



Consolidated Financial Statements

Tri-County Regional Centre for Education

March 31, 2021

Contents

	Page
Independent Auditor's Report	1 - 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Surplus	4
Consolidated Statement of Changes in Net Financial Assets	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 – 24
Schedule A – Supplementary Details of Revenues	25
Schedule B – Supplementary Details of Expenditures	26 - 30
Schedule C – Supplementary Details of Tangible Capital Assets	31
Schedule D – Trust Funds Balance Sheet	32
Schedule E – Supplementary Details of Trust Funds	33

Independent auditor's report

Grant Thornton LLP
4th Floor, Dawson Centre
197 Dufferin Street
Bridgewater, NS
B4V 2G9
T +1 902 543 8115
F +1 902 543 7707
www.GrantThornton.ca

Honourable Derek Mombourquette - Minister,
Education and Early Childhood Development

Opinion

We have audited the consolidated financial statements of Tri-County Regional Centre for Education ("the Regional Centre"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, change in net financial assets and cash flows 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 consolidated financial position of Tri-County Regional Centre for Education as at March 31, 2021, and its consolidated results of operations, and its consolidated 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 25 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 Regional Centre'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 Regional Centre 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 Regional Centre'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 Regional Centre'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 Regional Centre 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.

Bridgewater, Canada
June 28, 2021

Chartered Professional Accountants

Tri-County Regional Centre for Education
Consolidated Statement of Financial Position

As at March 31

2021

2020

Financial Assets

Cash and Cash Equivalents (Bank Indebtedness)	\$ 1,293,823	\$ (424,656)
Cash Held by Schools (Note 5)	1,611,437	1,844,141
	<u>\$ 2,905,260</u>	<u>\$ 1,419,485</u>
Accounts Receivable		
Province of Nova Scotia	\$ 3,501,226	\$ 2,206,508
Government of Canada	202,227	403,570
Other	67,273	1,256,148
Accrued Benefit Asset (Note 6)	2,221,000	1,873,800
Receivable - Service Award Allowance (Note 10)	1,209,287	1,296,787
Receivable - Sick Leave Allowance (Note 11)	8,815,495	8,827,027
Total Financial Assets	<u>\$ 18,921,768</u>	<u>\$ 17,283,325</u>

Financial Liabilities

Accounts Payable and Accrued Liabilities	\$ 2,529,380	\$ 2,126,649
Accrued Payroll and Employee Deductions	1,995,357	2,128,530
Payables and Accruals - Government		
Province of Nova Scotia	28,096	73,713
Municipalities	120,397	4,171
Government of Canada - Employee Deductions	904,595	16,148
Deferred Revenue (Note 13)	1,039,567	1,020,615
Service Award Obligations (Note 10)	1,209,287	1,296,787
Sick Leave Obligations (Note 11)	8,815,495	8,827,027
Total Financial Liabilities	<u>\$ 16,642,174</u>	<u>\$ 15,493,640</u>

Net Financial Assets

	<u>\$ 2,279,594</u>	<u>\$ 1,789,685</u>
--	----------------------------	----------------------------

Non-Financial Assets

Tangible Capital Assets (Schedule C)	\$ 332,670	\$ 175,927
Inventory	242,505	242,505
Prepaid Expenses	397,958	305,480
	<u>\$ 973,133</u>	<u>\$ 723,912</u>

Accumulated Surplus (Note 4)

	<u>\$ 3,252,727</u>	<u>\$ 2,513,597</u>
--	----------------------------	----------------------------

Trust Funds Under Administration (Note 7 and Schedule D & E)
 Contractual Obligations (Note 8)
 Contingent Liability (Note 9)
 Subsequent Event (Note 16)

On Behalf of the Tri-County Regional Centre for Education



Regional Executive Director



 Deputy Minister

Tri-County Regional Centre for Education

Consolidated Statement of Operations and Surplus

For the year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule A)			
Province of Nova Scotia	\$ 72,000,188	\$ 79,326,720	\$ 73,648,049
Government of Canada	390,000	378,677	388,531
Municipal Contributions	12,029,444	12,029,408	11,762,386
School Generated Funds (Note 5)	2,500,000	1,178,102	2,477,151
Regional Centre Operations	2,544,814	665,478	2,625,484
Total Revenues	<u>\$ 89,464,446</u>	<u>\$ 93,578,385</u>	<u>\$ 90,901,601</u>
Expenditures (Schedule B)			
Office of the Regional Executive Director	589,507	642,312	563,503
Financial Services	652,132	634,539	612,188
Human Resources Services	635,905	599,245	504,026
School Services	66,853,832	68,403,531	67,904,671
Operational Services	15,890,981	18,353,724	16,758,142
Pre-Primary Programming	2,342,089	2,670,271	2,025,224
School Generated Funds (Note 5)	2,500,000	1,535,633	2,469,619
Total Expenditures	<u>\$ 89,464,446</u>	<u>\$ 92,839,255</u>	<u>\$ 90,837,373</u>
Regional Centre Surplus	\$ -	\$ 739,130	\$ 64,228
Accumulated Surplus, beginning of year		<u>2,513,597</u>	<u>2,449,369</u>
Accumulated Surplus, end of year		<u>\$ 3,252,727</u>	<u>\$ 2,513,597</u>

Tri-County Regional Centre for Education**Consolidated Statement of Changes in Net Financial Assets**

For the year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Net Financial Assets, Beginning of Year	\$ 1,789,685	\$ 1,789,685	\$ 1,659,939
Changes in the Year			
Regional Centre Surplus	-	739,130	64,228
Amortization of Tangible Capital Assets	74,742	102,912	86,735
Purchases of Tangible Capital Assets	-	(259,655)	(59,435)
Decrease (Increase) in Prepaid Expenses	-	(92,478)	38,218
Increase in Net Financial Assets	<u>74,742</u>	<u>489,909</u>	<u>129,746</u>
Net Financial Assets, End of Year	<u>\$ 1,864,427</u>	<u>\$ 2,279,594</u>	<u>\$ 1,789,685</u>

Tri-County Regional Centre for Education

Consolidated Statement of Cash Flows

For the year ended March 31

2021

2020

Increase (Decrease) in Cash and Cash Equivalents

Operating Transactions

Regional Centre Surplus	\$ 739,130	\$ 64,228
-------------------------	------------	-----------

Items not Affecting Cash:

Amortization of Tangible Capital Assets	<u>102,912</u>	<u>86,735</u>
	<u>842,042</u>	<u>150,963</u>

Changes in Non-Cash Working Capital

Decrease (increase) in Accounts Receivable	95,500	(1,517,626)
Decrease in Receivables - Service Award Allowance	87,500	67,458
Decrease (increase) in Receivable - Sick Leave Allowance	11,532	(788)
(Increase) decrease in Prepaid Expenses	(92,478)	38,218
(Increase) decrease in Accrued Benefit Asset	(347,200)	14,600
Increase in Accounts Payable and Accruals	1,228,614	379,215
Decrease in Deferred Revenue	18,952	(1,907,394)
Decrease in Service Award Obligation	(87,500)	(67,458)
(Decrease) increase in Sick Leave Obligations	(11,532)	788
	<u>903,388</u>	<u>(2,992,987)</u>

Cash Provided by Operating Activities	<u>1,745,430</u>	<u>(2,842,024)</u>
---------------------------------------	------------------	--------------------

Capital Transactions

Purchases of Tangible Capital Assets	<u>(259,655)</u>	<u>(59,435)</u>
--------------------------------------	------------------	-----------------

Decrease in Cash and Cash Equivalents	1,485,775	(2,901,459)
---------------------------------------	-----------	-------------

Cash and Cash Equivalents, Beginning of Year	<u>1,419,485</u>	<u>4,320,944</u>
--	------------------	------------------

Cash and Cash Equivalents, end of Year	<u>\$ 2,905,260</u>	<u>\$ 1,419,485</u>
--	---------------------	---------------------

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

1. Nature of Operations

As of March 31, 2021, the Tri-County 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 Digby, Shelburne and Yarmouth 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 Regional Centre policy.

2. Management Responsibility Statement

The consolidated financial statements of the Tri-County Regional Centre for Education are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 3. The preparation of the 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 maintains 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.

3. 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 financial statements are represented by accounting recommendations of the CPA Canada Public Sector Accounting Board (PSAB), supplemented where appropriate by the 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 prescribed by the Department of Education and Early Childhood Development.

Trust funds are not included in the statement of operations or in the statement of financial position 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 financial statements of each fund as presented in these consolidated financial statements.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

3. Financial Reporting and Accounting Policies (continued)

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) are authorized.

All non-government contribution 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 inflow received before the criteria have been met is reported as deferred revenue until the resources are used for the purpose or purposes specified. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer(s) are authorized.

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

Public Private Partnership and 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.

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 are 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, 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.

Cash and Cash Equivalents (Bank Indebtedness)

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. Bank borrowings are considered to be financing activities.

Financial Instruments

The Regional Centre's financial instruments include receivables, cash and cash equivalents, bank indebtedness, payable and 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.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

3. Financial Reporting and Accounting Policies (continued)

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.

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.

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 for 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

Inventory

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 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 Centres 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.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

3. Financial Reporting and Accounting Policies (continued)

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>
Building	\$250,000	5%
Building improvements	\$150,000	5%
Leasehold improvements	\$250,000	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.

4. 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.

	<u>2021</u>	<u>2020</u>
Operating Deficit - Unrestricted, beginning of year	\$ (1,204,344)	\$ (1,315,454)
Regional Centre Surplus	739,130	64,228
	(465,214)	(1,251,226)
Operating Surplus – Designated to Defined Benefit Pension Plan	(347,200)	14,600
Operating Surplus (Deficit) – Designated to School Funds	232,704	32,282
Operating Deficit – Unrestricted, end of year	(579,710)	(1,204,344)
Defined Pension Plan – Accrued Benefit Asset, beginning of year	1,873,800	1,888,400
Defined Pension Plan – Accrued Benefit Asset, net (deficit) surplus for year	347,200	(14,600)
Defined Pension Plan – Accrued Benefit Asset, end of year	2,221,000	1,873,800
School Funds – Restricted, beginning of year	1,844,141	1,876,423
School Funds – Restricted, net (deficit) surplus for year	(232,704)	(32,282)
School Funds – Restricted, end of year	1,611,437	1,844,141
Accumulated Surplus, end of year	\$ 3,252,727	\$ 2,513,597

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

5. School Generated Funds

These consolidated financial statements include funds arising from certain school and student activities that are controlled and administered by each school, for which the Regional Centre is accountable. Revenue from school funds is recognized as the funds are received. School funded activities expenses 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>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 1,844,141	\$ 1,876,423
Additions to school generated funds	1,178,102	2,477,151
School funded activities expenses	(1,535,633)	(2,469,619)
School funds – restricted programs (recognition of prior year deferred revenue)	(86,312)	(126,126)
School funds – restricted programs (deferred revenue)	<u>211,139</u>	<u>86,312</u>
Net school generated funds for year	<u>(232,704)</u>	<u>(32,282)</u>
Balance, end of year	<u>\$ 1,611,437</u>	<u>\$ 1,844,141</u>

6. Defined Benefit Pension Plans

Details on the defined benefit plans were provided by Morneau Shepell on May 13, 2021 and have been determined by them in accordance with PS 3250 for the Tri-County Regional Centre for Education C.U.P.E. Staff Pension Plan (the “CUPE Plan”) and the Tri-County Regional Centre for Education Support Staff Pension Plan (the “Support Staff Plan”). Results are presented for the fiscal year ending March 31, 2021 based on the information received dated May 13, 2021.

For both plans, employee contributions equal 5% of their salary, and the Regional Centre contributes the balance to fund the plan.

C.U.P.E Defined Benefit Pension Plan

The CUPE pension plan was last valued on December 31, 2019. The next funding valuation of the plan is required to be completed for December 31, 2022. The accrued benefit asset was adjusted to March 31, 2021 by including employer contributions made between January and March of 2021. The reconciliation of the accrued benefit asset shows a funded status of \$943,500 as of March 31, 2021. Plan assets are recorded at market value. The Regional Centre uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

Major assumptions regarding the CUPE pension plan are as follows:

Actuarial cost method	Projected Unit Credit Prorated on Service
Discount rate per annum for fiscal 2021	4.50%
Expected return on plan assets	4.50%
Annual salary increases	2.75%
Retirement age	65 Years (or in one year, if later)
Administrative expenses	Implicitly recognized in the discount rate

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

6. Defined Benefit Pension Plans (continued)

Support Staff Defined Benefit Pension Plan

The Support Staff pension plan was last valued on December 31, 2019. The next funding valuation of the plan is required to be completed for December 31, 2021. The accrued benefit asset was adjusted to March 31, 2021 by including employer contributions made between January and March of 2021. The reconciliation of the accrued benefit asset shows a funded status of \$1,277,500 as of March 31, 2021. Plan assets are recorded at market value. The Regional Centre uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

Major assumptions regarding the Support Staff pension plan are as follows:

Actuarial cost method	Projected Unit Credit Prorated on Service
Discount rate per annum for fiscal 2021	4.50%
Expected return on plan assets	4.50%
Annual salary increases	2.75%
Retirement age	60 Years (or in one year, if later)
Administrative expenses	Implicitly recognized in the discount rate

The following table shows the plan's pension expense for the 2021 fiscal year, the expected benefit asset as at March 31, 2021 and a reconciliation of the accrued benefit asset as at March 31, 2021.

Pension Expense:	<u>CUPE</u>	<u>Support Staff</u>	<u>Total</u>
Pension expenditure/expense:			
Current service cost (net of employee contributions)	\$ 483,500	\$ 578,900	\$ 1,062,400
Amortization of actuarial (gains) losses	(42,600)	(65,800)	(108,400)
Pension interest expenditure/expense:			
Interest cost on the accrued benefit obligation	533,300	426,200	959,500
Expected return on plan assets	<u>(593,200)</u>	<u>(510,400)</u>	<u>(1,103,600)</u>
Total 2021 Pension Expense	<u>\$ 381,000</u>	<u>\$ 428,900</u>	<u>\$ 809,900</u>

Development of Accrued Benefit Asset as at March 31, 2021

	<u>CUPE</u>	<u>Support Staff</u>	<u>Total</u>
Accrued benefit asset as at March 31, 2020	\$ 747,700	\$ 1,126,100	\$ 1,873,800
Fiscal 2021 expense	(381,000)	(428,900)	(809,900)
Fiscal 2021 Regional Centre contributions	<u>576,800</u>	<u>580,300</u>	<u>1,157,100</u>
Accrued Benefit Asset as at March 31, 2021	<u>\$ 943,500</u>	<u>\$ 1,277,500</u>	<u>\$ 2,221,000</u>

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

6. Defined Benefit Pension Plans (continued)

Reconciliation of the Accrued Benefit Asset as at March 31, 2021

	<u>CUPE</u>	<u>Support Staff</u>	<u>Total</u>
Assets	\$ 11,365,900	\$ 9,729,800	\$ 21,095,700
Accrued benefit obligation	<u>(12,264,400)</u>	<u>(9,411,900)</u>	<u>(21,676,300)</u>
Funded status as at March 31, 2021	(898,500)	317,900	(580,600)
Unamortized actuarial losses (gains)	1,693,600	826,600	2,520,200
Employer contributions January to March 2021	<u>148,400</u>	<u>133,000</u>	<u>281,400</u>
Accrued Benefit Asset as at March 31, 2021	<u>\$ 943,500</u>	<u>\$ 1,277,500</u>	<u>\$ 2,221,000</u>

The accrued benefit asset of \$2,221,000 reflected in the financial statements for the year ended March 31, 2021 is based on estimates received from Morneau Shepell on May 13, 2021 and has not been adjusted to reflect the final estimated value.

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.

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

7. Trust Funds under Administration

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

8. Contractual Obligations

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

Rental Leases	
2022	\$ 219,040
2023	<u>\$ 36,374</u>
Total	<u>\$ 255,414</u>

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

9. Contingent Liabilities

There are 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.

10. Service Award Obligations

Summary of Service Award Obligations

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 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, 2021.

	<u>2021</u>	<u>2020</u>
Service Awards - Teachers	\$ 417,470	\$ 478,123
Service Awards - Non-Teachers	<u>791,817</u>	<u>818,664</u>
Total Service Award Obligations – Teachers and Non-Teachers	<u>\$ 1,209,287</u>	<u>\$ 1,296,787</u>

The Regional Centre has recognized in these consolidated financial statements the liability associated with retirement allowances 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, 2021.

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, 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:

Shelburne District	- \$90 per year of service (maximum 35 years)
Yarmouth District	- 0.75 of 1% of annual salary (maximum TC6) per year of service (maximum 30 years)
Digby District	- \$80 per year of service (maximum 30 years)
Clare-Argyle District	- 0.6 of 1% of annual salary 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: 0.75 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 after 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 fifteen years' service with the Regional Centre. The amount of the award is as follows: 1% of each year of service with the Regional Centre multiplied by the annual salary rate on the last day of employment with the Regional Centre.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

10. Service Award Obligation (continued)

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 of Nova Scotia with post-retirement benefit disclosures as at March 31, 2021 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 of Nova Scotia:

Discount Rate on Liabilities:	<ul style="list-style-type: none"> 3.24% per annum for fiscal 2019/20 expense determination and March 31, 2020 benefit obligation 3.01% per annum for fiscal 2020/21 expense determination, March 31, 2021 benefit obligation and estimated fiscal 2021/22 expense determination 																
Retirement Age:	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 																
Salary Growth Rate:	<ul style="list-style-type: none"> 1.5% on August 1, 2018, 0.5% on July 31, 2019, 1.5% on August 1, 2019, 0.5% on July 31, 2020, 1.5% on August 1, 2020, 0.5% on July 31, 2021, 1.5% on August 1, 2021, 1.5% on August 1, 2022 and 2% per annum beginning August 1, 2023 plus promotional scale for March 31, 2021 benefit obligation and estimated 2021/2022 expense determination Promotional Scale: <table border="1" data-bbox="483 1543 1482 1795"> <thead> <tr> <th>Age Group</th> <th>Annual increase</th> </tr> </thead> <tbody> <tr> <td>< 30</td> <td>3.25%</td> </tr> <tr> <td>30 – 34</td> <td>2.75%</td> </tr> <tr> <td>35 – 39</td> <td>2.25%</td> </tr> <tr> <td>40 – 44</td> <td>1.75%</td> </tr> <tr> <td>45 – 49</td> <td>1.25%</td> </tr> <tr> <td>50 – 59</td> <td>0.75%</td> </tr> <tr> <td>60 +</td> <td>0%</td> </tr> </tbody> </table> 	Age Group	Annual increase	< 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%
Age Group	Annual increase																
< 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%																

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

10. Service Award Obligation (continued)

Continuity of Service Award Allowance Obligation - Teachers	<u>2021</u>	<u>2020</u>
Opening benefit obligation, beginning of the year	\$ 171,196	\$ 190,682
Interest on obligation	4,600	5,782
Less: benefits paid	(42,014)	(26,068)
Actuarial losses (gains)	<u>2,000</u>	<u>800</u>
Closing benefit obligation, end of year	135,782	171,196
Pension assets, at market related values	-	-
Funded status – deficiency	<u>(135,782)</u>	<u>(171,196)</u>
Unamortized actuarial gains	<u>(281,688)</u>	<u>(306,928)</u>
Accrued benefit liability - Teachers	<u>\$ (417,470)</u>	<u>\$ (478,123)</u>

II. Service Awards – Non-Teachers

For non-teachers, retiring allowance 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 for Nova Scotia Regional Centres.

CUPE members formerly employed with the Yarmouth or Shelburne District School Board are entitled to a payment upon retirement of 100% of the lessor of unused sick time at retirement and frozen unused sick time under those prior agreements.

NSGEU members who have a frozen benefit as at May 1, 1996 are entitled to a payment upon retirement of the frozen amount. All other NSGEU members with 5 years of service at April 1, 2015 are entitled to a payment upon retirement of 100% of the lessor of unused sick time at retirement and unused sick time at April 1, 2015, to a maximum of 140 day's pay.

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

As part of the early payout option, the 15 years of service requirement for non-union members was waived.

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.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

10. Service Award Obligation (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.

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 as documented in their letter of January 8, 2021.

Valuation Date	March 31, 2018
Annual Discount Rate	<ul style="list-style-type: none"> • 3.24% per annum for fiscal 2019/20 expense determination, March 31, 2020 benefit obligation • 3.01% per annum for fiscal 2020/21 expense determination, March 31, 2021 benefit obligation and estimated fiscal 2021/22 expense determination
Annual Salary Increases (includes 0.5% merit and 0.5% productivity)	2.5% at April 1, 2018 3.0% at April 1, 2019 3.0% at April 1, 2020 3.5% at April 1, 2021 2.5% at April 2, 2022 3.0% per annum from April 1, 2023 onwards
Termination	Nil
Mortality	Nil
Retirement Age	10% at age 59 20% at age 60 10% at each age 61-64 50% at each age 65-69 100% at age 70 <u>However:</u> 20% each year on or after earliest unreduced retirement date if it is greater, and 40% at 35 years of service (earliest unreduced date is the earlier of age 60 with 2 years of service or age 50 with 80 points or 55 with 85 points if hired on or after April 6, 2010)

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

10. Service Award Obligation (continued)

Continuity of Service Award Allowance Obligation – Non-Teachers	<u>2021</u>	<u>2020</u>
Opening benefit obligation, beginning of the year	\$ 830,104	\$ 866,624
Interest on obligation	24,295	27,090
Less: benefits paid	(66,756)	(66,209)
Actuarial losses	500	2,600
Closing benefit obligation, end of year	<u>788,143</u>	<u>830,105</u>
Pension assets, at market related values	-	-
Funded status – deficiency	<u>(788,143)</u>	<u>(830,105)</u>
Unamortized actuarial (gains) losses	<u>(3,674)</u>	<u>11,441</u>
Accrued Benefit Liability – Non-Teachers	<u>\$ (791,817)</u>	<u>\$ (818,664)</u>

11. Sick Leave Obligation

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 accumulate sick leave to a total of one hundred and ninety five (195) days.
- (c) Accumulated sick leave cannot be used until the current year's sick leave (20 days per school year) has been expended.
- (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.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

11. Sick Leave Obligation (continued)

Actuarial Assumptions

Discount Rate on Liabilities:	<ul style="list-style-type: none"> 3.24% per annum for fiscal 2019/20 expense determination, March 31, 2020 benefit obligation 3.01% per annum for fiscal 2020/21 expense determination, March 31, 2021 benefit obligation and estimated fiscal 2021/22 expense determination 																
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% on August 1, 2018, 0.5% on July 31, 2019, 1.5% on August 1, 2019, 0.5% on July 31, 2020, 1.5% at August 1, 2020, 0.5% on July 31, 2021 and 2% per year from April 1, 2021 plus a promotional scale for March 31, 2019 benefit obligation, fiscal 2019/20 expense determination, March 31, 2020 benefit obligation and estimated fiscal 2020/21 expense determination 0.5% on July 31, 2020, 1.5% on August 1, 2020, 0.5% on July 31, 2021, 1.5% on August 1, 2021, 1.5% on August 1, 2022 and 2% per year from August 1, 2023 plus a promotional scale for March 31, 2021 benefit obligation and estimated fiscal 2021/22 expense determination. Promotional Scale: <table border="1" style="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%
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%																
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"> 7.9 days per school year for males 9.1 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 2016-17 through 2018-19 																

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

11. Sick Leave Obligation (continued)

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: 		
	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	
<ul style="list-style-type: none"> Sick leave bank utilization assumption developed from analysis of the sick leave usage of the Nova Scotia Teachers during fiscal years 2016-17 through 2018-19. 			

Sick leave usage data was provided by the Department of Education and Early Childhood Development.

Continuity of Accumulated Sick Leave Obligation - Teachers	<u>2021</u>	<u>2020</u>
Opening benefit obligation, beginning of the year	\$ 5,226,455	\$ 5,022,245
Current service cost	476,800	454,000
Interest on obligation	160,600	163,711
Actuarial losses	(1,309,100)	20,600
Less: sick leave taken	<u>(452,300)</u>	<u>(434,100)</u>
Closing benefit obligation, end of year	4,102,455	5,226,456
Pension assets, at market related values	<u>-</u>	<u>-</u>
Funded status – deficiency	(4,102,455)	(5,226,456)
Unamortized actuarial gains	<u>(3,908,556)</u>	<u>(2,821,263)</u>
Accrued benefit liability	<u>\$ (8,011,011)</u>	<u>\$ (8,047,719)</u>

The Regional Centre has recognized in these financial statements, the liability associated with accumulated sick leave earned by 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.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

11. Sick Leave Obligation (continued)

II. Sick Leave – Non-Teachers

Eckler provided to the Province of Nova Scotia on January 13, 2021, the requested financial disclosure figures related to the Sick Leave Benefit to Non-Teaching employees of all Regional Centres in Nova Scotia for the fiscal year ended March 31, 2021. The accounting results are based on the understanding of the methods prescribed under Section PS 3255 of the CICA Public Sector Accounting Handbook which applies to sick leave and severance benefits.

Sick Leave historical data for the fiscal years 2016 to 2018 was also provided by the Department of Education and Early Childhood Development. 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.

Valuation Date:	March 31, 2018					
Annual Discount Rate:	<ul style="list-style-type: none"> • 3.24% per annum for fiscal 2019/20 expense determination and March 31, 2020 benefit obligation • 3.01% per annum for fiscal 2020/21 expense determination, March 31, 2021 benefit obligation and estimated fiscal 2021/22 expense determination 					
Annual Salary Increases (includes 0.5% merit)	<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 annum from April 1, 2022 onwards 					
Sample Net Excess Utilization Rate of Sick Leave:	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		
Termination:	Nil					
Mortality Pre-Retirement:	Nil					
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: • 20% each year on or after earliest unreduced retirement date if it is greater, and 40% at 35 years of service (earliest unreduced date is the earlier of age 60 with 2 years of service or age 50 with 80 points, 55 with 85 points if hired on or after April 6, 2010) 					

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

11. Sick Leave Obligation (continued)

Continuity of Accumulated Sick Leave Obligation – Non-Teachers	<u>2021</u>	<u>2020</u>
Opening benefit obligation, beginning of the year	\$ 858,394	\$ 840,574
Current service cost	126,400	121,600
Interest on obligation	26,000	27,120
Less: sick leave taken	(135,700)	(133,100)
Actuarial losses	<u>(4,100)</u>	<u>2,200</u>
Closing benefit obligation, end of year	870,994	858,394
Pension assets, at market related values	<u>-</u>	<u>-</u>
Funded status – deficiency	(870,994)	(858,394)
Unamortized actuarial losses	<u>66,510</u>	<u>79,086</u>
Accrued benefit liability	<u>\$ (804,484)</u>	<u>\$ (779,308)</u>

Summary of Accumulated Sick Leave Obligation	<u>2021</u>	<u>2019</u>
Accumulated sick leave obligation - Teachers	\$ 8,011,011	\$ 8,047,719
Accumulated sick leave obligation - Non-Teachers	<u>804,484</u>	<u>779,308</u>
Total accumulated sick leave obligation	<u>\$ 8,815,495</u>	<u>\$ 8,827,027</u>

The Regional Centre has recognized in the consolidated financial statements the liability associated with 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, 2021.

12. Collective Agreements

The provincial collective agreement with the Nova Scotia Teachers Union expires on July 31, 2023.

The local collective agreement with the Nova Scotia Teachers Union expires on July 31, 2024.

The collective agreement with SEIU expires on March 31, 2023.

The collective agreement with the Nova Scotia Government Employees Union expires on March 31, 2021.

The collective agreement with CUPE expires on March 31, 2021.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

13. Deferred Revenue

Deferred revenue as of March 31:	<u>2021</u>	<u>2020</u>
Teachers PD Fund	\$ 145,646	\$ 91,888
School Generated Funds (Note 5)	211,139	86,312
Programs – Province of Nova Scotia	<u>682,782</u>	<u>842,415</u>
	<u>\$ 1,039,567</u>	<u>\$ 1,020,615</u>

14. Bank Indebtedness

As of March 31, 2021 the Regional Centre had utilized \$nil (2020- \$437,945) of the available operating line of credit of \$803,000 (2020 - \$766,000), with the Canadian Imperial Bank of Commerce.

15. 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 authority'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.

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.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2021

15. Financial Instrument Risk Management (continued)

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.

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. 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.

Students returned to in-class instruction in September 2020, enabled by the Regional Centre for Education adopting the Nova Scotia Back to School Plan. 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. The duration of this closure is still being assessed by Public Health.

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.

17. Comparative Figures

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

Tri-County Regional Centre for Education

Schedule A - Supplementary Details of Revenues

For the year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Province of Nova Scotia			
Operating	\$ 46,889,027	\$ 51,626,140	\$ 47,943,334
Restricted	11,122,109	13,876,363	12,141,480
Capital	-	-	57,500
Other	13,989,052	13,824,217	13,505,735
	<u>\$ 72,000,188</u>	<u>\$ 79,326,720</u>	<u>\$ 73,648,049</u>
 Government of Canada			
First Nations	<u>\$ 390,000</u>	<u>\$ 378,677</u>	<u>\$ 388,531</u>
 Municipal Contributions - Mandatory	<u>\$ 12,029,444</u>	<u>\$ 12,029,408</u>	<u>\$ 11,762,386</u>
 School Generated Funds (Note 5)	<u>\$ 2,500,000</u>	<u>\$ 1,178,102</u>	<u>\$ 2,477,151</u>
	<u>\$ 2,500,000</u>	<u>\$ 1,178,102</u>	<u>\$ 2,439,409</u>
 Regional Centre Operations			
Regional Centre Generated Revenue - Other Revenue	\$ 2,494,814	\$ 620,866	\$ 2,593,719
Interest/Investment	50,000	13,080	31,765
Sale of Assets	-	31,532	-
	<u>\$ 2,544,814</u>	<u>\$ 665,478</u>	<u>\$ 2,625,484</u>
 Total Revenue	<u>\$ 89,464,446</u>	<u>\$ 93,578,385</u>	<u>\$ 90,901,601</u>

Tri-County Regional Centre for Education
Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Office of the Regional Executive Director</u>			
Salaries	\$ 235,828	\$ 241,102	\$ 225,981
Benefits	22,829	22,462	24,546
Travel	22,000	10,560	24,317
Professional Services - Legal	75,000	112,317	47,765
Contracted Services	21,000	40,564	41,035
Supplies/Materials/Telecommunications	76,000	67,968	67,377
Professional Development	3,750	3,000	3,260
Insurance	133,100	144,339	129,222
Total Office of the Regional Executive Director	\$ 589,507	\$ 642,312	\$ 563,503
<u>Financial Services</u>			
Salaries	\$ 133,291	\$ 134,381	\$ 132,818
Benefits	26,401	25,252	24,406
Travel	10,000	(61)	5,193
Professional Services - Audit	30,000	27,608	30,167
Contracted Services	448,790	444,351	366,710
Other Contracted Services	-	-	49,721
Supplies/Materials/Telecommunications/Utilities	700	1,148	805
Professional Development	2,950	1,860	2,368
Total Financial Services	\$ 652,132	\$ 634,539	\$ 612,188
<u>Human Resources Services</u>			
Salaries	\$ 462,527	\$ 458,192	\$ 367,244
Benefits	84,555	92,691	90,227
Travel	20,000	8,451	17,584
Contracted Services	2,500	13,502	19,945
Other Contracted Services	7,500	5,856	5,140
Supplies/Materials/Telecommunications	9,699	9,598	9,838
Professional Development	49,124	10,955	(5,952)
Total Human Resources Services	\$ 635,905	\$ 599,245	\$ 504,026

Tri-County Regional Centre for Education
Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>School Services</u>			
School Services Administration			
Salaries	\$ 1,569,705	\$ 1,687,868	\$ 1,600,980
Benefits	130,394	131,358	115,747
Total School Services Administration	\$ 1,700,099	\$ 1,819,226	\$ 1,716,727
School Costs			
Salaries	\$ 46,138,168	\$ 49,224,681	\$ 47,348,069
Benefits	11,407,835	11,247,164	11,242,628
Travel	36,000	16,835	52,324
Contracted Services	165,200	141,452	169,057
Supplies/Materials/Telecommunications	365,683	426,097	451,357
Interest-Service Awards	-	215,495	223,703
Professional Development	16,000	1,462	27,974
Total School Costs	\$ 58,128,886	\$ 61,273,186	\$ 59,515,112
School Services PD			
Salaries	\$ 97,470	\$ 37,595	\$ 64,508
Benefits	-	3,249	4,174
Professional Development	475,357	387,194	412,532
Total School Services PD	\$ 572,827	\$ 428,038	\$ 481,214
International Students			
Salaries	\$ 340,573	\$ 176,490	\$ 297,902
Benefits	31,381	17,378	26,338
Travel	74,700	11,615	57,880
Contracted Services	766,080	233,665	748,470
Supplies/Materials/Telecommunications	211,580	12,061	187,732
Professional Development	7,000	-	3,304
Total International Students	\$ 1,431,314	\$ 451,209	\$ 1,321,626
Other			
Salaries	\$ 215,024	\$ 216,122	\$ 209,154
Benefits	23,198	26,951	25,068
Travel	1,325	492	1,314
Supplies/Materials/Telecommunications	24,100	13,529	18,702
Total Other	\$ 263,647	\$ 257,094	\$ 254,238

Tri-County Regional Centre for Education
Schedule B - Supplementary Details of Expenditures

For the Year Ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Special Education			
Salaries	\$ 1,603,314	\$ 1,350,667	\$ 1,345,423
Benefits	112,135	109,966	98,571
Travel	60,000	29,924	59,519
Supplies/Materials/Telecommunications	121,901	13,192	31,503
Professional Development	9,000	8,737	7,900
Total Special Education	<u>\$ 1,906,350</u>	<u>\$ 1,512,486</u>	<u>\$ 1,542,916</u>
Program Grants			
Salaries	\$ 309,725	\$ 69,286	\$ 365,262
Benefits	1,099	4,995	21,906
Travel	240,300	95,335	314,377
Supplies/Materials/Telecommunications	1,598,089	1,870,796	2,021,371
Conveyance	15,000	-	16,311
Professional Development	65,750	6,107	27,789
Total Program Grants	<u>\$ 2,229,963</u>	<u>\$ 2,046,519</u>	<u>\$ 2,767,016</u>
School Services Grants			
Salaries	\$ 525,599	\$ 539,208	\$ 240,921
Benefits	46,612	43,935	19,931
Travel	-	972	3,263
Contracted Services	-	-	2,490
Supplies/Materials/Telecommunications	43,535	31,457	33,052
Conveyance	5,000	201	6,165
Total School Services Grants	<u>\$ 620,746</u>	<u>\$ 615,773</u>	<u>\$ 305,822</u>
Total School Services	<u>\$ 66,853,832</u>	<u>\$ 68,403,531</u>	<u>\$ 67,904,671</u>
Operational Services			
Operations Administration			
Salaries	\$ 450,482	\$ 436,867	\$ 463,849
Benefits	110,968	106,353	95,657
Travel	13,000	12,518	11,644
Contracted Services	19,807	19,807	19,807
Vehicle Expenses	7,595	183	6,326
Supplies/Materials/Telecommunications	5,401	4,463	4,067
Professional Development	6,000	2,840	1,012
Total Operations Administration	<u>\$ 613,253</u>	<u>\$ 583,031</u>	<u>\$ 602,362</u>

Tri-County Regional Centre for Education
Schedule B - Supplementary Details of Expenditures
(Unaudited)

For the year ended March 31

		2021	2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Property Services			
Salaries	\$ 3,268,759	\$ 3,507,742	\$ 3,202,811
Benefits	785,765	855,709	782,435
Travel	2,000	456	651
Contracted Services	802,504	1,573,132	897,795
Repairs/Maintenance	865,700	1,302,744	1,247,223
Vehicle Expenses	58,431	75,307	92,053
Supplies/Materials/Telecommunications	301,350	822,241	353,563
Utilities	2,328,663	2,050,272	2,109,093
Professional Development	3,500	9,096	8,765
Insurance	189,970	244,060	168,832
Amortization	61,574	85,836	68,405
Total Property Services	<u>\$ 8,668,216</u>	<u>\$ 10,526,595</u>	<u>\$ 8,931,626</u>
Student Transportation			
Salaries	\$ 2,916,070	\$ 3,394,539	\$ 3,043,472
Benefits	769,027	886,250	788,552
Travel	18,000	20,449	35,830
Contracted Services	61,654	57,388	82,690
Repairs/Maintenance	90,102	86,532	48,286
Vehicle Expenses	1,455,044	1,001,658	1,400,709
Supplies/Materials/Telecommunications	45,398	36,918	44,489
Conveyance	24,000	16,386	37,492
Utilities	32,713	37,805	37,189
Professional Development	16,250	20,536	23,986
Insurance	68,895	60,164	61,239
Amortization	13,168	17,075	18,330
Total Student Transportation	<u>\$ 5,510,321</u>	<u>\$ 5,635,700</u>	<u>\$ 5,622,264</u>
Technology Services			
Salaries	\$ 446,540	\$ 443,206	\$ 438,617
Benefits	120,446	120,989	113,065
Travel	32,000	30,822	27,468
Contracted Services	235,510	761,035	628,909
Vehicle Expenses	1,500	-	717
Supplies/Materials/Telecommunications	262,195	252,346	393,114
Professional Development	1,000	-	-
Total Technology Services	<u>\$ 1,099,191</u>	<u>\$ 1,608,398</u>	<u>\$ 1,601,890</u>
Total Operational Services	<u>\$ 15,890,981</u>	<u>\$ 18,353,724</u>	<u>\$ 16,758,142</u>

Tri-County Regional Centre for Education
Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Pre-Primary Program</u>			
Salaries	\$ 1,674,916	\$ 2,011,148	\$ 1,506,609
Benefits	347,808	463,384	306,303
Travel	-	6,461	18,948
Supplies/Materials/Telecommunications	319,365	187,376	189,159
Professional Development	-	1,902	4,205
Total Pre-Primary Program	<u>\$ 2,342,089</u>	<u>\$ 2,670,271</u>	<u>\$ 2,025,224</u>
<u>School Based Funds (Note 5)</u>			
School Based Funds	\$ 2,500,000	\$ 1,535,633	\$ 2,469,619
Total School Based Funds	<u>\$ 2,500,000</u>	<u>\$ 1,535,633</u>	<u>\$ 2,469,619</u>
Total Expenditures	<u>\$ 89,464,446</u>	<u>\$ 92,839,255</u>	<u>\$ 90,837,373</u>

Tri-County Regional Centre for Education
Schedule C - Supplementary Details of Tangible Capital Assets

For the year ended March 31, 2021

		2021	2020
	<u>Vehicles</u>	<u>Total</u>	<u>Total</u>
<u>Cost of Tangible Assets</u>			
Opening Costs	\$ 554,186	\$ 554,186	\$ 494,751
Additions	259,655	259,655	59,435
Dispositions	(64,854)	(64,854)	-
Closing Costs	<u>\$ 748,987</u>	<u>\$ 748,987</u>	<u>\$ 554,186</u>
<u>Accumulated Amortization</u>			
Opening Balance	\$ 378,259	\$ 378,259	\$ 291,524
Amortization Expense	102,912	102,912	86,735
Amortization Adjustment on disposition	(64,854)	(64,854)	-
Closing Balance	<u>\$ 416,317</u>	<u>\$ 416,317</u>	<u>\$ 378,259</u>
Net Book Value (NBV)	<u>\$ 332,670</u>	<u>\$ 332,670</u>	<u>\$ 175,927</u>
<u>Net Book Value (NBV):</u>			
Opening Balance	\$ 175,927	\$ 175,927	\$ 203,227
Closing Balance	332,670	332,670	175,927
(Decrease) Increase in NBV	<u>\$ 156,743</u>	<u>\$ 156,743</u>	<u>\$ (27,300)</u>

Tri-County Regional Centre for Education Schedule D - Trust Funds Balance Sheet

As at March 31

2021

2020

Assets

Cash and Cash Equivalents

\$ 986,878 \$ 930,155

Equity

Augusta Nickerson	\$ 17,705	\$ 17,526
Elsie Hemeon Fund	196	196
F. Dakin and P. Dakin Dickson	46,969	47,633
Dr. Charles and Mary Webster	449,848	367,304
Reserve for Scholarships		
Tri-County Regional School Board Memorial	1,289	1,771
Samuel Margolian Trust - Yarmouth High	4,966	5,035
Samuel Margolian Trust - St. Ambrose	4,918	4,988
Churchill Trust	1,058	1,047
Loraleis Trust	1,645	1,653
Blackader - Kirk Trust	32	29
Olson Trust	3,204	3,251
Andrew Maxwell	1,561	1,546
Shelburne High - New School	58,894	58,299
Barrington High - Enhancements - New School	42,189	41,763
Nicol Balcom	20,914	21,694
Emily Allen	76,323	78,033
Krista Harris	1,134	1,121
Forest Ridge	9,620	28,673
Salida Capital Corporation	2,403	1,611
K. Daley Memorial	11	985
C. Stanley Memorial	16,897	17,718
F. Walker Memorial	6,851	7,277
J. Roache Memorial	15,290	17,121
S. deMolitor Memorial	646	639
David and Clytie Dexter	98,081	98,081
David and Clytie Dexter-BMHS Enhancements	4,557	4,511
Dr John Sutherland Medical Scholarship	46,647	47,264
George A Cox Scholarship	16,428	17,253
Nellie & Grant Dauphinee Bursary	21,198	20,984
Harley Cox & Sons Award	4,598	4,552
Lynn Ward Memorial Bursary	10,806	10,597
	<u>\$ 986,878</u>	<u>\$ 930,155</u>

On Behalf of the Regional Centre



Regional Executive Director



Deputy Minister

Tri-County Regional Centre for Education
Schedule E - Supplementary Details of Trust Funds

For the year ended March 31, 2021

	Balance Beginning of Year	<u>Additions</u>	<u>Interest</u>	<u>Disbursements</u>	Balance End of Year
Augusta Nickerson	\$ 17,526	-	\$ 179	-	\$ 17,705
Elsie Hemeon	196	-	-	-	196
F. Dakin and P. Dakin Dickson	47,633	-	486	(1,150)	46,969
Dr. Charles and Mary Webster	367,304	82,994	350	(800)	449,848
Tri-County Regional School Board Memorial	1,771	-	18	(500)	1,289
S. Margolian Trust - Yarmouth High	5,035	-	51	(120)	4,966
S. Margolian Trust - St. Ambrose	4,988	-	50	(120)	4,918
Churchill Trust	1,047	-	11	-	1,058
Loraleis Trust	1,653	-	17	(25)	1,645
Blackader - Kirk Trust	29	900	3	(900)	32
Olson Trust	3,251	-	33	(80)	3,204
Andrew Maxwell	1,546	-	15	-	1,561
Shelburne High - New School	58,299	-	595	-	58,894
Barrington High - Enhancements - New School	41,762	-	427	-	42,189
Nicol Balcom	21,695	-	219	(1,000)	20,914
Emily Allen	78,033	-	790	(2,500)	76,323
Krista Harris	1,121	1,000	13	(1,000)	1,134
Forest Ridge	28,673	-	223	(19,276)	9,620
Salida Capital Corporation	1,611	3,500	42	(2,750)	2,403
K. Daley Memorial	985	-	11	(985)	11
C. Stanley Memorial	17,718	-	179	(1,000)	16,897
F. Walker Memorial	7,277	-	74	(500)	6,851
J. Roache Memorial	17,121	-	169	(2,000)	15,290
S. deMoliter Memorial	639	-	7	-	646
David and Clytie Dexter	98,081	-	1,000	(1,000)	98,081
David and Clytie Dexter-BMHS Enhancements	4,511	-	46	-	4,557
Dr John Sutherland Medical Scholarship	47,264	-	483	(1,100)	46,647
George A Cox Scholarship	17,253	-	175	(1,000)	16,428
Nellie & Grant Dauphinee Bursary	20,984	-	214	-	21,198
Harley Cox & Sons Award	4,552	-	46	-	4,598
Lynn Ward Memorial Bursary	10,597	-	309	(100)	10,806
	<u>\$ 930,155</u>	<u>\$ 88,394</u>	<u>\$ 6,235</u>	<u>\$ (37,906)</u>	<u>\$ 986,878</u>