

**Cape Breton-Victoria Regional Centre
for Education
Financial Statements**

March 31, 2021



Cape Breton-Victoria Regional Centre for Education

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Management's Responsibility for Financial Reporting

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

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

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

Nancy Dove, Director of Finance

Independent Auditor's Report

To the Minister of Education and Early Childhood Development

Opinion

We have audited the financial statements of Cape Breton-Victoria Regional Centre for Education (the "Centre for Education"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, accumulated operating surplus, changes in net financial assets, cash flows and continuity of scholarship fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre for Education as at March 31, 2021, and the results of its financial performance, 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 Financial Statements section of our report. We are independent of the Centre for Education 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.

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

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

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

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 Centre for Education's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre for Education's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre for Education to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Sydney, Nova Scotia

June 28, 2021

MNP LLP

Chartered Professional Accountants

Cape Breton-Victoria Regional Centre for Education Financial Statements

For the year ended March 31, 2021

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Cape Breton-Victoria Regional Centre for Education
Statement of Financial Position

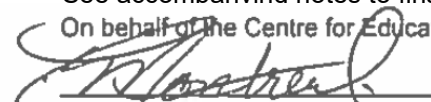
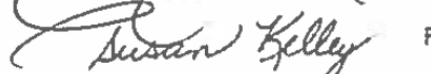
As at March 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents		
General	\$ 12,972,584	\$ 12,060,806
School-based funds (note 2)	5,014,539	4,500,318
	<u>17,987,123</u>	<u>16,561,124</u>
Accounts receivable		
Province of Nova Scotia (note 3)	7,227,536	6,668,240
First Nation (note 4)	245,337	-
Government of Canada (note 5)	798,693	460,796
Other	1,104,304	1,900,454
	<u>9,375,870</u>	<u>9,029,490</u>
Province of Nova Scotia, other		
Retirement service awards receivable – teaching (note 6)	749,628	762,749
Retirement service awards receivable – non-teaching (note 6)	125,280	237,935
Sick leave receivable – teaching (note 7)	14,098,664	14,656,372
Sick leave receivable – non-teaching (note 7)	1,392,541	1,465,609
	<u>16,366,113</u>	<u>17,122,665</u>
Restricted cash and investment – scholarships	373,142	373,813
Total financial assets	<u>44,102,248</u>	<u>43,087,092</u>
FINANCIAL LIABILITIES		
Payables and accruals – trade	6,192,622	3,927,251
Teachers' salary payable	2,576,900	2,515,300
Non-teaching vacation pay payable	1,275,009	1,172,303
Other salary payable	2,008,547	2,536,438
	<u>12,053,078</u>	<u>10,151,292</u>
Payables and accruals – government		
Province of Nova Scotia	90,117	114,065
Government of Canada	50,603	246
Municipalities	18,318	33,034
	<u>159,038</u>	<u>147,345</u>
Province of Nova Scotia, other		
Retirement service awards obligation – teaching (note 6)	749,628	762,749
Retirement service awards obligation – non-teaching (note 6)	125,280	237,935
Accrued sick leave obligation – teaching (note 7)	14,098,664	14,656,372
Accrued sick leave obligation – non-teaching (note 7)	1,392,541	1,465,609
	<u>16,366,113</u>	<u>17,122,665</u>
Contaminated sites liability (note 8)	464,322	451,675
Liability for future environmental clean-up (note 9)	2,671,155	2,902,900
Deferred revenue	5,375,451	6,308,376
Scholarship trust funds	373,142	373,813
Total financial liabilities	<u>37,462,299</u>	<u>37,458,066</u>
NET FINANCIAL ASSETS	<u>6,639,949</u>	<u>5,629,026</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	933,170	835,099
Tangible capital assets (note 10)	257,546	225,525
Total non-financial assets	<u>1,190,716</u>	<u>1,060,624</u>
ACCUMULATED SURPLUS	<u>\$ 7,830,665</u>	<u>\$ 6,689,650</u>

Contingencies (note 16)
Subsequent event (note 17)

See accompanying notes to financial statements.

On behalf of the Centre for Education

 Deputy Minister
 Regional Executive Director

Cape Breton-Victoria Regional Centre for Education Statement of Operations

For the year ended March 31, 2021

	2021		2020
	Budget	Actual	Actual
REVENUES			
Province of Nova Scotia	\$ 144,237,558	\$ 153,485,211	\$ 147,015,812
Municipal contributions	17,263,384	17,263,384	16,804,789
Regional Centre generated	3,036,438	3,087,022	4,977,625
School-based funds (note 2)	4,200,000	2,652,756	4,201,611
Government of Canada	1,318,307	1,614,077	1,391,058
	170,055,687	178,102,450	174,390,895
EXPENSES			
School services	121,470,065	127,908,790	126,370,027
Property services	16,392,266	21,170,722	19,503,653
Transportation	6,708,258	6,443,854	6,388,813
Other programs	10,752,706	7,259,172	6,690,184
School-based funds (note 2)	4,200,000	2,160,285	4,544,721
School services administration	4,252,738	4,214,024	3,883,962
Financial services	1,843,626	1,829,988	1,817,035
Technology services	1,459,647	2,920,955	1,576,336
Human resources	1,091,886	1,009,797	1,027,291
Operations administration	1,217,896	1,338,237	1,148,867
Office of the Regional Executive Director	546,339	566,933	663,075
Tangible capital asset amortization	120,260	138,678	121,435
	170,055,687	176,961,435	173,735,399
OPERATING SURPLUS	\$ -	\$ 1,141,015	\$ 655,496

See accompanying notes to financial statements.

Cape Breton-Victoria Regional Centre for Education
Statement of Accumulated Operating Surplus

For the year ended March 31, 2021

				2021	2020
	Unrestricted	School-based Funds	Reserve	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 2,611,946	\$ 3,964,176	\$ 113,528	\$ 6,689,650	\$ 6,034,154
Operating surplus	564,730	492,471	83,814	1,141,015	655,496
BALANCE, END OF YEAR	\$ 3,176,676	\$ 4,456,647	\$ 197,342	\$ 7,830,665	\$ 6,689,650

See accompanying notes to financial statements.

Cape Breton-Victoria Regional Centre for Education
Statement of Change in Net Financial Assets

For the year ended March 31, 2021

	2021	2020
NET FINANCIAL ASSETS, BEGINNING OF YEAR	\$ 5,629,026	\$ 4,832,748
Changes during the year		
Operating surplus	1,141,015	655,496
Acquisition of tangible capital assets	(170,699)	(182,057)
Amortization of tangible capital assets	138,678	121,435
Decrease (increase) in prepaid expenses	(98,071)	201,404
Increase in net financial assets	1,010,923	796,278
NET FINANCIAL ASSETS, END OF YEAR	\$ 6,639,949	\$ 5,629,026

See accompanying notes to financial statements.

Cape Breton-Victoria Regional Centre for Education
Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus	\$ 1,141,015	\$ 655,496
Non-cash items		
Amortization of tangible capital assets	138,678	121,435
Change in non-cash operating working capital		
Increase in accounts receivable	(346,380)	(412,513)
Decrease (increase) in prepaid expenses	(98,071)	201,404
Increase in payables and accruals – trade	2,265,371	1,313,882
Increase (decrease) in salaries payable	(363,585)	504,396
Increase in payables and accruals – government	11,693	131,058
Increase in contaminated liability	12,647	890
Increase (decrease) in liability for future environmental clean-up	(231,745)	5,720
Decrease in deferred revenue	(932,925)	(1,060,119)
	1,596,698	1,461,649
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of tangible capital assets	(170,699)	(182,057)
INCREASE IN CASH AND CASH EQUIVALENTS	1,425,999	1,279,592
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	16,561,124	15,281,532
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 17,987,123	\$ 16,561,124
Represented on the financial statements by		
General	\$ 12,972,584	\$ 12,060,806
School-based funds	5,014,539	4,500,318
	\$ 17,987,123	\$ 16,561,124

See accompanying notes to financial statements.

**Cape Breton-Victoria Regional Centre for Education
Scholarship Fund Financial Position**

As at March 31, 2021

	2021	2020
ASSETS		
Cash and investments	\$ 373,142	\$ 373,813
FUND BALANCE		
Rossetti	\$ 163,079	\$ 161,890
George MacKay Bursary	148,405	148,632
Annie Bell Grady Memorial	18,930	18,739
Townsend	1,016	1,030
McDonagh	5,286	5,356
Panagiotakos	9,110	9,166
McQuarrie	3,064	3,088
Annie Hall	1,943	1,963
C.J.C.B.	2,494	3,994
Daniel Munroe	2,962	2,991
John D. MacLeod Memorial	925	935
T.L. Sullivan Memorial	1,836	1,857
Mary Elizabeth Brennan	2,262	2,279
William Hilchie Memorial	2,986	3,005
Isabel MacDermid Memorial	3,243	3,249
Wendell & Diane Coldwell Memorial	725	737
Jon David Corbett	3,059	3,079
Leonard Matheson	1,386	1,397
Ellen Dunn Balah	55	54
Minor Hockey	376	372
	\$ 373,142	\$ 373,813

See accompanying notes to financial statements.

Cape Breton-Victoria Regional Centre for Education
Statement of Continuity of Scholarship Fund

For the year ended March 31, 2021

	Rossetti	MacKay	Grady	Townsend	McDonagh	Panagiotakos	McQuarrie
Balance, beginning of year	\$ 161,890	\$ 148,632	\$ 18,739	\$ 1,030	\$ 5,356	\$ 9,166	\$ 3,088
Interest earned	2,539	1,523	191	11	55	94	46
	164,429	150,155	18,930	1,041	5,411	9,260	3,134
Scholarship awarded	1,350	1,750	–	25	125	150	70
Balance, end of year	\$ 163,079	\$ 148,405	\$ 18,930	\$ 1,016	\$ 5,286	\$ 9,110	\$ 3,064

	Annie Hall	C.J.C.B.	Munroe	MacLeod	Sullivan	Brennan	Hilchie	MacDermid
Balance, beginning of year	\$ 1,963	\$ 3,994	\$ 2,991	\$ 935	\$ 1,857	\$ 2,279	\$ 3,005	\$ 3,249
Interest earned	20	–	31	10	19	23	31	49
	1,983	3,994	3,022	945	1,876	2,302	3,036	3,298
Scholarship awarded	40	1,500	60	20	40	40	50	55
Balance, end of year	\$ 1,943	\$ 2,494	\$ 2,962	\$ 925	\$ 1,836	\$ 2,262	\$ 2,986	\$ 3,243

	Coldwell	Corbett	Matheson	Dunn Balah	Minor Hockey	2021 Total	2020 Total
Balance, beginning of year	\$ 737	\$ 3,079	\$ 1,397	\$ 54	\$ 372	\$ 373,813	\$ 371,518
Interest earned	8	30	14	1	4	4,699	7,215
	745	3,109	1,411	55	376	378,512	378,733
Scholarship awarded	20	50	25	–	–	5,370	4,920
Balance, end of year	\$ 725	\$ 3,059	\$ 1,386	\$ 55	\$ 376	\$ 373,142	\$ 378,813

See accompanying notes to financial statements.

Cape Breton-Victoria Regional Centre for Education

Notes to Financial Statements

For the year ended March 31, 2021

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

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA), supplemented where appropriate by other CPA Canada accounting standards or pronouncements.

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

(a) Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit net of outstanding cheques and deposits.

(b) Liability for contaminated sites

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

(c) Revenues

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

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

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

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements
For the year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Expenses

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

(e) Financial assets

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

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

(f) Financial liabilities

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

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

(g) Net financial assets

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

(h) Non-financial assets

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

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

Asset	Basis	Rate
Service vehicles	Declining balance	35%

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements
For the year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid expenses are cash disbursements or other transfers of economic resources for goods or services, other than tangible capital assets and inventories of supplies, of which some or all will provide economic benefits in one or more future periods. The prepaid amount is recognized as an expense in the year the good or service is used or consumed.

(i) Accumulated surplus

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

(j) Scholarship trust funds under administration

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

(k) Use of estimates

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

(l) Financial instruments

Measurement of financial instruments

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

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

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

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

Investments are subsequently measured at fair market value.

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements
For the year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

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

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

2. SCHOOL-BASED FUNDS

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

Changes in cash held by schools are as follows:

	2021	2020
Opening balance	\$ 4,500,318	\$ 4,467,648
Additions to school-based funds	2,652,756	4,201,611
School funded activities	(2,160,285)	(4,544,721)
Decrease (increase) in prepaids	69,178	237,012
Decrease (increase) in accounts receivable	55,088	164,355
Increase (decrease) in deferred revenue	7,861	(97,403)
Increase (decrease) in accounts payable	(110,377)	71,816
	\$ 5,014,539	\$ 4,500,318

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements
For the year ended March 31, 2021

3. ACCOUNTS RECEIVABLE, PROVINCE OF NOVA SCOTIA

	2021	2020
Teachers' salary accrual	\$ 2,576,900	\$ 2,515,300
TCA capital	2,180,591	1,046,799
Environmental liability recovery	2,175,531	2,116,275
Information economy initiative	126,622	306,950
Non-Teaching retro pay	117,810	–
Other	45,017	84,802
Gas tax rebate	5,065	6,203
International student program	–	525,146
Non-Teaching Directors service award	–	66,765
	\$ 7,227,536	\$ 6,668,240

4. ACCOUNTS RECEIVABLE, FIRST NATION

	2021	2020
Tuition receivable	\$ 245,337	\$ –

5. ACCOUNTS RECEIVABLE, GOVERNMENT OF CANADA

	2021	2020
Harmonized sales tax	\$ 798,693	\$ 460,796

6. RETIREMENT SERVICE AWARDS

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

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

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements
For the year ended March 31, 2021

6. RETIREMENT SERVICE AWARDS (CONTINUED)

The Province of Nova Scotia assumed responsibility for the payment of service awards for all qualifying Centre for Education employees effective April 1, 2002. As a result, school boards were required to make certain entries on their financial statements beginning with the year ending March 31, 2002, to record the value of projected liabilities, as well as a corresponding receivable from the Province of Nova Scotia. These entries have been determined by the Nova Scotia Department of Finance in relation to an independent actuarial evaluation performed for them. This evaluation calculated the present value of the service awards payable for past services for the Centre for Education to be \$749,628 as of March 31, 2021 (2020 - \$762,749) – teaching; \$125,280 as of March 31, 2021 (2020 - \$237,935) – non-teaching.

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

TEACHING

	2021			2020	
	Actual Obligation	Unamortized Losses	Total	Total	
Balance, beginning of year	\$ 596,450	\$ 166,299	\$ 762,749	\$ 821,045	
Interest cost	18,200	–	18,200	19,798	
Amortization of actuarial losses	–	(9,094)	(9,094)	(9,323)	
Benefit payments	(22,227)	–	(22,227)	(68,771)	
Actuarial loss	13,100	(13,100)	–	–	
Balance, end of year	\$ 605,523	\$ 144,105	\$ 749,628	\$ 762,749	

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

	2021		2020	
Interest obligation	\$	18,200	\$	19,798
Amortization of actuarial losses		(9,094)		(9,323)
	\$	9,106	\$	10,475

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements
For the year ended March 31, 2021

6. RETIREMENT SERVICE AWARDS (CONTINUED)

NON-TEACHING

			2021	2020
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 184,808	\$ 53,127	\$ 237,935	\$ 363,884
Interest cost	4,601	–	4,601	7,065
Amortization of actuarial losses	–	(53,177)	(53,177)	(52,414)
Benefit payments	(64,079)	–	(64,079)	(80,600)
Actuarial gain	(2,600)	2,600	–	–
Balance, end of year	\$ 122,730	\$ 2,550	\$ 125,280	\$ 237,935

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

	2021	2020
Interest obligation	\$ 4,601	\$ 7,065
Amortization of actuarial losses	(53,177)	(52,414)
	\$ (48,576)	\$ (45,349)

7. ACCRUED SICK LEAVE

The Centre for Education has recognized in these financial statements, the liability associated with accumulated sick leave earned by teaching and non-teaching staff. The Centre for Education has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2021. These entries have been determined by the Nova Scotia Department of Finance in relation to an independent actuarial evaluation performed for them.

This evaluation calculated the present value of the accumulated sick leave for past services for the Centre for Education to be \$14,098,664 as of March 31, 2021 (2020 - \$14,656,372) – teaching; \$1,392,541 as of March 31, 2021 (2020 - \$1,465,609) – non-teaching.

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements

For the year ended March 31, 2021

7. ACCRUED SICK LEAVE (CONTINUED)

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

TEACHING

			2021	2020
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 9,793,920	\$ 4,862,452	\$ 14,656,372	\$ 15,217,690
Current service cost	699,800	-	699,800	668,900
Interest cost	294,500	-	294,500	312,674
Sick leave taken	(1,019,000)	-	(1,019,000)	(1,007,300)
Amortization of actuarial loss	-	(533,008)	(533,008)	(535,592)
Actuarial gain	(2,089,600)	2,089,600	-	-
Balance, end of year	\$ 7,679,620	\$ 6,419,044	\$ 14,098,664	\$ 14,656,372

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

			2021	2020
Current service cost			\$ 699,800	\$ 668,900
Interest cost			294,500	312,674
Amortization of actuarial loss			(533,008)	(535,592)
			\$ 461,292	\$ 445,982

NON-TEACHING

			2021	2020
	Actual Obligation	Unamortized Gains (Losses)	Total	Total
Balance, beginning of year	\$ 1,473,869	\$ (8,260)	\$ 1,465,609	\$ 1,534,878
Current service cost	173,300	-	173,300	166,800
Interest cost	43,100	-	43,100	48,144
Sick leave taken	(292,900)	-	(292,900)	(287,200)
Amortization of actuarial loss	-	3,432	3,432	2,987
Actuarial gain	(6,600)	6,600	-	-
Balance, end of year	\$ 1,390,769	\$ 1,772	\$ 1,392,541	\$ 1,465,609

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements
For the year ended March 31, 2021

7. ACCRUED SICK LEAVE (CONTINUED)

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

	2021	2020
Current service cost	\$ 173,300	\$ 166,800
Interest cost	43,100	48,144
Amortization of actuarial loss	3,432	2,987
	\$ 219,832	\$ 217,931

8. CONTAMINATED SITES

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

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

9. LIABILITY FOR FUTURE ENVIRONMENTAL CLEAN-UP

The Centre for Education has identified three properties that are either scheduled for closure or renovation that have asbestos containing materials greater than provincial standards referred to in note 8. The Centre for Education has recorded a liability based on management's best estimate of the cost of remediation and has recorded a receivable from the Province of Nova Scotia for its commitment to fund the renovation at one affected school.

10. TANGIBLE CAPITAL ASSETS

	2021		2020	
	Cost	Accumulated amortization	Net	Net
Service vehicles	\$ 1,821,728	\$ 1,564,182	\$ 257,546	\$ 225,525

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements
For the year ended March 31, 2021

11. DEFERRED TEACHERS' SALARIES

Under the terms of the teachers' contract, the Centre for Education withholds a portion of certain eligible teachers' salaries and deposits it with the Nova Scotia Teachers' Credit Union. These amounts are subsequently withdrawn by the teachers in a year when they are on leave of absence. As of March 31, 2021, the Board had \$657,265 (2020 - \$534,823) of such funds on deposit together with a corresponding liability of \$657,265 (2020 - \$534,823).

12. PENSION PLANS

(a) Teachers

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

(b) Non-teachers

The Centre for Education's Canadian Union of Public Employees (CUPE) staff participate in a money purchase pension plan which is accounted for by the Centre for Education as a defined contribution plan. Employer pension costs of \$1,280,569 (2020 - \$1,178,139) are included in the statement of operations which represent the cost of employer contributions for current service of participating employees during the year. Employees and the Centre for Education both contribute at the rate of 5% (CUPE) and 9% (Confidential non-CUPEW) of pensionable earnings.

The Centre for Education also contributes to an RRSP plan for its (Confidential non-CUPE) employees. Employees and the Centre for Education both contribute at the rate of 9% of pensionable earnings. Included in the March 31, 2021 statement of operations are employer contributions of \$127,507 (2020 - \$114,653), which represents the pension cost to the Centre for Education.

13. INSURANCE

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

14. RELATED PARTY TRANSACTIONS

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

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

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements
For the year ended March 31, 2021

15. FINANCIAL INSTRUMENTS

The Centre for Education is exposed to various risks through its financial instruments and includes the following significant risk at March 31, 2021.

Credit risk

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

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

Liquidity risk

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

16. CONTINGENCIES

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

17. SUBSEQUENT EVENT

On May 14, 2021, the Centre for Education sold the property and building referred to in Note 8 of these financial statements at which time the contamination liability was transferred to the purchaser. The Centre of Education has derecognized the contaminated sites liability of \$464,322 in the fiscal year ending March 31, 2022.

18. IMPACT OF COVID-19 ON OPERATIONS

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 2019-20 school year.

Nova Scotia developed its Back to School Plan for September 2020. CBVRCE 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.

Cape Breton-Victoria Regional Centre for Education
Notes to Financial Statements
For the year ended March 31, 2021

18. IMPACT OF COVID-19 ON OPERATIONS (CONTINUED)

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 for schools outside the Sydney and Riverview Families of Schools, and on June 3 for those schools within the Sydney and Riverview Families of Schools 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.