

Annapolis Valley Regional Centre for Education
Consolidated Financial Statements
March 31, 2021



Annapolis Valley
Regional Centre for Education

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Independent Auditor's Report

To the Regional Executive Director of the Annapolis Valley Regional Centre for Education

Opinion

We have audited the accompanying consolidated financial statements of **Annapolis Valley Regional Centre for Education**, which comprise the statement of financial position as at March 31, 2021, and the consolidated statement of operations and accumulated surplus, change in net debt and cash flow statement for the year then ended, and notes to the 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 the **Annapolis Valley Regional Centre for Education**, as at March 31, 2021, and the results of operations and changes in net financial assets 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 Entity in accordance with the 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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 7 to 14 are presented for purposes of additional analysis and are not a required part of the 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 financial statements taken as a whole.

Responsibilities 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 the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report (continued)

Auditor's Responsibilities 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 decisions 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 Entity's internal control.

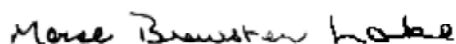
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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 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 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.

Berwick, Nova Scotia
June 24, 2021



Chartered Professional Accountants

Annapolis Valley Regional Centre for Education
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
Financial Assets		
Cash and Cash Equivalents		
Cash	\$ 11,004,930	\$ 7,711,017
School Based Funds (Note 3)	3,782,695	3,586,720
Total Cash and Cash Equivalents	14,787,624	11,297,737
Accounts Receivable		
Province of Nova Scotia	16,502,927	15,420,330
PNS - Teacher's Salary Accrual	2,380,600	2,303,200
Government of Canada	612,647	623,700
Other	626,628	241,636
PNS - Long-Term Service Awards	1,115,371	1,277,907
Total Financial Assets	36,025,797	31,164,510
Capital Assets		
New Book Value of Capital Assets	-	-
Total Financial and Capital Assets	36,025,797	31,164,510
Liabilities		
Accounts payable and accrued liabilities	3,653,474	1,845,976
Payables and Accruals - Government		
Province of Nova Scotia	205,111	155,984
Municipalities	25,826	20,861
Government of Canada	1,514,100	128
Other Payables & Accrued Liabilities	3,304,555	2,935,829
Teachers Salary Accruals	2,380,600	2,303,200
Deferred Revenues	2,782,670	2,179,645
Long-Term Service Awards Liability (Note 8)	1,115,391	1,277,907
Long-Term Sick Leave Accrual (Note 7)	14,262,949	14,241,351
Total Liabilities	29,244,675	24,960,881
Equity - Capital	-	-
Total Liabilities and Capital Equity	29,244,675	24,960,881
Net (debt)/surplus	6,781,122	6,203,629
Non-Financial assets		
Prepaid expenses	771,015	603,142
Tangible capital assets (Schedule E)	1,244,210	1,260,990
Accumulated surplus/(deficit) end of year	8,796,347	8,067,761
Committed Surplus		
School Based Funds	2,857,570	3,135,849
Non-Financial Assets	2,015,225	1,864,132
Total Committed Surplus	4,872,795	4,999,981
Uncommitted Surplus	\$ 3,923,552	\$ 3,067,780
Trust Funds Under Administration (Note 4)		
Commitments (Note 5)		
Contingencies (Note 6)		
Subsequent Events (9)		
On Behalf of the Board		

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

Annapolis Valley Regional Centre for Education
Consolidated Statement of Operations and Accumulated Surplus
As at March 31, 2021

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
Revenue (Schedule A)			
Province of Nova Scotia	\$ 139,644,296	\$ 144,566,934	\$ 132,817,593
Government of Canada	999,995	1,533,081	1,350,865
Municipal Contributions	23,970,959	23,970,972	23,221,632
School Generated Funds (Note 3)	4,000,000	1,497,560	4,034,786
Other Revenues	4,684,587	2,524,724	4,816,963
Total Revenues	<u>173,299,837</u>	<u>174,093,272</u>	<u>166,241,839</u>
Expenses (Schedule B)			
Total Board Governance	-	1,318	469
Total Regional Management	4,227,423	8,315,095	4,047,609
Total School Management	16,588,881	17,025,839	16,056,116
Total Instruction	85,017,485	85,342,140	83,386,341
Total Student Support	26,618,359	25,402,955	25,440,481
Total Adult Education	472,217	481,647	347,522
Total Property Services	14,494,182	15,941,718	13,289,178
Total Student Transportation	11,500,108	11,205,275	10,102,725
Other Programs	9,420,188	7,323,767	7,303,465
School Generated Funds (Note 3)	4,000,000	1,775,839	4,073,689
Interest Expense	752,312	361,856	379,180
Amortization Expense	208,682	189,873	154,822
Total Expenses	<u>\$ 173,299,837</u>	<u>\$ 173,364,686</u>	<u>\$ 164,581,597</u>
Annual Surplus/(deficit) before unusual items		728,586	1,660,242
School Board surplus/(deficit) on an expense basis		<u>728,586</u>	<u>1,660,242</u>
Accumulated surplus/(deficit) beginning of year:			
Previously Reported		<u>8,067,761</u>	<u>6,407,519</u>
Accumulated surplus/(deficit) end of year		<u>8,796,347</u>	<u>8,067,761</u>
Committed Surplus			
School Based Funds		2,857,570	3,135,849
Non-Financial Assets		2,015,225	1,864,132
Uncommitted Surplus		<u>\$ 3,923,552</u>	<u>\$ 3,067,780</u>

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

Annapolis Valley Regional Centre for Education
 Consolidated Statement of Change in Net (Debt)/Surplus
 For the Year Ended March 31, 2021

	2021	2020
Net (debt)/surplus beginning of year	\$ 6,203,629	\$ 5,175,156
Changes in the Year		
Surplus/(Deficit), on an Expense Basis	728,586	1,660,242
Acquisition of tangible capital assets	(174,606)	(188,440)
Disposal of assets	1,513	4,492
Amortization of tangible capital asset	189,873	154,822
(Increase) Decrease in prepaid expenses	(167,873)	(602,643)
Net (debt)/surplus end of year	\$ 6,781,122	\$ 6,203,629

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

Annapolis Valley Regional Centre for Education
Consolidated Statement of Cash Flow
For the Year Ended March 31, 2021

	2021	2020
Operating Transactions		
Annual surplus	\$ 8,796,347	\$ 8,067,761
Change in prepaid expenses	(167,873)	(602,643)
Change in deferred revenue	603,025	(1,541,758)
Change in accounts receivable	(1,371,400)	1,729,678
Change in accounts payable	3,821,707	567,637
Change in long-term debt	(140,937)	(146,992)
Cash Provided by Operating Transactions	11,540,868	8,073,683
Acquisition of tangible capital assets	(174,606)	(188,440)
Loss on disposal of assets	1,513	(508)
Proceeds on sale of assets	-	5,000
Amortization of tangible capital assets	189,873	154,821
	16,780	(29,127)
Increase in cash and cash equivalents	11,557,648	8,044,556
Previous Year's Surplus	(8,067,761)	(6,407,519)
Cash and cash equivalents at beginning of year	11,297,737	9,660,699
Cash and cash equivalents at end of year	\$ 14,787,624	\$ 11,297,737

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

Annapolis Valley Regional Centre for Education
Schedule A - Supplementary Details of Revenues
For the Year Ended March 31, 2021

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
Revenue			
<u>Province of Nova Scotia:</u>			
Operating	\$ 115,039,534	\$ 117,251,035	\$ 77,377,164
Restricted	16,502,148	17,837,580	41,567,284
Capital	-	-	113,400
Other	5,839,414	6,987,639	10,946,359
Recoveries	-	110,081	510,186
Teachers Salary Accrual	2,263,200	2,380,600	2,303,200
Total Province of Nova Scotia	<u>139,644,296</u>	<u>144,566,935</u>	<u>132,817,593</u>
<u>Government of Canada:</u>			
National Defence	-	-	-
IA Northern Development	748,149	803,801	853,742
Secretary of State	251,846	224,885	183,986
Other	-	504,395	313,137
Total Government of Canada	<u>999,995</u>	<u>1,533,081</u>	<u>1,350,865</u>
<u>Municipal contributions:</u>			
Mandatory	23,970,959	23,970,972	23,221,632
Total Municipal Contributions	<u>23,970,959</u>	<u>23,970,972</u>	<u>23,221,632</u>
<u>School Generated Funds:</u>			
School Generated (Note 3)	4,000,000	1,497,560	4,034,786
Total School Generated	<u>4,000,000</u>	<u>1,497,560</u>	<u>4,034,786</u>

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

Annapolis Valley Regional Centre for Education
Schedule A - Supplementary Details of Revenues
For the Year Ended March 31, 2021

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<u>Other Revenues:</u>			
Board Generated - Other	11,785	217,076	627,923
Other Revenue - Schools	1,553,182	521,702	1,207,409
Tuition - Students	1,409,250	415,758	815,017
Registration	1,409,250	965,843	1,645,320
Rental Revenue	-	4,058	-
Interest/Investments	90,000	121,826	220,973
Recoveries - Non-governmental	-	30,754	42,072
Non-Government Grants	206,266	244,555	218,226
Sale of Assets	-	(1,513)	508
Donations	4,854	4,666	39,515
Total Other Revenues	<u>4,684,587</u>	<u>2,524,724</u>	<u>4,816,963</u>
Total Revenues	<u>\$ 173,299,837</u>	<u>\$ 174,093,272</u>	<u>\$ 166,241,839</u>

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

Annapolis Valley Regional Centre for Education
Schedule B - Supplementary Details of Expenses
For the Year Ended March 31, 2021

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
Expenses:			
<u>Board Governance:</u>			
Board Members	\$ -	\$ -	\$ -
Board Secretary	-	1,318	469
NSSBA & Other	-	-	-
Total Board Governance	-	1,318	469
<u>Regional Management:</u>			
Management Services	1,339,944	1,349,154	1,268,965
Financial Services	1,204,988	1,173,935	1,099,914
Human Resources Services	992,096	864,077	859,347
Communication Services	89,984	88,029	91,070
ITS - Regional	600,411	4,839,901	728,313
Total Regional Management	4,227,423	8,315,095	4,047,609
<u>School Management & Support:</u>			
School Management	11,415,827	11,564,646	11,086,222
Program & Curriculum Support	4,039,645	4,306,159	3,856,724
ITS - Site Specific	1,133,409	1,155,034	1,113,170
Total School Management	16,588,881	17,025,839	16,056,116
<u>Instructional & School Services:</u>			
Instruction	81,907,083	82,390,700	80,652,493
Guidance Services	2,513,739	2,400,793	2,208,620
Library Services	596,663	550,646	525,228
Total Instruction	85,017,485	85,342,140	83,386,341
<u>Student Support:</u>			
Program Management	11,274,172	10,636,066	10,887,454
Instruction	11,448,689	11,621,756	11,434,111
Program & Curriculum Support	3,895,498	3,145,134	3,118,916
Total Student Support	26,618,359	25,402,955	25,440,481

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

Annapolis Valley Regional Centre for Education
Schedule B - Supplementary Details of Expenses
For the Year Ended March 31, 2021

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<u>Adult Education:</u>			
Program Management	-	-	-
Instruction	472,217	481,647	347,522
Total Adult Education	472,217	481,647	347,522
<u>Property Services:</u>			
Management Services	1,147,790	1,193,694	1,073,554
Custodial Services	5,808,034	6,075,010	5,052,467
Maintenance Services	7,045,713	8,206,369	6,743,778
Grounds Services	492,645	466,645	419,380
Total Property Services	14,494,182	15,941,718	13,289,178
<u>Student Transportation:</u>			
Management Services	603,832	591,471	502,983
Transportation (Board)	4,646,189	4,579,992	3,960,993
Maintenance (Board)	1,603,116	1,461,970	1,289,373
Transportation (Contract)	4,646,971	4,571,843	4,349,377
Total Student Transportation	11,500,108	11,205,275	10,102,725
Other Programs	9,420,188	7,323,767	7,303,465
School Based Funds (Note 3)	4,000,000	1,775,839	4,073,689
Interest Expense	752,312	361,856	379,180
Amortization Expense	208,682	189,873	154,822
Total Other Expenses	14,381,182	9,651,335	11,911,155
Total	\$ 173,299,837	\$ 173,364,686	\$ 164,581,597

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

Annapolis Valley Regional Centre for Education
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2021

	March 2020	Additions	Interest	Disbursements	March 2021
ARRA Library Trust	\$4,481	-	94	913	3,662
AVRSB BD Mem Sch Fd	6,565	-	138	-	6,703
Raymond Banks Memorial	11,815	-	249	-	12,064
Barteaux Trust	45	-	1	-	46
Bateman Trust	5,059	-	107	-	5,166
Beals Trust	421,144	-	8,924	3,200	426,868
Beattie Trust	12,163	-	258	231	12,190
Borden Trust	3,946	-	84	83	3,947
Brannon Trust	486	-	10	50	446
Brazil, Duane Mem	7,038	-	151	-	7,189
Bruce Memorial Award	1,017	-	22	-	1,039
Carter Trust	5	-	1	-	6
Card Trust	50,819	-	1,078	1,077	50,820
Charles Eaves Award	16,820	-	357	-	17,177
Clarke	6,955	-	148	147	6,956
Coldwell Trust	5,183	-	109	109	5,183
Cummings Trust	15,126	277	320	500	15,223
Dakin Trust	5,974	-	128	300	5,802
Dalton Trust	18,452	-	391	351	18,492
Daniel Arnold Memorial	59	-	19	-	78
DeEll Trust	54,775	-	1,162	1,160	54,777
Dorothy Russell	614	-	16	500	130
Eastern Star	39,124	1,300	824	1,000	40,248
Fairn	34,838	-	751	3,000	32,589
Harvey	4,314	-	91	-	4,405
Haskell Trust	24,705	-	526	1,000	24,231
Hibbard Trust	12,056	-	255	-	12,311
Horton Golden Trust	3,738	-	79	-	3,817
Hudgins Trust	466	-	10	-	476
Inglis Trust	21,583	-	458	-	22,041
IODE Olympic Chapter	70,968	-	1,524	2,500	69,992
IOOF Wolfville	17,344	-	367	-	17,711
Jones - BRES	8,146	-	172	-	8,318
Jones - BRHS	18,254	-	385	-	18,639
Johnston Trust	30,618	-	641	1,200	30,059
Johnston L & D Trust	30,000	-	475	1,200	29,275
Lightfoot Trust	164	-	3	-	167
Lyons Trust	4,969	-	104	-	5,073
MacFarlane	11	-	-	-	11
MacNutt Trust	56,902	-	1,227	5,000	53,129
Mitchell Trust	1,913	-	40	-	1,953
MRHS 40th Ann. Trust	23,836	300	509	1,000	23,645
Neily Trust	447	-	9	-	456
Nixon Trust	6,633	-	140	-	6,773
Candice Parker Trust	2,980	-	65	500	2,545
Paul Bethune	51,151	-	1,085	1,000	51,236
Harry E. Parker Trust	7,103	-	153	1,000	6,256
Rena B. Parker Trust	39,088	-	829	-	39,917

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

Annapolis Valley Regional Centre for Education
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2021

Frank Pecora Mem Bursary	183	-	4	-	187
Quartermain Trust	21	-	1	-	22
Rainforth Trust	650	-	14	-	664
Sinnott Trust	11,324	-	239	-	11,563
Terri Spinney Mem	73	-	2	-	75
Earle Spicer Trust	28,310	-	601	-	28,911
Bill Wade Memorial	10,858	-	253	3,000	8,111
Whitman Memorial	8,721	-	184	-	8,905
WKDHS Memorial	8,281	-	131	300	8,112
Worthylake Trust	450	40	18	500	8
Champlain Refresh	7,861	14,125	-	23,147	(1,161)
Horton Refresh	107	-	-	-	107
Northeast Kings Refresh	95,941	105,114	-	220,806	(19,751)
Pine Ridge Refresh	240	56,755	-	56,988	7
Champlain Capital Fund	3,095	-	-	1,345	1,750
Horton Capital Fund	23,045	-	-	11,587	11,458
Northeast Kings Capital Fund	16,701	-	-	11,833	4,868
Pine Ridge Capital Fund	7,153	-	-	6951	202
Total Trusts	1,382,906	177,911	25,936	363,478	1,223,275
Foundation Total	710,325	60,398	1,920	162,994	609,649
Total Trusts & Foundation	\$2,093,231	\$238,309	\$27,856	\$526,472	\$1,832,924

School Generated Funds

	March 31, 2020	Additions	Interest	Disbursements	March 31, 2021
Aldershot Elementary	\$ 29,325	\$ 18,095	0.00	24,607	\$ 22,813
Annapolis East Elementary	54,665	28,387	0.00	46,552	36,501
Annapolis West Education Centre	107,954	47,026	63.00	51,555	103,488
Avon View High	285,847	83,801	0.00	109,004	260,645
Berwick Elementary	65,600	13,151	0.00	24,002	54,750
Bridgetown Regional Elementary	10,700	68	0.00	773	9,995
Bridgetown Regional Community	154,358	40,477	0.00	80,988	113,846
Brooklyn District Elementary	39,432	29,665	0.00	49,258	19,840
Cambridge & District Elementary	45,885	22,373	0.00	26,485	41,773
Central Kings Rural High	251,738	110,491	0.00	129,849	232,380
Champlain Elementary	22,726	3,365	0.00	7,680	18,412
Clark Rutherford Memorial	17,328	26,610	0.00	26,676	17,262
Coldbrook & District	81,503	23,178	0.00	42,525	62,156
Dr Arthur Hines Elementary	25,502	(4,634)	0.00	4,233	16,635
Dwight Ross Elementary	13,971	16,010	0.00	23,888	6,093
Evangeline Middle	89,410	39,267	0.00	37,587	91,091
Falmouth District	21,172	2,633	0.00	10,061	13,744
Gaspereau Valley Elementary	20,890	21,886	0.00	22,430	20,346

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

Annapolis Valley Regional Centre for Education
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2021

	<u>March 31, 2020</u>	<u>Additions</u>	<u>Interest</u>	<u>Disbursements</u>	<u>March 31, 2021</u>
Glooscap Elementary	40,566	26,244	0.00	28,944	37866.48
Hantsport	61,439	29,765	47.00	36,962	54288.91
Highbury Education Centre	4,405	2,670	0.00	1,407	5667.86
Horton High	316,107	179,233	0.00	167,277	328062.98
Kings County Academy	102,281	77,119	1,524.00	69,955	110968.54
Kings County Adult High	6,955	1,560	0.00	4,171	4343.97
Kingston & District	51,919	35,310	0.00	42,714	44515.46
LE Shaw Elementary	12,541	12,732	0.00	17,537	7735.78
Lawrencetown Consolidated	29,600	9,314	0.00	10,129	28784.66
Lawrencetown Education Centre	21,657	41,661	0.00	32,886	30432.02
Middleton Regional High	122,290	66,508	174.00	96,083	92889.19
New Minas Elementary	46,352	48,236	0.00	37,213	57374.72
Northeast Kings Education Centre	235,259	125,152	0.00	133,681	226730.34
Pine Ridge Middle	92,987	53,826	0.00	43,956	102857.18
Port Williams Elementary	9,957	23,521	0.00	16,024	17453.62
Somerset & District	17,086	23,133	0.00	28,282	11937.24
St Mary's Elementary	39,906	12,581	0.00	12,384	40102.06
Three Mile Plains District	31,194	4,419	0.00	23,072	12541.02
West Hants Education Centre	19,977	7,556	0.00	8,181	19352.35
West Hants Middle	68,650	46,602	0.00	55,761	59490.9
West Kings District High	300,904	98,448	437.00	124,021	275768.18
Windsor Adult High	14,168	8,136	0.00	8,035	14269.45
Windsor Elementary	15,229	(2,570)	0.00	1,330	11329.3
Windsor Forks District	39,082	(3,189)	0.00	6,161	29732.34
Wolfville	97,327	45,500	0.00	51,520	91307.43
Total School Generated Funds	\$ 3,135,849	\$ 1,495,316	\$ 2,245	\$ 1,775,839	\$ 2,857,571

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

Annapolis Valley Regional Centre for Education
Schedule E - Supplementary Details of Tangible Capital Assets
As of March 31, 2021

Costs of Tangible Asset(s)

	Buildings	Vehicles	Building Betterments	2021	2020
Opening Costs	\$ 427,952	\$ 731,385	\$ 1,024,654	\$ 2,183,991	\$ 2,202,609
Additions	-	174,606	-	174,606	188,440
Disposals	-	(50,015)	-	(50,015)	(207,059)
Closing Costs	<u>427,952</u>	<u>855,976</u>	<u>1,024,654</u>	<u>2,308,582</u>	<u>2,183,991</u>

Accumulated Amortization(s)

Opening Balance	196,704	354,863	371,434	923,001	970,745
Disposals	-	(48,502)	-	(48,502)	(202,567)
Amortization Expense	11,562	145,649	32,662	189,873	154,822
Closing Balance	<u>208,266</u>	<u>452,010</u>	<u>404,096</u>	<u>1,064,372</u>	<u>923,001</u>

Note Book Value (NBV)	<u>219,686</u>	<u>403,966</u>	<u>620,558</u>	<u>1,244,210</u>	<u>1,260,990</u>
Opening Balance, April 1, 2020	231,248	376,522	653,220	1,260,990	1,231,863
Closing Balance, March 31, 2021	<u>219,686</u>	<u>403,966</u>	<u>620,558</u>	<u>1,244,210</u>	<u>1,260,990</u>
Increase (decrease) In Net Book Value	<u>\$ (11,562)</u>	<u>\$ 27,444</u>	<u>\$ (32,662)</u>	<u>\$ (16,780)</u>	<u>\$ 29,127</u>

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

Annapolis Valley Regional Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2021

1. Nature of Operations

The Annapolis Valley Regional Centre for Education is an independent legal entity as required under the Education Act. The Regional Centre provides educational services from Pre-Primary to Grade 12 at public schools within the Annapolis Valley. The Regional Centre is a registered charity under the Income Tax Act and is exempt from income tax and can issue official receipts to donors.

2. Summary of significant accounting policies

These consolidated financial statements are prepared in accordance with the Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada (CPA). These consolidated financial statements have been prepared using the following significant accounting policies:

Revenues

Revenues are recorded on an accrual basis. The main components of revenue are funding from the Province of NS, Government of Canada and Municipal Contributions. The Regional Centre receives contributions by volunteer support in the delivery of certain programs within the schools. Due to the difficulty in determining or estimating the value of these contributions, contributed services are not quantified and recognized in these financial statements. The Regional Centre recognizes as revenue provincial government transfers representing the year over year change in accrued benefit obligations as the transfer has been authorized.

Expenses

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

Pension Liabilities

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

Net Debt

Net Debt represents the direct liabilities of the Regional Centre less financial assets.

Financial Instruments

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

Cash and cash equivalents

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

**Annapolis Valley Regional Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2021**

2. Summary of significant accounting policies continued

Non Financial Assets

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

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

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

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

Accumulated Deficit/Surplus

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

Use of Estimates

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

3. School Based Funds

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

March 31, 2020	Additions	Interest	Disbursements	Schedule D - SBF	Deferred Revenue	March 31, 2021
\$3,135,849	\$1,495,316	\$2,245	\$1,775,839	\$2,857,571	\$925,124	\$3,782,695

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

**Annapolis Valley Regional Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2021**

4. Trust funds

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

5. Contractual Obligations

Contract	Vendor	2021-22	2022-23	2023-24	2024-25
Contracted School Bus Transportation Services	Stock Transportation	\$4,329,236	\$4,437,493	\$4,549,043	\$4,662,741
Regional Office Rent	Western Kings Health Society	\$348,714	\$357,006	\$357,006	\$357,006
West Hants Education Centre and Windsor Adult High Rent	BioMedica Diagnostics Inc.	\$185,153	\$46,251	-	-
NSSPI Photocopier	Xerox Canada	\$189,768	\$189,768	\$189,768	\$189,768
Totals		\$5,052,871	\$5,030,518	\$5,095,817	\$5,209,515

6. Accumulated sick leave liability

The Regional Centre has recognized in these consolidated financial statements, the liability associated with accumulated sick leave earned by teaching and non-teaching 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, 2021.

The non-teaching accumulated sick leave actuarial valuation was prepared by Eckler Ltd. based on data from March 31, 2020 to March 31, 2021. All assumptions used in the Sick Leave valuation have been chosen by the Province.

Fiscal Year	Benefit Obligation & Discount Rate per annum	
2018-2019 Fiscal – March 31, 2019	3.29%	
2019-2020 Fiscal – March 31, 2020	3.24%	
2020-2021 Fiscal – March 31, 2021	3.01%	
2021-2022 Fiscal – March 31, 2022	3.01%	
2022-2023 Fiscal – March 31, 2023	3.01%	
2023-2024 Fiscal – March 31, 2024	3.01%	

Year	Salary Growth Rate	Retirement Age	Percentage
April 1, 2019	3.0%	59	10%
April 1, 2020	3.0%	60	20%
April 1, 2021	3.5%	61- 64	10%
April 1, 2022	3.0%	65 - 69	50%
April 1, 2023	3.0%	70+	100%

**Annapolis Valley Regional Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2021**

6. Accumulated sick leave liability continued

The teaching accumulated sick leave actuarial valuation was prepared by Eckler Ltd. based on valuation as of July 31, 2017 and extrapolated to March 31, 2021. The Province provided the information for the assumptions.

Fiscal Year	Benefit Obligation & Discount Rate per annum
2018-2019 Fiscal – March 31, 2019	3.29%
2019-2020 Fiscal – March 31, 2020	3.24%
2020-2021 Fiscal – March 31, 2021	3.01%
2021-2022 Fiscal – March 31, 2022	3.01%
2022-2023 Fiscal – March 31, 2023	3.01%
2023-2024 Fiscal – March 31, 2024	3.01%

The retirement for 2020-2021 fiscal year is assumed to be 50% at the Rule of 85, with the remainder at earlier of 35 years of credited service, age 62 with 10 years credited service, and age 65 with 2 years credited service. No termination prior to retirement assumed with regards to withdrawal prior to retirement.

Year	Salary Growth Rate
August 1, 2018	1.5%
July 31, 2019	0.5%
August 1, 2019	1.5%
July 31, 2020	0.5%
August 1, 2020	1.5%
July 31, 2021	0.5%
August 1, 2021	2.0%

It is assumed that the expected sick leave utilization is 7.9 days per school year for males and 9.1 days per year for females. The expected net sick leave accrual for a full time employee is 20 days less expected current year sick leave used (12.1 days for males and 10.9 days for females).

**Annapolis Valley Regional Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2021**

Non-Teaching - Accumulated Sick Leave	2021	2020
Opening benefit obligation, beginning of the year	\$ 1,665,934	\$ 1,613,884
Current service cost	275,100	264,800
Interest on obligation	50,700	52,350
Impact of plan amendment	-	-
Other (past service, transfers, etc)	-	-
Less: sick leave taken	(274,500)	(269,100)
Actuarial (gains) losses	(8,100)	4,000
Closing benefit obligation, end of year	1,709,134	1,665,934
Pension assets, at market related values	-	-
Funded status - surplus (deficiency)	(1,709,134)	(1,665,934)
Unamortized actuarial (gains) losses	144,184.00	177,380
Accrued benefit asset (liability)	\$ (1,564,950)	\$ (1,488,554)
Teachers - Accumulated Sick Leave		
Opening benefit obligation, beginning of the year	\$ 9,397,954	\$ 9,131,028
Current service cost	857,700	818,200
Interest on obligation	286,800	295,926
Impact of plan amendment	-	-
Other (past service, transfers, etc)	-	-
Less: sick leave taken	(915,600)	(881,200)
Actuarial (gains) losses	(2,100,300)	34,000
Closing benefit obligation, end of year	7,526,554	9,397,954
Pension assets, at market related values	-	-
Funded status - surplus (deficiency)	(7,526,554)	(9,397,954)
Unamortized actuarial (gains) losses	-517,144.5	(3,354,843)
Accrued benefit asset (liability)	(12,697,999)	(12,752,797)
Total Sick Leave Liability	\$ (14,262,949)	\$ (14,241,351)

**Annapolis Valley Regional Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2021**

7. Service Awards

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

The non-teachers retiring allowance actuarial valuation was prepared by Eckler Ltd. The data was extrapolated from March 31, 2018 to March 31, 2021 to create an actuarial valuation as at March 31, 2021 based on assumption as to that date. To enable the Province to satisfy the disclosure requirements under CPA PS 3250, we have relied on the prior actuary's valuation of the accrued benefit obligations as at March 31, 2018 and extrapolated those results to March 31, 2021 based on the assumptions as of that date. All assumptions used in the Service award valuation have been chosen by the Province.

Fiscal Year	Benefit Obligation & Discount Rate per annum		
2018-2019 Fiscal – March 31, 2019	3.29%		
2019-2020 Fiscal – March 31, 2020	3.24%		
2020-2021 Fiscal – March 31, 2021	3.01%		
2021-2022 Fiscal – March 31, 2022	3.01%		
2022-2023 Fiscal – March 31, 2023	3.01%		
2023-2024 Fiscal – March 31, 2024	3.01%		

Year	Salary Growth Rate	Retirement Age	Percentage
April 1, 2019	3.0%	59	10%
April 1, 2020	3.0%	60	20%
April 1, 2021	3.5%	61- 64	10%
April 1, 2022	3.0%	65 - 69	50%
April 1, 2023	3.0%	70+	100%

The teachers' retirement allowance actuarial valuation was prepared by Eckler Ltd. based on valuation as on July 31, 2018 and extrapolated to March 31, 2019. The Province provided the information for the assumptions.

Fiscal Year	Benefit Obligation & Discount Rate per annum
2018-2019 Fiscal – March 31, 2019	3.29%
2019-2020 Fiscal – March 31, 2020	3.24%
2020-2021 Fiscal – March 31, 2021	3.01%
2021-2022 Fiscal – March 31, 2022	3.01%
2022-2023 Fiscal – March 31, 2023	3.01%
2023-2024 Fiscal – March 31, 2024	3.01%

The retirement for 2020-2021 fiscal year is assumed to be 50% at the Rule of 85, with the remainder at earlier of 35 years of credited service, age 62 with 10 years credited service, and age 65 with 2 years credited service. No termination prior to retirement assumed with regards to withdrawal prior to retirement.

Year	Salary Growth Rate
August 1, 2019	1.5%
July 31, 2020	0.5%
August 1, 2020	1.5%
July 31, 2021	0.5%
August 1, 2021	1.5%
August 1, 2022	1.5%
August 1, 2023	2.0%

**Annapolis Valley Regional Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2021**

7. Service Awards continued

Prior to August 1, 2015, liabilities were determined using the projected unit credit method, prorated on service as required by CPA PS 3250. Under this method, an equal proportion of the estimated total benefit is allocated to each year of service. The present value of benefits attributed to service prior to the valuation date is determined and referred to as the benefit obligation, or actuarial liability.

Since benefits have been curtailed effective August 1, 2015, the valuation method has changed such that the total liability is no longer pro-rated on service. The liability is based on service accrued to August 1, 2015, using projected earning at retirement.

Non-Teachers - Retiring Allowances	2021	2020
Opening benefit obligation, beginning of the year	\$ 182,049	\$ 176,191
Current service cost	-	-
Interest on obligation	4,456	5,716
Impact of curtailment	-	-
Other (past service, transfers, etc)	-	-
Less: benefits paid	(70,238)	(158)
Actuarial (gains) losses	(1,600)	300
Closing benefit obligation, end of year	114,667	182,049
Pension assets, at market related values	-	-
Funded status - surplus (deficiency)	(114,667)	(182,049)
Unamortized actuarial (gains) losses	41,673	65,707
Accrued benefit asset (liability)	\$ (72,993)	\$ (116,341)
Teachers - Retiring Allowances		
Opening benefit obligation, beginning of the year	\$ 699,087	\$ 876,909
Current service cost	-	-
Interest on obligation	19,900	25,188
Impact of curtailment	-	-
Other (past service, transfers, etc)	-	-
Less: benefits paid	(111,399)	(207,010)
Actuarial (gains) losses	11,100	4,000
Closing benefit obligation, end of year	618,688	699,087
Pension assets, at market related values	-	-
Funded status - surplus (deficiency)	(618,688)	(699,087)
Unamortized actuarial (gains) losses	(423,710)	(462,499)
Accrued benefit asset (liability)	\$ (1,042,398)	\$ (1,161,586)
Total Retiring Allowance Liability	\$ (1,115,391)	\$ (1,277,927)

Annapolis Valley Regional Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2021

8. Subsequent Events

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. A continuity of learning plan was implemented to enable at-home learning for students, which remained in effect for the remainder of the 2019-2020 school year.

Nova Scotia developed its Back to School Plan for September 2020. AVRCE implemented this plan and students returned to in-class instruction in September 2020. This plan contains significant measures from Public Health and outlines various protocols, including the extensive use of personal protective equipment (PPE) by staff and students, enhanced cleaning and ventilation checks in schools, cohorting of students, etc.

Effective April 28, 2021 all schools in the Province were temporarily closed to reduce the spread of COVID-19 in community. At that time, students moved to at-home virtual learning as intended in the Back to School Plan. The temporary school closure ended on June 2, 2021 and students returned to in-class instruction for the remainder of the 2020-21 school year.

By adopting the enhanced safety measures of the Nova Scotia Back to School Plan, there have been both financial and operational impacts. However, the Regional Centre has not experienced any cash flow issues, and has been working with the Department of Education and Early Childhood Development to ensure sufficient funding is available to address the incremental COVID costs, and continue as a going concern.