education

March 31, 2020

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South Shore Regional Centre for Education

Consolidated Financial Statements

March 31, 2020

Management's Responsibility for the Consolidated Financial Statements

The consolidated 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 of the notes to the consolidated financial statements and supplementary schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies are described in Note 2 to the consolidated financial statements. The preparation of consolidated 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 consolidated financial statements.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the South Shore 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 consolidated financial statements.

On behalf of the South Shore Regional Centre for Education



Tiffany Joudrey, CPA, CA
Acting Director of Finance



Paul Ash
Regional Executive Director

June 26, 2020

Independent auditor's report

Honourable Zach Churchill - Minister,
Education and Early Childhood Development

Opinion

We have audited the consolidated financial statements of South Shore Regional Centre for Education ("the Regional Centre"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of South Shore Regional Centre for Education as at March 31, 2020, and its results of operations, its changes in its net financial assets, 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 Consolidated Financial Statements* section of our report. We are independent of the Regional Centre in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 – Supplementary Financial Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 26 to 33 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 decisions of users taken on the basis of these consolidated 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 consolidated 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 Entity'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 Entity'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 consolidated 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants

Bridgewater, Canada
June 26, 2020

South Shore Regional Centre for Education Consolidated Statement of Financial Position

As at March 31

2020

2019

Financial Assets

Cash and Cash Equivalents	\$ 1,424,998	\$ 1,095,448
Cash Held by Schools (Note 4)	2,327,119	2,271,760
	<u>\$ 3,752,117</u>	<u>\$ 3,367,208</u>
Accounts Receivable		
Province of Nova Scotia	\$ 1,595,747	\$ 1,554,336
Government of Canada	189,152	185,603
Other	694,784	497,705
	<u>\$ 2,479,683</u>	<u>\$ 2,237,644</u>
Accrued Benefit Asset (Note 5)	3,531,200	3,612,400
Receivable - Service Award Allowance (Note 9)	627,435	696,877
Receivable - Sick Leave Allowance (Note 10)	9,332,099	9,277,326
Total Financial Assets	<u>\$ 19,722,534</u>	<u>\$ 19,191,455</u>

Financial Liabilities

Accounts Payable and Accrued Liabilities	\$ 1,621,219	\$ 1,286,960
Accrued Payroll and Employee Deductions	2,444,025	2,061,029
	<u>\$ 4,065,244</u>	<u>\$ 3,347,989</u>
Payables and Accruals - Government		
Province of Nova Scotia	\$ 102,048	\$ 72,994
Municipalities	82,122	69,304
Other (Government Service Organizations)	18,897	61,165
	<u>\$ 203,067</u>	<u>\$ 203,463</u>
Deferred Revenue (Note 12)	2,377,011	2,685,881
Service Award Obligations (Note 9)	627,435	696,877
Sick Leave Obligations (Note 10)	9,332,099	9,277,326
Total Financial Liabilities	<u>\$ 16,604,856</u>	<u>\$ 16,211,536</u>

Net Financial Assets

	<u>\$ 3,117,678</u>	<u>\$ 2,979,919</u>
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Non-Financial Assets

Tangible Capital Assets (Schedule C)	\$ 384,054	\$ 350,476
Inventory	242,025	216,224
Prepaid Expenses	380,194	76,451
	<u>\$ 1,006,273</u>	<u>\$ 643,151</u>

Accumulated Surplus (Note 3)

	<u>\$ 4,123,951</u>	<u>\$ 3,623,070</u>
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Trust Funds Under Administration (Note 6 and Schedules D and E)

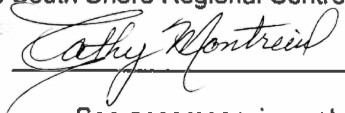
Contractual Obligations (Note 7)

Contingent Liabilities (Note 8)

Subsequent Event (Note 16)

On Behalf of the South Shore Regional Centre for Education

Deputy Minister



Regional Executive Director



See accompanying notes to the consolidated financial statements.

South Shore Regional Centre for Education

Consolidated Statement of Operations and Surplus

For the year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule A)			
Province of Nova Scotia	\$ 66,836,918	\$ 68,318,277	\$ 64,484,137
Government of Canada	224,535	481,404	224,478
Municipal Contributions	19,274,066	19,274,066	18,961,500
School Based Funds (Note 4)	3,000,000	3,131,839	2,896,409
Regional Centre Operations	2,015,615	2,174,859	2,077,116
Total Revenues	<u>\$ 91,351,134</u>	<u>\$ 93,380,445</u>	<u>\$ 88,643,640</u>
Expenditures (Schedule B)			
Regional Executive Director	\$ 367,287	\$ 374,471	\$ 463,780
Financial Services	703,952	684,465	696,246
Human Resource Services	629,717	542,476	661,137
School Services	70,461,959	71,365,730	68,342,521
Operations Services	13,982,003	14,875,785	13,937,355
Other Non-PSP Programs	2,206,216	1,967,280	1,040,134
School Based Funds (Note 4)	3,000,000	3,069,357	2,926,083
Total Expenditures	<u>\$ 91,351,134</u>	<u>\$ 92,879,564</u>	<u>\$ 88,067,256</u>
Regional Centre Surplus	\$ -	\$ 500,881	\$ 576,384
Accumulated Surplus, Beginning of Year		<u>3,623,070</u>	<u>3,046,686</u>
Accumulated Surplus, End of Year		<u>\$ 4,123,951</u>	<u>\$ 3,623,070</u>

South Shore Regional Centre for Education

Consolidated Statement of Changes in Net Financial Assets

For the year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Net Financial Assets, Beginning of Year	\$ 2,979,919	\$ 2,979,919	\$ 2,144,939
Changes in the Year			
Regional Centre Surplus	-	500,881	576,384
Amortization of Tangible Capital Assets	108,723	89,923	68,358
Acquisition of Tangible Capital Assets	-	(123,501)	(108,767)
(Increase) Decrease in Inventory	-	(25,801)	19,332
(Increase) Decrease in Prepaid Expenses	-	(303,743)	279,673
Increase in Net Financial Assets	<u>108,723</u>	<u>137,759</u>	<u>834,980</u>
Net Financial Assets, End of Year	<u>\$ 3,088,642</u>	<u>\$ 3,117,678</u>	<u>\$ 2,979,919</u>

See accompanying notes to the consolidated financial statements.

South Shore Regional Centre for Education

Consolidated Statement of Cash Flows

For the year ended March 31

2020

2019

Increase (decrease) in cash and cash equivalents

Operating transactions

Regional Centre Surplus	\$	500,881	\$	576,384
Items not affecting cash:				
Amortization of Tangible Capital Assets		89,923		68,358
		<u>590,804</u>		<u>644,742</u>

Changes in Non-Cash Working Capital

(Increase) Decrease in Accounts Receivable	(242,039)	2,182,070
Decrease (Increase) in Accrued Benefit Asset	81,200	(682,900)
Decrease in Receivable - Service Award Allowance	69,442	4,198,946
Increase in Receivable - Sick Leave Allowance	(54,773)	(29,940)
(Increase) Decrease in Inventory	(25,801)	19,332
(Increase) Decrease in Prepaid Expenses	(303,743)	279,673
Increase (Decrease) in Accounts Payable and Accruals	716,859	(1,794,710)
(Decrease) Increase in Deferred Revenue	(308,870)	444,100
Decrease in Service Award Obligations	(69,442)	(4,198,946)
Increase in Sick Leave Obligations	54,773	29,940
	<u>(82,394)</u>	<u>447,565</u>

Cash Provided by Operating Activities

508,410 1,092,307

Capital transactions

Acquisition of Tangible Capital Assets	<u>(123,501)</u>	<u>(108,767)</u>
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Increase in Cash and Cash Equivalents

384,909 983,540

Cash and Cash Equivalents, Beginning of Year

3,367,208 2,383,668

Cash and Cash Equivalents, end of Year

\$ 3,752,117 \$ 3,367,208

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

1. Nature of Operations

As of March 31, 2018, the South Shore Regional Centre for Education (the “Regional Centre”) is a corporation sole with the Minister of Education and Early Childhood Development as the sole Director. The Regional Centre provides a full range of educational services for all instructional programs from Grade Primary through Grade 12 at public schools within Lunenburg and Queens Counties. The Regional Centre 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 in accordance with the Regional Centre’s policy.

2. Financial Reporting and Accounting Policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards, which for purposes of the Regional Centre’s consolidated financial statements are represented by accounting recommendations of the CPA Canada Public Sector Accounting Board (PSAB), supplemented where appropriate by other CPA Canada accounting standards or pronouncements.

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

Reporting Entity

The consolidated statement of financial position is presented using the principles of consolidation prescribed by the Department of Education.

Trust funds are not included in the consolidation as they are not controlled by the Regional Centre.

School based funds, which include the assets, liabilities, revenue and expenses of the various school and student activities that are controlled and administered at the school level but for which the Regional Centre is accountable are reflected in the consolidated financial statements.

For a detailed review the reader should refer to the consolidated financial statements of each fund as presented in these consolidated financial statements.

Revenues

Government transfers for operating and capital purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer(s) from the Government.

All non-government contributions that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted receipts received before the criteria has been met is reported as a defined revenue until the resources are used for the purpose or purposes specified.

The Regional Centre recognizes as revenue, the provincial government transfers representing the year over year change in accrued benefit obligations as the transfer has been authorized.

International Student Program revenues are recognized as revenue when the related service is rendered.

Rental income is recognized straight line over the term of the lease.

Investment income is recognized as revenue in the year in which it is earned.

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

2. Financial Reporting and Accounting Policies (continued)

Expenditures

Expenditures are the cost of goods and services acquired in the period whether or not payment has been made or invoices recorded. Expenditures are recorded on the accrual basis and include the cost of supply inventories purchased during the year. Provisions are made for probable losses on certain loans, investments, accounts receivable, and 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, at least annually.

Use of Estimates

In preparing the Regional Centre's consolidated 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 and reported amounts of revenue and expenses. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets, valuation allowances for receivables, and assets and obligations related to employee future benefits. Actual amounts could differ from these estimates.

Financial Instruments

The Regional Centre's financial instruments include receivables, cash and cash equivalents, bank indebtedness, payables, due to/from related parties. Unless otherwise noted, it is management's opinion that the Regional Centre is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, except for payables to related parties, for which fair value was not readily determinable.

Financial Assets

Cash and cash equivalents are recorded at cost which approximates market value. Accounts receivable are recorded at the principal amount less valuation allowances, if applicable.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money instruments with original maturities of three months or less.

Liabilities

Pension, retirement and other obligations include various employee benefits. For purposes of these consolidated financial statements, the Regional Centre's pension liabilities are calculated using an accrued benefits actuarial method and using accounting assumptions which reflect the Regional Centre's best estimates of performance over the long-term. The net pension liabilities represent accrued pension benefits less the market related value of pension assets (if applicable) and the balance of unamortized experience gains and losses.

Deferred Revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year that the related expenditures are incurred or service performed.

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

2. Financial Reporting and Accounting Policies (continued)

Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into the air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. The Regional Centre: a) is directly responsible; or b) accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

As at March 31, 2020 there are no known contaminated sites identified.

Net Financial Assets

Net financial assets represent the financial assets of the Regional Centre less financial liabilities.

Non-Financial Assets

Inventories are bus garage parts and bus tire inventories recorded at average cost. All other supplies and purchases are expensed.

Tangible Capital 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 net historical cost, when applicable. Tangible capital assets include major equipment and vehicles. Tangible capital assets do not include intangibles or assets acquired by right. The buildings and school buses financed by the Province of Nova Scotia and transferred to the Regional Centre's are not accounted for in the Regional Centre's consolidated financial statements; rather they are included in the Province of Nova Scotia's financial statements. The Regional Centre adopted the Province of Nova Scotia's Tangible Capital Assets Accounting Policy thresholds and only those assets meeting the thresholds are recorded as additions.

The thresholds and amortization rates as defined in the policy are as follows:

	<u>Threshold</u>	<u>Rates</u>
Buildings	\$250,000	5%
Building Improvements	\$150,000	5%
Leasehold Improvements	\$150,000	Lease term (SL)
Computer Hardware	\$25,000	50%
Vehicles	\$15,000	35%
Major Equipment	\$50,000	20%
Furniture, Equipment & Technology	\$300,000	30%
Software	\$250,000	50%

Prepaid Expenses and Inventories

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 good or service is used or consumed.

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

3. Accumulated Surplus

Accumulated Surplus represents the financial assets and non-financial assets of the Regional Centre less financial liabilities. This represents the accumulated balance of net surplus arising from the operations of the Regional Centre and school generated funds. The designation of Accumulated Surplus is as follows:

	<u>2020</u>	<u>2019</u>
Operating - Unrestricted, Beginning of Year	\$ 1,883,461	\$ 1,277,403
Regional Centre Surplus	<u>500,881</u>	<u>576,384</u>
	\$ 2,384,342	\$ 1,853,787
Operating (Surplus) Deficit - Designated to School Funds	<u>(62,482)</u>	<u>29,674</u>
Operating - Unrestricted, End of Year	\$ 2,321,860	\$ 1,883,461
School Funds - Restricted, Beginning of Year	\$ 1,739,609	\$ 1,769,283
School Funds - Restricted, Surplus (Deficit) for Year	<u>62,482</u>	<u>(29,674)</u>
School Funds - Restricted, End of Year	\$ 1,802,091	\$ 1,739,609
Accumulated Surplus, End of Year	<u>\$ 4,123,951</u>	<u>\$ 3,623,070</u>

4. Cash Held by Schools

These consolidated financial statements include school generated funds arising from certain school and student activities that are controlled and administered by each school, but for which the Regional Centre is accountable. Revenue from school funds is recognized as the funds are received. School funded activity expenditures are recorded as the funds are expended. School Generated Funds include the revenues and expenditures and fund balances of various organizations that exist at the school level under the jurisdiction of the Regional Centre. Changes in cash held by schools are as follows:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year excluding deferred	\$ 2,271,760	\$ 2,368,876
Additions to school generated funds	3,131,839	2,896,409
School funded activity expenditures	<u>(3,069,357)</u>	<u>(2,926,083)</u>
Net school generated funds for year	<u>62,482</u>	<u>(29,674)</u>
Balance before deferred	2,334,242	2,339,202
Change in deferred revenue (Note 12)	<u>(7,123)</u>	<u>(67,442)</u>
Balance, end of year	<u>\$ 2,327,119</u>	<u>\$ 2,271,760</u>

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

5. Defined Benefit Pension Plans

Details on the defined benefit plans were provided by Morneau Shepell on June 5, 2020 and have been determined by them in accordance with PS 3250 for the South Shore Regional Centre for Education C.U.P.E. Staff Pension Plan (the "CUPE Plan") and the South Shore Regional Centre for Education Support Staff Pension Plan (the "Support Staff Plan").

Plan assets used for purposes of the accounting valuation were based on the market value of assets as at December 31, 2018 and December 31, 2019, as presented in the consolidated financial statements provided by Desjardins Financial Security as at those dates. These assets were then adjusted for amounts in transit. Contributions to the Plans, benefits and investment earnings were determined from the consolidated financial statements.

To calculate the Plan's liabilities, Morneau Shepell used the Plan provisions as at January 1, 2020.

The most recent valuations of the Plans for funding purposes were performed on December 31, 2016. The next funding valuation of the plan is required to be completed for December 31, 2019. This report was not available as of the date of the audit report.

The following table summarizes the actuarial assumptions and methods used for the valuation:

Actuarial Cost Method	Projected Unit Credit prorated on service	
Discount Rate	5.25% per year	
Expected Return on Plan Assets	5.25% per year	
Salary Increases	2.75% per year	
Mortality	CPM-2014 Public Mortality Table with generational projection using improvement scale CPM-B with size adjustment factors Sex distinct No pre-retirement mortality	
Termination of Employment	<u>Age</u>	<u>Termination</u>
	25	20.0%
	30	11.2%
	35	6.3%
	40	3.4%
	45	1.8%
	50	1.2%
	55	0.7%
Termination Election	50% of terminated members elect a deferred pension	
Discount Rate for members assumed to elect a commuted value transfer upon termination	4.25%	
Disability	None	
Retirement: CUPE Plan	Age 65 (or in one year, later)	
Support Staff Plan	Age 60 (or in one year, later)	
Administrative Expenses	Implicitly recognized in the discount rate	

The following table shows the CUPE and Support Staff Plans' pension expense for the 2020 fiscal year, and the accrued benefit asset/(liability) as at March 31, 2020.

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

5. Defined Benefit Pension Plans (continued)

Fiscal 2020 Expense	CUPE	Support Staff	Total
Service Cost (net of employee contributions)	\$ 368,600	\$ 846,400	\$ 1,215,000
Amortization of Actuarial Losses	68,100	129,600	197,700
Pension Interest Expenditure/Expense:			
Interest Cost on the Accrued Benefit Obligation	828,300	1,427,500	2,255,800
Expected Return on Plan Assets	(843,100)	(1,472,000)	(2,315,100)
Total 2020 Pension Expense	\$ 421,900	\$ 931,500	\$ 1,353,400
Expected Average Remaining Service Lifetime	11 years	9 years	

Development of Accrued Benefit Asset as at March 31, 2020

	CUPE	Support Staff	Total
Accrued Benefit Asset as at March 31, 2019	\$ 1,240,600	\$ 2,371,800	\$ 3,612,400
Fiscal 2020 Expense	(421,900)	(931,500)	(1,353,400)
Fiscal 2020 Centre for Education Contributions	383,800	888,400	1,272,200
Accrued Benefit Asset as at March 31, 2020	\$ 1,202,500	\$ 2,328,700	\$ 3,531,200

The following table shows the disclosure figures (assets and accrued benefit obligation) as at the end of fiscal 2020 (i.e. measured at December 31, 2019), and the reconciliation of the accrued benefit asset (liability) as at that date. The assets are actual market value as at December 31, 2019, adjusted for amounts in transit.

Reconciliation of Accrued Benefit Asset as at March 31, 2020

	CUPE	Support Staff	Total
Pension Fund Assets	\$ 18,567,100	\$ 32,866,400	\$ 51,433,500
Less: Accrued Benefit Obligation	16,831,600	29,410,900	46,242,500
Funded Status as at March 31, 2020	1,735,500	3,455,500	5,191,000
Plus: Unamortized Actuarial Losses	(627,300)	(1,351,300)	(1,978,600)
Plus: Employer Contributions January to March 2020	94,300	224,500	318,800
Accrued Benefit Asset as at March 31, 2020	\$ 1,202,500	\$ 2,328,700	\$ 3,531,200

Other Pension Plans

The Regional Centre's teaching staff is covered by a pension plan established by the Province of Nova Scotia pursuant to the Teachers' Pension Act. Employer contributions for these employees are provided directly by the Province of Nova Scotia. Costs and the related funding provided by the Province have been reflected in these consolidated financial statements. The pension costs and obligations related to these plans are the direct responsibility of the Province. No assets or liabilities related to this plan are included in the Regional Centre's consolidated financial statements.

Some non-teaching employees are covered by a multi-employer defined pension plan held on behalf of the Regional Centre by the Nova Scotia Common Services Bureau.

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

6. Trust Funds under Administration

Trust fund assets administered by the Regional Centre are identified in Schedule D. The Trust funds represent capital contributed in trust as well as income thereon. The Trust funds are used primarily to provide scholarships for eligible students or for expenditures for specifically, designated purposes.

7. Contractual Obligations

Contractual obligations over \$100,000 in total in future years are as follows:

	Rental Leases
2021	\$ 174,757
2022	54,245
Total	<u>\$ 229,002</u>

8. Contingent Liabilities

There are several outstanding grievances and claims against the Regional Centre. The outcomes of these grievances and claims are not determinable. Any settlements resulting from arbitration or resolution of these claims will be treated as a charge to operations in the period the settlement occurs.

9. Service Award Obligations

Summary of Service Award Obligation

The last actuarial valuation for teacher service awards was conducted as at July 31, 2018. The actuarial liabilities for Teachers service awards as at March 31, 2020 were extrapolated based on the latest actuarial valuations. The actuarial valuation for the non-teacher service awards was as at March 31, 2018 and was extrapolated to March 31, 2020.

	<u>2020</u>	<u>2019</u>
Service Awards - Teachers	\$ 605,361	\$ 660,445
Service Awards - Non-Teachers	<u>22,074</u>	<u>36,432</u>
Total Service Award Obligations – Teachers and Non-Teachers	<u>\$ 627,435</u>	<u>\$ 696,877</u>

The Regional Centre has recognized in these consolidated financial statements the liability associated with service awards earned by staff. The Regional Centre has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2020.

In Fiscal 2018, eligible employees (teachers and non-union) were provided an opportunity to elect for an early service payout in lieu of their retirement allowance. This one-time election ended March 29, 2018 with election uptake as 89% for teachers and 93% for non-union. The total amount of early service payouts paid in early Fiscal 2019 was \$4 million.

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

9. Service Award Obligations (continued)

I. Service Awards – Teachers

For all service on or before July 31, 2000, under the terms of agreements with local units of the Nova Scotia Teachers' Union (NSTU), the Regional Centre is required to pay a service award to each teacher who accumulates a minimum of fifteen years' service with the Regional Centre. The amounts of the awards are as follows:

Queens District	0.45 of 1% of a TC5 - MAX per year of service (maximum 35 years)
Lunenburg District	\$200 per year of service (maximum 35 years)

For all service commencing on or after August 1, 2000 under the terms of agreement with the NSTU and the Province of Nova Scotia, the Regional Centre is required to pay a service award to each teacher who accumulates a minimum of fifteen years' service with the Regional Centre. The amount of the award is as follows: .75 of 1% for each year of service with the Regional Centre multiplied by the annual salary rate on the last day of employment with the Regional Centre.

For all service commencing on or before August 1, 2002 under the terms of agreement with the NSTU and Province of Nova Scotia the Regional Centre is required to pay a service award to each teacher who accumulates a minimum of ten years of service with the Regional Centre. The amount of the award is as follows: 1% of each year of service with the Regional Centre to a maximum of 30 years multiplied by the annual salary rate (including any administration allowance) on the last day of employment with the Regional Centre.

The Province of Nova Scotia assumed responsibility for the payment of Service Awards for teachers effective April 1, 2002. The Regional Centre has recorded a service award and interest expense for the service awards for teachers, as provided by the Province of Nova Scotia.

The valuations and extrapolations reflect the benefit provisions of the retirement allowance programs as of the measurement date with the possible exception that the actuary was directed by the Province of Nova Scotia to reflect the freeze of service accrual under the retirement allowance programs as at April 1, 2015.

Section 3250 requires that all unamortized gains and losses be recognized on plan curtailment. Actuarial gains and losses that are revealed after the plan curtailment are to be amortized over the expected average remaining service life ("EARSL") of active employees.

Eckler Ltd. provided the Province with post-retirement benefit disclosures as at March 31, 2020 under section 3250 of the CPA Canada Public Sector Accounting Handbook.

Actuarial Assumptions

Discount Rate on Liabilities:	<ul style="list-style-type: none"> 3.29% per annum for fiscal 2018/19 expense determination, and March 31, 2019 benefit obligation 3.24% per annum for fiscal 2019/20 expense determination, and March 31, 2020 benefit obligation
Retirement Age:	<ul style="list-style-type: none"> 50% at Rule of 85, remainder at earlier of 35 years of credited service, age 62 with 10 years of credited service, and age 65 with 2 years of credited service
Mortality:	<ul style="list-style-type: none"> No pre-retirement mortality assumed
Withdrawal Prior to Retirement:	<ul style="list-style-type: none"> No termination prior to retirement assumed

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

9. Service Award Obligations (continued)

Salary Growth Rate:	<ul style="list-style-type: none"> 1.5% at April 1, 2018, 0.5% at March 31, 2019, 1.5% at April 1, 2019, 0.5% on March 31, 2020, 1.5% on April 1, 2020, 0.5% on March 31, 2021, and 2% per annum beginning April 1, 2020 plus promotional scale for March 31, 2019 benefit obligation, 2019/2020 expense determination, March 31, 2020 benefit obligation 	
	Age Group	Annual Increase
	< 30	3.25%
	30 – 34	2.75%
	35 – 39	2.25%
	40 – 44	1.75%
	45 – 49	1.25%
	50 & over	0.75%
	60 +	0%

Continuity of Service Award Allowance Liability - Teachers

	<u>2020</u>	<u>2019</u>
Opening benefit obligation, beginning of the year	\$ 442,725	\$ 4,806,731
Interest on obligation	13,501	26,830
Less: benefits paid	(56,050)	(4,117,336)
Actuarial losses (gains)	2,000	(273,500)
Closing benefit obligation, end of year	\$ 402,176	\$ 442,725
Pension assets, at market related values	-	-
Funded status - deficiency	(402,176)	(442,725)
Unamortized actuarial gains	(203,185)	(217,720)
Accrued Benefit Liability - Teachers	\$ (605,361)	\$ (660,445)

II. Service Awards – Non-Teachers

Eckler has prepared disclosure figures under PS 3250 of the CPA Canada Public Sector Accounting Handbook. Retiring allowance benefit descriptions and copies of the relevant parts of the collective agreements and letters of understanding for the different Regional Centres and union/non-union groups were provided by the Province of Nova Scotia ("the Province").

Non-union members hired before April 1, 2009 with 15 years of service at April 1, 2015 are entitled to a payment upon retirement of 1% per year of service at April 1, 2015 to a maximum of 25 years.

An actuarial valuation has been obtained by the Province of Nova Scotia which has been prepared under Section 3250 of the CPA Canada Public Sector Accounting Handbook ("Section 3250"). Retiring allowances benefits descriptions and copies of the relevant parts of the collective agreements and letters of understanding for the different Regional Centres and union/non-union groups were provided by the Province of Nova Scotia ("the Province").

The calculations have been carried out based on the data provided by the Province of Nova Scotia. This information was supplemented by data supplied by the individual Regional Centres. The data included the period of continuous service with the Province, the date of birth, annual salary and contractual hours of work and some detail regarding frozen awards.

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

9. Service Award Obligations (continued)

The valuations and extrapolations reflect the benefit provisions of the retirement allowance programs as of the measurement date with the possible exception that the actuary was directed by the Province of Nova Scotia to reflect the freeze of service accrual under the retirement allowance programs as at April 1, 2015. The actuarial valuations noted the collective agreements that incorporate the service freeze under the retirement allowance programs have not been ratified as of the date of their report. Based on correspondence with the Province of Nova Scotia, it was the actuaries understanding that it was the Government's assertion that the changes to freeze service under the retirement allowance programs as at April 1, 2015 are virtually definitive based on the steps it has put in place. As per provincial direction, a curtailment of the retirement allowance programs was reflected as at April 1, 2015 as provided in the actuary calculation and disclosures for Fiscal 2016. Should this not be the case, the calculation and disclosures will need to be revised along with those provided for Fiscal 2016, Fiscal 2017, Fiscal 2018 and Fiscal 2019.

Non-union non-teaching employees were offered a one-time option to elect an immediate payout of their retirement allowance benefit based on their rate of pay as at March 31, 2018. Employee elections were completed in March 2018 with payments made in early Fiscal 2019. The immediate payment of accrued benefits triggered a settlement under PS3250. The actuary had reflected the settlement in Fiscal 2018 as at March 31, 2018 with benefit payments made in Fiscal 2019.

Section 3250 requires that all unamortized gains and losses be recognized on plan curtailment. Actuarial gains and losses that are revealed after the plan curtailment are to be amortized over the expected average remaining service life ("EARSL") of active employees.

An actuarial estimate was provided to the Province with post-retirement benefit disclosures as at March 31, 2020 under section 3250 of the CPA Canada Public Sector Accounting Handbook.

All assumptions used in the Retiring Allowance valuation have been chosen by the Province. The assumptions are summarized in the table below.

Valuation Date	March 31, 2018
Discount Rate on Liabilities	<ul style="list-style-type: none"> • 3.29% per annum for fiscal 2018/19 expense determination • 3.24% per annum for fiscal 2019/20 expense determination and March 31, 2020 benefit obligation
Retirement Age	<ul style="list-style-type: none"> • 10% at age 59 • 20% at age 60 • 10% at each age 61-64 • 50% at each age 65-69 • 100% at age 70 • However, above rates are adjusted to 20% each year on or after earliest unreduced retirement date, if greater, and 40% at 35 years of service (earliest unreduced retirement date is the earlier of age 60 with 2 years of service or age 50 with 80 points if hired before April 6, 2010 or age 55 with 85 points if hired on or after that date)
Mortality	<ul style="list-style-type: none"> • No pre-retirement mortality assumed
Withdrawal Prior to Retirement	<ul style="list-style-type: none"> • No termination of employment assumed
Salary Growth Rate	<ul style="list-style-type: none"> • 2.5% at April 1, 2018 • 3.0% at April 1, 2019 • 3.0% at April 1, 2020 • 3.5% at April 1, 2021 • 3.0% per year from April 1, 2022

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

9. Service Award Obligations (continued)

Continuity of Service Award Liability - Non-Teachers	<u>2020</u>	<u>2019</u>
Opening benefit obligation, beginning of the year	\$ 7,084	\$ 161,072
Interest on obligation	230	1,169
Less: benefits paid	-	(125,637)
Actuarial gains	-	(29,520)
Closing benefit obligation, end of year	<u>7,314</u>	<u>7,084</u>
Pension assets, at market related values	-	-
Funded status - deficiency	<u>(7,314)</u>	<u>(7,084)</u>
Unamortized actuarial gains	<u>(14,760)</u>	<u>(29,348)</u>
Accrued Benefit Liability - Non-Teachers	<u>\$ (22,074)</u>	<u>\$ (36,432)</u>

10. Sick Leave Obligation

<u>Summary of Sick Leave Obligations</u>	<u>2020</u>	<u>2019</u>
Accumulated Sick Leave Obligation – Teachers	\$ 8,322,655	\$ 8,319,455
Accumulated Sick Leave Obligation - Non-Teachers	<u>1,009,444</u>	<u>957,871</u>
Total Sick Leave Obligations	<u>\$ 9,332,099</u>	<u>\$ 9,277,326</u>

The Regional Centre has recognized in these consolidated financial statements the liability associated with accumulated sick leave earned by staff. The Regional Centre has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2020.

I. Sick Leave Obligation – Teachers

The Regional Centre provides benefits for sick leave for teaching staff under the following conditions:

- (a) Full time teachers are entitled to twenty (20) days sick leave in each school year. Teachers who are not full time will receive a pro-rated amount of days.
- (b) Teachers may accumulate 100% of their unused current sick days up to a maximum of 195 days in a sick leave bank.
- (c) Accumulated sick leave cannot be used until the current year's sick leave (20 days per school year) has been depleted.
- (d) Accumulated sick leave benefits are not paid out on termination, retirement or resignation.

The Province of Nova Scotia provided an actuarial valuation of the Regional Centre's obligations for the accumulated sick leave for accounting purposes. Key actuarial assumptions used in the valuation were based on the Regional Centre's best estimates. Those assumptions involve forecasts of expected future inflation rates, wage and salary increases, cost of long-term debt, and employee turnover and mortality.

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

10. Sick Leave Obligation (continued)

Eckler Ltd. provided the Province with updated sick leave benefit disclosures as at March 31, 2020 under section 3255 of the CPA Canada Public Sector Accounting Handbook.

Actuarial Assumptions

Discount Rate on Liabilities:	<ul style="list-style-type: none"> • 3.29% per annum for fiscal 2018/19 expense determination and March 31, 2019 benefit obligation • 3.24% per annum for fiscal 2019/20 expense determination and March 31, 2020 benefit obligation 																																	
Retirement Age:	<ul style="list-style-type: none"> • 50% at Rule of 85, remainder at earlier of 35 years of credited service, age 62 with 10 years of credited service, and age 65 with 2 years of credited service 																																	
Mortality:	<ul style="list-style-type: none"> • 100% of CPM-2014 Public with future mortality improvements according to scale CPM-B 																																	
Withdrawal Prior to Retirement:	<ul style="list-style-type: none"> • 5% per annum in first 2 years of employment 																																	
Salary Growth Rate:	<ul style="list-style-type: none"> • 1.5% at April 1, 2018, 0.5% at March 31, 2019, 1.5% at April 1, 2019, 0.5% at March 31, 2020, 1.5% at April 1, 2020, 0.5% at March 31, 2021 and 2.0% per annum beginning April 1, 2021 plus a promotional scale for March 31, 2019 benefit obligation, fiscal 2019/20 expense determination and March 31, 2020 benefit obligation • Promotional Scale: <table border="1" style="width: 100%; margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Age Group</th> <th style="text-align: center;">Promotional Scale</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">< 30</td> <td style="text-align: center;">3.25%</td> </tr> <tr> <td style="text-align: center;">30 – 34</td> <td style="text-align: center;">2.75%</td> </tr> <tr> <td style="text-align: center;">35 – 39</td> <td style="text-align: center;">2.25%</td> </tr> <tr> <td style="text-align: center;">40 – 44</td> <td style="text-align: center;">1.75%</td> </tr> <tr> <td style="text-align: center;">45 – 49</td> <td style="text-align: center;">1.25%</td> </tr> <tr> <td style="text-align: center;">50 – 59</td> <td style="text-align: center;">0.75%</td> </tr> <tr> <td style="text-align: center;">60 +</td> <td style="text-align: center;">0%</td> </tr> </tbody> </table>	Age Group	Promotional Scale	< 30	3.25%	30 – 34	2.75%	35 – 39	2.25%	40 – 44	1.75%	45 – 49	1.25%	50 – 59	0.75%	60 +	0%																	
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50 – 59	0.75%																																	
60 +	0%																																	
Current Year Sick Leave Utilization:	<ul style="list-style-type: none"> • Each year, full time employees are expected to use sick time accrued during the school year as follows: <ul style="list-style-type: none"> - 7.6 days per school year for males - 8.8 days per school year for females • Current year utilization assumption developed from analysis of the sick leave usage of the Nova Scotia Teachers during fiscal years 2014-15 through 2016-17 																																	
Sick Leave Bank Utilization:	<ul style="list-style-type: none"> • The probability that an employee uses a portion of their accumulated sick leave bank during a year and the average number of sick leave bank days used during a year for those who use their sick leave is as follows: <table border="1" style="width: 100%; margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Age Group</th> <th style="text-align: center;">Probability of Usage</th> <th style="text-align: center;">Sick Bank Days Used</th> </tr> </thead> <tbody> <tr> <td>Males under 30</td> <td style="text-align: center;">3.9%</td> <td style="text-align: center;">7.6 days</td> </tr> <tr> <td>Males 30 – 39</td> <td style="text-align: center;">5.3%</td> <td style="text-align: center;">18.5 days</td> </tr> <tr> <td>Males 40 – 49</td> <td style="text-align: center;">7.0%</td> <td style="text-align: center;">26.9 days</td> </tr> <tr> <td>Males 50 – 59</td> <td style="text-align: center;">13.5%</td> <td style="text-align: center;">39.6 days</td> </tr> <tr> <td>Males 60 & over</td> <td style="text-align: center;">19.5%</td> <td style="text-align: center;">46.6 days</td> </tr> <tr> <td>Females under 30</td> <td style="text-align: center;">5.7%</td> <td style="text-align: center;">8.5 days</td> </tr> <tr> <td>Females 30 – 39</td> <td style="text-align: center;">12.7%</td> <td style="text-align: center;">14.6 days</td> </tr> <tr> <td>Females 40 – 49</td> <td style="text-align: center;">10.6%</td> <td style="text-align: center;">22.3 days</td> </tr> <tr> <td>Females 50 – 59</td> <td style="text-align: center;">14.1%</td> <td style="text-align: center;">30.3 days</td> </tr> <tr> <td>Females 60 & over</td> <td style="text-align: center;">18.6%</td> <td style="text-align: center;">35.5 days</td> </tr> </tbody> </table>	Age Group	Probability of Usage	Sick Bank Days Used	Males under 30	3.9%	7.6 days	Males 30 – 39	5.3%	18.5 days	Males 40 – 49	7.0%	26.9 days	Males 50 – 59	13.5%	39.6 days	Males 60 & over	19.5%	46.6 days	Females under 30	5.7%	8.5 days	Females 30 – 39	12.7%	14.6 days	Females 40 – 49	10.6%	22.3 days	Females 50 – 59	14.1%	30.3 days	Females 60 & over	18.6%	35.5 days
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South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

10. Sick Leave Obligation (continued)

Continuity of Sick Leave Liability - Teachers	<u>2020</u>	<u>2019</u>
Opening benefit obligation, beginning of the year	\$ 5,406,416	\$ 5,154,350
Current service cost	493,600	476,200
Interest on obligation	176,268	171,866
Less: sick leave taken	(468,900)	(446,500)
Actuarial losses (gains)	21,600	(50,500)
Closing benefit obligation, end of year	<u>5,628,984</u>	<u>5,406,416</u>
Pension assets, at market related values	-	-
Funded status – deficiency	(5,628,984)	(5,406,416)
Unamortized actuarial gains	(2,693,671)	(2,913,039)
Accrued Benefit Liability - Teachers	<u>\$ (8,322,655)</u>	<u>\$ (8,319,455)</u>

II. Sick Leave Obligation – Non-Teaching

Eckler provided to the Province of Nova Scotia on December 18, 2019 the requested financial disclosure figures related to the Sick Leave Benefit (the “Sick Leave”) to Non-Teaching employees of all Regional Centres in Nova Scotia for the fiscal year ending March 31, 2020 (“fiscal 2020”). The accounting results are based on the understanding of the methods prescribed under Section PS 3255 of the CICA Public Sector Accounting Handbook (“PS 3255”) which applies to sick leave and severance benefits.

The financial disclosure figures as at March 31, 2020 are based on an extrapolation of the actuarial valuation as at March 31, 2018.

Sick Leave historical usage data for the fiscal years 2016 to 2019 was also provided by the Province. This data was then used to develop an assumption for excess usage (i.e. hours of sick leave used in a given year in excess of the sick leave accrued that year) by age group which was then used in the calculation of the Accrued Benefit Obligation (“ABO”) and annual current service cost.

The data included the period of continuous service with the Province, the date of birth, annual salary and contractual hours of work.

Actuarial Assumptions

Valuation Date:	March 31, 2018
Annual Discount Rate:	<ul style="list-style-type: none"> • 3.29% per annum for fiscal 2018/19 expense determination and March 31, 2019 benefit obligation • 3.24% per annum for fiscal 2019/20 expense determination and March 31, 2020 benefit obligation

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

10. Sick Leave Obligation (continued)

Retirement Age:	<ul style="list-style-type: none"> • 10% at age 59 • 20% at age 60 • 10% at each age 61-64 • 50% at each age 65-69 • 100% at age 70 • However, these rates are adjusted to 20% each year on or after earliest unreduced retirement date, if greater, and 40% at 35 years of service (earliest unreduced retirement date is the earlier of age 60 with 2 years of service or age 50 with 80 points if hired before April 6, 2010 or age 55 with 85 points if hired on or after that date) 																														
Mortality	<ul style="list-style-type: none"> • No pre-retirement mortality assumed 																														
Withdrawal Prior to Retirement	<ul style="list-style-type: none"> • No termination of employment assumed 																														
Salary Growth Rate	<ul style="list-style-type: none"> • 2.5% at April 1, 2018, 3.0% at April 1, 2019, 3.0% at April 1, 2020, 3.5% at April 1, 2021 and 3.0% per year from April 1, 2022 for March 31, 2019 benefit obligation, fiscal 2019/20 expense determination and March 31, 2020 benefit obligation 																														
Sick Leave Bank Utilization	<ul style="list-style-type: none"> • For March 31, 2019 benefit obligation, fiscal 2019/20 expense determination and March 31, 2020 benefit obligation: Sample net excess utilization rate of the sick leave bank (probability that an employee uses a portion of their accumulated sick leave bank during a year multiplied by the average number of sick leave bank days used during a year for those who use their sick leave) is as follows: <table border="1"> <thead> <tr> <th>Age</th> <th>Hours</th> <th>Age</th> <th>Hours</th> <th>Age</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>20</td> <td>0.0</td> <td>40</td> <td>8.6</td> <td>60</td> <td>28.2</td> </tr> <tr> <td>25</td> <td>1.9</td> <td>45</td> <td>10.8</td> <td>65</td> <td>40.5</td> </tr> <tr> <td>30</td> <td>4.1</td> <td>50</td> <td>13.1</td> <td>70</td> <td>52.8</td> </tr> <tr> <td>35</td> <td>6.4</td> <td>55</td> <td>15.8</td> <td></td> <td></td> </tr> </tbody> </table>	Age	Hours	Age	Hours	Age	Hours	20	0.0	40	8.6	60	28.2	25	1.9	45	10.8	65	40.5	30	4.1	50	13.1	70	52.8	35	6.4	55	15.8		
Age	Hours	Age	Hours	Age	Hours																										
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35	6.4	55	15.8																												

Continuity of Sick Leave Liability - Non-Teachers

	<u>2020</u>	<u>2019</u>
Opening benefit obligation, beginning of the year	\$ 1,032,872	\$ 1,006,880
Current service cost	167,000	132,666
Interest on obligation	33,690	33,153
Less: sick leave taken	(158,100)	(145,201)
Actuarial losses	2,500	5,374
Closing benefit obligation, end of year	\$ 1,077,962	\$ 1,032,872
Pension assets, at market related values	-	-
Funded status - deficiency	(1,077,962)	(1,032,872)
Unamortized actuarial losses	68,518	75,001
Accrued Benefit Liability - Non-Teachers	\$ (1,009,444)	\$ (957,871)

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

11. Collective Agreements

Collective Agreements and other Terms and Conditions of Employment

The provincial collective agreement with the NSTU expires July 31, 2019.

The local collective agreement with the NSTU expires July 31, 2020.

The collective agreement with the NSGEU expires on March 31, 2021.

The collective agreement with SEIU expires March 31, 2023.

The collective agreement with CUPE expires March 31, 2021.

The Non-Union Terms and Conditions of Employment expired February 7, 2016.

12. Deferred Revenue

Deferred Revenue as of March 31:	<u>2020</u>	<u>2019</u>
Teachers PD Fund	\$ 374,298	\$ 297,377
International Student Program	259,613	257,259
School Generated Funds (Note 4)	525,028	532,151
Programs - Province of Nova Scotia	<u>1,218,072</u>	<u>1,599,094</u>
Total	<u>\$ 2,377,011</u>	<u>\$ 2,685,881</u>

13. Bank Indebtedness

The Regional Centre has utilized the available operating line of credit during the fiscal year with the Canadian Imperial Bank of Commerce. There was no outstanding balance at fiscal year-end.

14. Financial Instrument Risk Management

Credit Risk

Credit risk is the risk of financial loss to the Regional Centre if a debtor fails to make payments when due. The Regional Centre is exposed to this risk relating to its receivables.

Receivables are ultimately due from the government. Credit risk is mitigated by management review of aging and collection of receivables and billings. The Regional Centre recognizes a specific allowance for doubtful accounts when management considers the expected amounts to be recovered is lower than the actual receivable.

The Regional Centre measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Centre's historical experience regarding collections.

The Regional Centre mitigates credit risk by ensuring that grants are entered into by way of a contract and by continuous monitoring of outstanding balances to ensure collection is timely. Management closely evaluates the collectability of its receivables and maintains provisions for potential credit losses, which are assessed on a regular basis.

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

14. Financial Instrument Risk Management (continued)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk. The Regional Centre is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments.

Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The Regional Centre is exposed to this risk through its variable interest bearing bank overdraft. However, management does not feel that this represents a material risk to the Regional Centre as fluctuations in market interest rates would not materially impact future cash flows and operations relating to the bank overdraft.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity Risk

Liquidity risk is the risk that the Regional Centre will not be able to meet all cash outflow obligations as they come due. The Regional Centre mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining a bank overdraft credit facility if unexpected cash outflows arise.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

All accounts payable and accrued liabilities are due within a one year period with the exception of post-employment benefits and compensated absences.

15. Comparative Figures

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

South Shore Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2020

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 Regional Centre 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 Regional Centre 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 Regional Centre 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 Regional Centre.

South Shore Regional Centre for Education
Schedule A - Supplementary Details of Revenues
(Unaudited)

For the year ended March 31

	2020		2019
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Province of Nova Scotia			
Operating	\$ 52,563,819	\$ 53,582,038	\$ 43,078,045
Teacher Salary Accrual	-	1,320,200	1,297,700
Restricted	14,253,049	13,387,792	19,949,958
Capital	-	-	59,800
Other	20,050	28,247	98,634
	<u>\$ 66,836,918</u>	<u>\$ 68,318,277</u>	<u>\$ 64,484,137</u>
Government of Canada			
First Nations/Other	\$ 224,535	\$ 481,404	\$ 224,478
Municipal Contributions-Mandatory	<u>\$ 19,274,066</u>	<u>\$ 19,274,066</u>	<u>\$ 18,961,500</u>
School Based Funds (Note 4)	<u>\$ 3,000,000</u>	<u>\$ 3,131,839</u>	<u>\$ 2,896,409</u>
Regional Centre Operating			
Regional Centre Generated-Other	\$ 1,960,015	\$ 2,123,053	\$ 1,996,607
Rental Revenue	600	-	-
Interest/Investment	50,000	37,914	58,750
Sale of Assets	5,000	13,892	21,759
	<u>\$ 2,015,615</u>	<u>\$ 2,174,859</u>	<u>\$ 2,077,116</u>
Total Revenues	<u>\$ 91,351,134</u>	<u>\$ 93,380,445</u>	<u>\$ 88,643,640</u>

South Shore Regional Centre for Education
Schedule B - Supplementary Details of Expenditures
(Unaudited)

For the year ended March 31

	2020		2019
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Regional Executive Director</u>			
Regional Executive Director			
Travel	\$ 10,400	\$ 10,040	\$ 8,906
Contracted Services	\$ -	88	\$ -
Supplies/Materials	2,475	3,759	4,320
Professional Development	2,900	1,448	3,951
	<u>\$ 15,775</u>	<u>\$ 15,335</u>	<u>\$ 17,177</u>
Communications			
Salaries	\$ 14,194	\$ 11,067	\$ 64,626
Benefits	3,281	3,420	11,817
Travel	4,500	711	1,700
Supplies/Materials	5,600	8,932	6,518
	<u>\$ 27,575</u>	<u>\$ 24,130</u>	<u>\$ 84,661</u>
Regional Management			
Salaries	\$ 198,820	\$ 199,744	\$ 200,279
Benefits	16,117	19,948	16,333
Travel	4,000	690	-
Contracted Services	68,200	71,268	104,556
Supplies/Materials	36,800	43,356	40,774
	<u>\$ 323,937</u>	<u>\$ 335,006</u>	<u>\$ 361,942</u>
Total Regional Executive Director	<u>\$ 367,287</u>	<u>\$ 374,471</u>	<u>\$ 463,780</u>
<u>Financial Services</u>			
Salaries	\$ 782,675	\$ 758,491	\$ 821,185
Benefits	188,340	177,316	190,600
Travel	9,050	6,202	9,758
Contracted Services	32,000	38,760	32,000
Repairs/Maintenance	2,500	-	1,240
Supplies/Materials	2,500	5,554	2,818
Professional Development	6,950	5,651	5,039
Insurance	58,800	59,201	57,112
Other Recoveries	(378,863)	(366,710)	(423,506)
	<u>\$ 703,952</u>	<u>\$ 684,465</u>	<u>\$ 696,246</u>
Total Financial Services	<u>\$ 703,952</u>	<u>\$ 684,465</u>	<u>\$ 696,246</u>

South Shore Regional Centre for Education
Schedule B - Supplementary Details of Expenditures
(Unaudited)

For the year ended March 31

	2020	2019
	<u>Budget</u>	<u>Actual</u>
<u>Human Resource Services</u>		
Salaries	\$ 364,431	\$ 322,540
Benefits	125,286	98,926
Travel	5,000	10,363
Contracted Services	6,000	31,787
Repairs/Maintenance	32,000	32,004
Supplies/Materials	9,200	9,169
Professional Development	51,500	37,687
Other	36,300	-
Total Human Resources	\$ 629,717	\$ 542,476
<u>School Services</u>		
School Services Administration		
Salaries	\$ 974,578	\$ 1,009,607
Benefits	73,055	73,845
Travel	39,800	33,179
Contracted Services	-	1,549
Supplies/Materials	36,200	63,370
Professional Development	350	6,796
	\$ 1,123,983	\$ 1,188,346
School Costs		
Salaries	\$ 50,599,076	\$ 51,950,379
Benefits	12,147,227	12,171,860
Travel	95,200	77,685
Contracted Services	190,200	177,420
Repairs/Maintenance	-	204
Supplies/Materials	535,191	535,920
Professional Development	39,000	27,791
Insurance	14,200	14,186
Bank/Interest Costs	-	223,689
	\$ 63,620,094	\$ 65,179,134
School Services Grants		
Salaries	\$ 366,108	\$ 289,230
Benefits	62,767	36,197
Travel	40,000	60,405
Contracted Services	1,000	-
Supplies/Materials	38,267	57,749
Professional Development	-	3,847
	\$ 508,142	\$ 447,428
School Services Professional Development		
Salaries	\$ 179,467	\$ 153,301
Benefits	13,025	8,846
Repairs/Maintenance	9,989	8,893
Professional Development	594,356	251,499
	\$ 796,837	\$ 422,539
International Students		
Salaries	\$ 324,435	\$ 325,813
Benefits	32,980	32,275
Travel	45,300	62,447
Contracted Services	814,000	820,495
Supplies/Materials	75,700	74,436
Professional Development	3,500	1,994
	\$ 1,295,915	\$ 1,317,460

South Shore Regional Centre for Education
Schedule B - Supplementary Details of Expenditures
(Unaudited)

For the year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Special Education			
Salaries	\$ 533,301	\$ 548,686	\$ 473,761
Benefits	65,217	57,018	61,095
Travel	24,900	24,012	22,062
Repairs/Maintenance	17,000	17,184	12,593
Supplies/Materials	28,576	52,794	13,208
Professional Development	10,600	8,721	10,331
	<u>\$ 679,594</u>	<u>\$ 708,415</u>	<u>\$ 593,050</u>
Program Grants			
Salaries	\$ -	\$ 32,687	\$ -
Benefits	-	509	-
Travel	139,536	152,986	139,690
Contracted Services	265,806	80,292	328,740
Repairs/Maintenance	6,297	1,677	4,703
Conveyance	-	164	-
Supplies/Materials	2,016,255	1,673,041	1,290,972
Professional Development	9,500	161,052	37,475
	<u>\$ 2,437,394</u>	<u>\$ 2,102,408</u>	<u>\$ 1,801,580</u>
Total School Services	<u>\$ 70,461,959</u>	<u>\$ 71,365,730</u>	<u>\$ 68,342,521</u>
<u>Operational Services</u>			
Operations Administration			
Salaries	\$ 505,918	\$ 546,714	\$ 498,090
Benefits	106,613	113,755	106,411
Travel	11,400	18,225	12,135
Contracted Services	19,000	18,340	18,340
Vehicle Expenses	12,500	8,887	11,128
Supplies/Materials	7,350	8,905	6,989
Professional Development	2,500	11,271	2,020
	<u>\$ 665,281</u>	<u>\$ 726,097</u>	<u>\$ 655,113</u>
Property Services			
Salaries	\$ 2,590,177	\$ 2,774,586	\$ 2,599,360
Benefits	618,487	649,554	627,510
Travel	4,000	9,134	6,268
Contracted Services	797,400	767,652	749,455
Repairs/Maintenance	613,061	744,310	583,058
Vehicle Expenses	79,800	73,411	70,079
Supplies/Materials	225,651	330,595	248,039
Utilities	1,853,100	1,731,941	1,829,848
Professional Development	3,700	7,976	5,962
Insurance	251,700	251,654	225,934
TCA Expense	48,681	28,433	36,587
Other Recoveries	(290,648)	(329,018)	(318,587)
	<u>\$ 6,795,109</u>	<u>\$ 7,040,228</u>	<u>\$ 6,663,513</u>

South Shore Regional Centre for Education
Schedule B - Supplementary Details of Expenditures
(Unaudited)

For the year ended March 31

2020

2019

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Student Transportation			
Salaries	\$ 3,106,734	\$ 3,443,919	\$ 3,119,370
Benefits	740,859	783,743	747,526
Travel	43,800	38,688	43,430
Contracted Services	52,600	47,580	54,800
Repairs/Maintenance	24,000	32,518	47,724
Vehicle Expenses	1,383,200	1,334,719	1,454,910
Conveyance	130,000	124,372	135,260
Supplies/Materials	46,000	50,001	45,916
Professional Development	17,500	15,512	10,840
Insurance	57,000	65,378	60,559
TCA Expense	60,042	61,490	31,771
Other	-	(55,626)	-
	<u>\$ 5,661,735</u>	<u>\$ 5,942,294</u>	<u>\$ 5,752,104</u>
Technology Services			
Salaries	\$ 395,841	\$ 397,947	\$ 422,233
Benefits	105,341	105,496	109,631
Travel	15,600	12,956	18,138
Contracted Services	102,946	176,713	58,489
Vehicle Expenses	4,000	3,122	46
Supplies/Materials	236,150	468,134	257,710
Professional Development	-	2,798	378
	<u>\$ 859,878</u>	<u>\$ 1,167,166</u>	<u>\$ 866,625</u>
Total Operational Services	<u>\$ 13,982,003</u>	<u>\$ 14,875,785</u>	<u>\$ 13,937,355</u>
Other Non-PSP Programs			
Salaries	\$ 1,243,861	\$ 1,445,397	\$ 791,104
Benefits	285,243	310,711	145,203
Travel	20,000	13,955	10,016
Contracted Services	-	37,631	-
Supplies/Materials	654,112	145,204	92,557
Professional Development	3,000	14,382	1,256
Total Other Non-PSP Programs	<u>\$ 2,206,216</u>	<u>\$ 1,967,280</u>	<u>\$ 1,040,134</u>
School Based Funds (Note 4)	<u>\$ 3,000,000</u>	<u>\$ 3,069,357</u>	<u>\$ 2,926,083</u>
Total Expenditures	<u>\$ 91,351,134</u>	<u>\$ 92,879,564</u>	<u>\$ 88,067,256</u>

South Shore Regional Centre for Education
Schedule C - Supplementary Details of Tangible Capital Assets
(Unaudited)
For the year ended March 31

	Major Equipment	Vehicles	2020 Total	2019 Total
<u>Cost of Tangible Capital Assets</u>				
Opening Costs	\$ 498,366	\$ 227,186	\$ 725,552	\$ 616,785
Additions	-	123,501	123,501	108,767
Closing Costs	<u>\$ 498,366</u>	<u>\$ 350,687</u>	<u>\$ 849,053</u>	<u>\$ 725,552</u>
 <u>Accumulated Amortization</u>				
Opening Balance	\$ 250,312	\$ 124,764	\$ 375,076	\$ 306,718
Amortization Expense	49,611	40,312	89,923	68,358
Closing Balance	<u>\$ 299,923</u>	<u>\$ 165,076</u>	<u>\$ 464,999</u>	<u>\$ 375,076</u>
 Net Book Value (NBV)	 <u>\$ 198,443</u>	 <u>\$ 185,611</u>	 <u>\$ 384,054</u>	 <u>\$ 350,476</u>

South Shore Regional Centre for Education
Schedule D - Trust Funds Balance Sheet
(Unaudited)

As at March 31 2020 2019

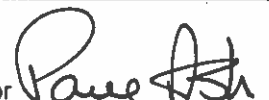
Assets	2020	2019
Cash and cash equivalents (Note 6)	\$ 1,033,525	\$ 990,656
Equity		
Reserve for scholarships		
Teachers' Scholastic Scholarship	\$ 3,230	\$ 2,533
Josephine Christie Fredea Award	1,524	1,487
South Shore District Memorial Scholarship	46,509	54,492
Murray Barkhouse Scholarship Fund	6,606	6,446
Robert Hirtle Memorial Fund	1,276	233
Dr. K.C. Marfatia Ghandi Scholarship Fund	138,102	144,599
W.G.L. Hirtle Scholarship	86,905	86,670
Elinor Muir Leary Scholarship	10,269	10,217
Irene and Derrell Ernst Scholarship	5,133	5,068
David Lowe Scholarship	8,347	8,637
Clara Quinlan Scholarship	5,085	5,149
Monte Oickle Scholarship	3,588	3,501
Colleen Finck Memorial	78,042	81,075
Paul Eisnor Memorial	1,524	1,586
Timothy Daniels Memorial	6,401	6,240
Sylvia Weagle Bursary	29,467	29,344
Dr. J.C. Wickwire	188	183
M. Ernst MacLeod	5,201	5,075
Colleen Finck Memorial - Acadia	133	2,886
Erma Westhaver Loomis	35,982	35,936
John S. Derrick	10,349	9,748
Caterina Cushing	11,100	11,620
Margaret Marshall	1,096	1,069
Teachers Centre	8,821	8,607
Jerome A. Tanner Scholarship	28	1,603
Tech Refresh-Bayview	58,006	12,561
Tech Refresh-Aspotogan	23,491	10,423
David K Berkshire Scholarship	3,884	5,759
Annette V. McNeil (Wamboldt) Memorial	2,633	2,815
Charles Andrews Memorial	87	85
Norm Johnston PVEC Memorial	5,634	5,940
F. Homer Zwicker Memorial	27,662	27,580
Inez Morse Putnam	64,985	64,394
Dr. J. Murray Beck Scholarship	25,634	25,702
Acadia Broadcasting	243	1,712
Dr Charles Uhlman	1,340	2,292
Cynthia & James Snyder Scholarship	14	2,585
Capt Earle Wagner	8	8
Agnes & Glynne Lloyd Scholarship	224,124	222,317
St Matthew's Anglican Church	77,652	76,758
Lahey Memorial Scholarship	1,053	1,028
Non-Teacher Deferred	7,724	4,693
Shares Lane	4,445	-
	<u>\$ 1,033,525</u>	<u>\$ 990,656</u>

On Behalf of the Regional Centre

Deputy Minister of Education



Regional Executive Director



South Shore Regional Centre for Education
Schedule E - Supplementary Details of Trust Funds

(Unaudited)

For the year ended March 31, 2020

	Balance Beginning of Year	Additions	Interest	Disbursements	Balance End of Year
Teachers' Scholastic Scholarship	\$ 2,533	\$ 2,347	\$ 75	\$ 1,725	\$ 3,230
Josephene Christee Fredea Award	1,487	-	37	-	1,524
South Shore District Memorial Scholarship	54,492	9,074	1,193	18,250	46,509
Murray Barkhouse Scholarship Fund	6,446	300	160	300	6,606
Robert Hirtle Memorial Fund	233	2,025	18	1,000	1,276
Dr. K.C. Marfatia Ghandi Scholarship Fund	144,599	-	3,503	10,000	138,102
W.G.L. Hirtle Scholarship	86,670	-	2,135	1,900	86,905
Elinor Muir Leary Scholarship	10,217	-	252	200	10,269
Irene and Derrell Ernst Scholarship	5,068	-	125	60	5,133
David Lowe Scholarship	8,637	-	210	500	8,347
Clara Quinlan Scholarship	5,149	-	126	190	5,085
Monte Oickle Scholarship	3,501	-	87	-	3,588
Colleen Finck Memorial	81,075	-	1,967	5,000	78,042
Paul Eisnor Memorial	1,586	-	38	100	1,524
Timothy Daniels Memorial	6,240	500	161	500	6,401
Sylvia Weagle Bursary	29,344	-	723	600	29,467
Dr. J.C. Wickwire	183	-	5	-	188
M. Ernst MacLeod	5,075	-	126	-	5,201
Colleen Finck Memorial - Acadia	2,886	-	47	2,800	133
Erma Westhaver Loomis	35,936	-	886	840	35,982
John S. Derrick	9,748	352	249	-	10,349
Caterina Cushing	11,620	200	280	1,000	11,100
Margaret Marshall	1,069	-	27	-	1,096
Teachers Centre	8,607	-	214	-	8,821
Jerome A. Tanner Scholarship	1,603	-	25	1,600	28
Tech Refresh-Bayview	12,561	113,208	335	68,098	58,006
Tech Refresh-Aspotogan	10,423	24,064	277	11,273	23,491
David K Berkshire Scholarship	5,759	-	125	2,000	3,884
Annette V. McNeil (Wamboldt) Memorial	2,815	-	68	250	2,633
Charles Andrews Memorial	85	-	2	-	87
Norm Johnston PVEC Memorial	5,940	50	144	500	5,634
F. Homer Zwicker Memorial	27,580	-	682	600	27,662
Inez Morse Putnam	64,394	-	1,591	1,000	64,985
Dr. J. Murray Beck Scholarship	25,702	-	632	700	25,634
Acadia Broadcasting	1,712	-	31	1,500	243
Dr Charles Uhlman	2,292	-	48	1,000	1,340
Cynthia & James Snyder Scholarship	2,585	885	44	3,500	14
Capt Earle Wagner	8	-	-	-	8
Agnes & Glynne Lloyd Scholarship	222,317	-	5,487	3,680	224,124
St Matthew's Anglican Church	76,758	-	1,894	1,000	77,652
Lahey Memorial Scholarship	1,028	-	25	-	1,053
Non-Teacher Deferred	4,693	2,884	147	-	7,724
Shares Lane	-	4,445	-	-	4,445
	\$ 990,656	\$ 160,334	\$ 24,201	\$ 141,666	\$ 1,033,525