



Tri-County

Regional Centre for Education

Consolidated Financial Statements

Tri-County Regional Centre for Education

March 31, 2023

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Independent auditor's report

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Honourable Becky Druhan - Minister,
Education and Early Childhood Development

Opinion

We have audited the consolidated financial statements of the Tri-County Regional Centre for Education ("the Regional Centre"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of the Tri-County Regional Centre for Education as at March 31, 2023, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Other Matter – Supplementary Financial Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 26 to 34 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 22, 2023

Chartered Professional Accountants

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

As at March 31

2023

2022

Financial Assets

Cash and Cash Equivalents	\$ 2,794,331	\$ 1,964,830
Cash Held by Schools (Note 5)	1,713,371	1,758,497
	<u>\$ 4,507,702</u>	<u>\$ 3,723,327</u>
Accounts Receivable		
Province of Nova Scotia	\$ 3,175,603	\$ 3,301,910
Government of Canada	464,883	449,029
Other	104,166	160,095
Accrued Benefit Asset (Note 6)	1,902,000	1,817,600
Receivable - Service Award Allowance (Note 10)	761,838	1,163,016
Receivable - Sick Leave Allowance (Note 11)	8,506,033	8,615,135
Total Financial Assets	<u>\$ 19,422,225</u>	<u>\$ 19,230,112</u>

Financial Liabilities

Accounts Payable and Accrued Liabilities	\$ 3,599,152	\$ 2,899,130
Accrued Payroll	2,410,306	2,189,118
Payables and Accruals - Government		
Province of Nova Scotia	76,722	19,330
Municipalities	34,529	122,885
Government of Canada - Employee Deductions	919,250	880,147
Deferred Revenue (Note 13)	2,163,715	1,541,118
Service Award Obligations (Note 10)	761,838	1,163,016
Sick Leave Obligations (Note 11)	8,506,033	8,615,135
Total Financial Liabilities	<u>\$ 18,471,545</u>	<u>\$ 17,429,879</u>

Net Financial Assets

\$ 950,680	\$ 1,800,233
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Non-Financial Assets

Tangible Capital Assets (Schedule C)	\$ 487,645	\$ 303,051
Inventory	432,605	460,279
Prepaid Expenses	734,709	506,869
	<u>\$ 1,654,959</u>	<u>\$ 1,270,199</u>

Accumulated Surplus (Note 4)

<u>\$ 2,605,639</u>	<u>\$ 3,070,432</u>
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Trust Funds Under Administration (Note 7 and Schedule D & E)

Contractual Obligations (Note 8)

Contingent Liabilities (Note 9)

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 Accumulated Surplus**

For the year ended March 31

2023**2022**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule A)			
Province of Nova Scotia	\$ 79,838,285	\$ 84,419,795	\$ 80,956,038
Government of Canada	380,000	390,768	368,446
Municipal Contributions	12,463,384	12,463,383	12,299,878
School Generated Funds (Note 5)	2,500,000	2,412,465	1,429,255
Regional Centre Operations	1,805,688	2,517,881	460,790
Total Revenues	<u>\$ 96,987,357</u>	<u>\$ 102,204,292</u>	<u>\$ 95,514,407</u>
Expenditures (Schedule B)			
Office of the Regional Executive Director	520,276	559,966	526,564
Financial Services	747,702	646,425	646,999
Human Resources Services	633,797	623,556	702,206
School Services	72,305,171	75,254,533	71,225,623
Operational Services	16,618,728	20,044,755	18,180,750
Pre-Primary Programming	3,661,683	3,098,968	2,995,988
School Generated Funds (Note 5)	2,500,000	2,440,882	1,418,572
Total Expenditures	<u>\$ 96,987,357</u>	<u>\$ 102,669,085</u>	<u>\$ 95,696,702</u>
Regional Centre (Deficit) Surplus	\$ -	\$ (464,793)	\$ (182,295)
Accumulated Surplus, beginning of year		<u>3,070,432</u>	<u>3,252,727</u>
Accumulated Surplus, end of year		<u>\$ 2,605,639</u>	<u>\$ 3,070,432</u>

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

For the year ended March 31

2023**2022**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Net Financial Assets, Beginning of Year	<u>\$ 1,800,233</u>	<u>\$ 1,800,233</u>	<u>\$ 2,279,594</u>
Changes in the Year			
Regional Centre Deficit	-	(464,793)	(182,295)
Amortization of Tangible Capital Assets	72,000	143,582	135,921
Purchases of Tangible Capital Assets	-	(328,176)	(106,302)
Increase in Inventory	-	27,674	(217,774)
Increase in Prepaid Expenses	-	(227,840)	(108,911)
Decrease in Net Financial Assets	<u>72,000</u>	<u>(849,553)</u>	<u>(479,361)</u>
Net Financial Assets, End of Year	<u>\$ 1,872,233</u>	<u>\$ 950,680</u>	<u>\$ 1,800,233</u>

Tri-County Regional Centre for Education

Consolidated Statement of Cash Flows

For the year ended March 31

2023

2022

Increase (Decrease) in Cash and Cash Equivalents

Operating Transactions

Regional Centre Deficit	\$ (464,793)	\$ (182,295)
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Items not Affecting Cash:

Amortization of Tangible Capital Assets	143,582	135,921
	<u>(321,211)</u>	<u>(46,374)</u>

Changes in Non-Cash Working Capital

Decrease (increase) in Accounts Receivable	166,382	(140,308)
Decrease in Receivables - Service Award Allowance	401,178	46,271
Decrease in Receivable - Sick Leave Allowance	109,102	200,360
Decrease (increase) in Inventory	27,674	(217,774)
Increase in Prepaid Expenses	(227,840)	(108,911)
(Increase) decrease in Accrued Benefit Asset	(84,400)	403,400
Increase in Accounts Payable and Accruals	929,349	532,785
Decrease in Deferred Revenue	622,597	501,551
Decrease in Service Award Obligation	(401,178)	(46,271)
Decrease in Sick Leave Obligations	(109,102)	(200,360)
	<u>1,433,762</u>	<u>970,743</u>

Cash Provided by Operating Activities	<u>1,112,551</u>	<u>924,369</u>
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Capital Transactions

Purchases of Tangible Capital Assets	<u>(328,176)</u>	<u>(106,302)</u>
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Increase in Cash and Cash Equivalents	784,375	818,067
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Cash and Cash Equivalents, Beginning of Year	<u>3,723,327</u>	<u>2,905,260</u>
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Cash and Cash Equivalents, end of Year	<u>\$ 4,507,702</u>	<u>\$ 3,723,327</u>
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Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

1. Nature of Operations

As of March 31, 2023, 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 Pre-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, 2023

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, 2023

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, 2023 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, 2023

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.

Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for the closure and decommissioning of oil tanks has been recognized based on estimated future expenses. The liability associated with the remediation of contaminants present within a number of buildings owned by the Entity has also been recognized based on estimated future expenses on closure of the sites and post-closure care.

The liability is discounted using a present value calculation and adjusted annually for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective capital assets. The increase to tangible capital assets is being amortized in accordance with the amortization accounting policies outlined above.

PSAS standards and amendments adopted during the year:

On April 1, 2022, the Regional Centre adopted Public Sector Accounting Standard PS 3280 – Asset retirement obligations ("PS 3280"). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, including the removal and remediation of contaminants in retired buildings by public sector entities. The standard was adopted on the prospective basis at the date of adoption as the event giving rise to the obligation arose prior to April 1, 2022 and the obligation has not been previously recognized. Under the prospective basis of adoption, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. As of March 31, 2023 the Centre for Education has no legal obligation associated with the retirement of certain tangible capital assets.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

On April 1, 2022, the Regional Centre adopted the amendments to PS 2601 – Foreign currency translation (“PS 3280”). The amendment provides an irrevocable accounting policy election for all financial assets and financial liabilities arising from a foreign currency transaction. This election allows a public sector entity to elect on initial recognition to recognize their exchange gains and losses on a financial asset or liability directly in the statement of operations. The amendment requires, for financial assets and financial liabilities in the fair value category, that the exchange gain or loss component of the change in fair value be separated and recognized directly in the statement of operations in cases where the above accounting policy election was made and amounts subject to this election would not be considered remeasurement gains and losses. The adoption did not have a material impact on these financial statements.

On April 1, 2022, the Regional Centre adopted the amendments to PS 3450 – Financial instruments (“PS 3450”). The amendment requires the disclosure of the carrying amounts of financial assets and financial liabilities in which exchange gains and losses are recognized directly in the statement of operations. The adoption did not have a material impact on these financial statements.

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>2023</u>	<u>2022</u>
Operating Deficit - Unrestricted, beginning of year	\$ (505,665)	\$ (579,710)
Regional Centre Deficit	<u>(464,793)</u>	<u>(182,295)</u>
	(970,458)	(762,005)
Operating (Deficit) Surplus – Designated to Defined Benefit Pension Plan	(84,400)	403,400
Operating (Deficit) Surplus – Designated to School Funds	<u>45,126</u>	<u>(147,060)</u>
Operating Deficit – Unrestricted, end of year	<u>(1,009,732)</u>	<u>(505,665)</u>
Defined Pension Plan – Accrued Benefit Asset, beginning of year	1,817,600	2,221,000
Defined Pension Plan – Accrued Benefit Asset, net (deficit) surplus for year	<u>84,400</u>	<u>(403,400)</u>
Defined Pension Plan – Accrued Benefit Asset, end of year	<u>1,902,000</u>	<u>1,817,600</u>
School Funds – Restricted, beginning of year	1,758,497	1,611,437
School Funds – Restricted, net (deficit) surplus for year	<u>(45,126)</u>	<u>147,060</u>
School Funds – Restricted, end of year	<u>1,713,371</u>	<u>1,758,497</u>
Accumulated Surplus, end of year	<u>\$ 2,605,639</u>	<u>\$ 3,070,432</u>

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.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

5. School Generated Funds (continued)

Changes in cash held by schools are as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,758,497	\$ 1,611,437
Additions to school generated funds	2,412,465	1,429,255
School funded activities expenses	(2,440,882)	(1,418,572)
School funds – restricted programs (recognition of prior year deferred revenue)	(347,516)	(211,139)
School funds – restricted programs (deferred revenue)	<u>330,807</u>	<u>347,516</u>
Net school generated funds for year	<u>(45,126)</u>	<u>147,060</u>
Balance, end of year	<u>\$ 1,713,371</u>	<u>\$ 1,758,497</u>

6. Defined Benefit Pension Plans

Details on the defined benefit plans were provided by Telus Health on May 5, 2023 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, 2023 based on the information received dated May 5, 2023.

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, 2023 by including employer contributions made between January and March of 2023. The reconciliation of the accrued benefit asset shows a funded status of \$672,400 as of March 31, 2023. Plan assets are recorded at fair market value. The Regional Centre uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

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, 2022 but was not available at the date of this report. The accrued benefit asset was adjusted to March 31, 2023 by including employer contributions made between January and March of 2023. The reconciliation of the accrued benefit asset shows a funded status of \$1,229,600 as of March 31, 2023. Plan assets are recorded at fair market value. The Regional Centre uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

6. Defined Benefit Pension Plans (continued)

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

Actuarial cost method	Projected Unit Credit Prorated on Service
Discount rate per annum for fiscal 2022	5.25%
Expected return on plan assets	5.25%
Annual salary increases	2.75%
Interest on employee contributions per annum	2.00%
Administrative expenses	Implicitly recognized in the discount rate
Retirement age:	
CUPE Plan	65 Years (or in one year, if later)
Support Staff Plan	60 Years (or in one year, if later)

The following table shows the plan's pension expense for the 2023 fiscal year, the expected benefit asset as at March 31, 2023 and a reconciliation of the accrued benefit asset as at March 31, 2023.

Pension Expense:

	<u>CUPE</u>	<u>Support Staff</u>	<u>Total</u>
Pension expenditure/expense:			
Current service cost (net of employee contributions)	\$ 601,300	\$ 725,100	\$ 1,326,400
Amortization of actuarial losses (gains)	13,200	(66,600)	(53,400)
Pension interest expenditure/expense:			
Interest cost on the accrued benefit obligation	615,500	496,100	1,111,600
Expected return on plan assets	<u>(642,700)</u>	<u>(569,500)</u>	<u>(1,212,200)</u>
Total 2023 Pension Expense	<u>\$ 587,300</u>	<u>\$ 585,100</u>	<u>\$ 1,172,400</u>

Development of Accrued Benefit Asset as at March 31, 2023

	<u>CUPE</u>	<u>Support Staff</u>	<u>Total</u>
Accrued benefit asset as at March 31, 2022	\$ 677,600	\$ 1,139,900	\$ 1,817,500
Fiscal 2023 expense	(587,300)	(585,100)	(1,172,400)
Fiscal 2023 Regional Centre contributions	<u>582,100</u>	<u>674,800</u>	<u>1,256,900</u>
Accrued Benefit Asset as at March 31, 2023	<u>\$ 672,400</u>	<u>\$ 1,229,600</u>	<u>\$ 1,902,000</u>

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

6. Defined Benefit Pension Plans (continued)

Reconciliation of the Accrued Benefit Asset

			2023	2022
	CUPE	Support Staff	Total	Total
Assets	\$11,969,400	\$ 10,580,300	\$22,549,700	\$ 25,147,700
Accrued benefit obligation	<u>(12,879,900)</u>	<u>(10,173,900)</u>	<u>(23,053,800)</u>	<u>(22,991,000)</u>
Funded status as at March 31	(910,500)	406,400	(504,100)	2,156,700
Unamortized actuarial losses	1,438,800	651,900	2,090,700	644,700
Employer contributions January to March	<u>144,100</u>	<u>171,300</u>	<u>315,400</u>	<u>305,600</u>
Accrued Benefit Asset as at March 31	<u>\$ 672,400</u>	<u>\$ 1,229,600</u>	<u>\$1,902,000</u>	<u>\$1,817,600</u>

The accrued benefit asset of \$1,902,000 reflected in the financial statements for the year ended March 31, 2023 is based on estimates received from LifeWorks on May 5, 2023 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

2024	\$ 335,150
2025	\$ 356,725
2026	\$ 367,663
2027	\$ 378,851
2028	<u>\$ 390,455</u>
Total	<u>\$ 1,828,844</u>

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

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, 2021. The actuarial liabilities for Teachers service awards as at March 31, 2023 were extrapolated based on the latest actuarial valuations. The actuarial valuation for the Non-teacher service awards was as at March 31, 2021 and was extrapolated to March 31, 2023.

	<u>2023</u>	<u>2022</u>
Service Awards - Teachers	\$ 304,046	\$ 353,590
Service Awards - Non-Teachers	<u>457,792</u>	<u>809,426</u>
Total Service Award Obligations – Teachers and Non-Teachers	<u>\$ 761,838</u>	<u>\$ 1,163,016</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, 2023.

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, 2023

10. Service Award Obligations (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 ("EARSLS") of active employees.

Eckler Ltd. provided the Province of Nova Scotia with post-retirement benefit disclosures as at March 31, 2023 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.

Valuation Date	July 31, 2021		
Discount Rate on Liabilities:	• 2.74% per annum for fiscal 2021/22 expense determination and March 31, 2022 benefit obligation • 2.96% per annum for fiscal 2022/23 expense determination, March 31, 2023 benefit obligation and estimated fiscal 2023/24 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:	• No pre-retirement mortality assumed		
Withdrawal Prior to Retirement:	• No termination prior to retirement assumed		
Salary Growth Rate:	• 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, 2021/2022 expense determination, March 31, 2022 benefit obligation and fiscal 2022/2023 expense determination • Promotional Scale:		

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

10. Service Award Obligation (continued)

	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, 2023 benefit obligation and estimated 2023/2024 expense determination - Promotional Scale:	
	Age Group	Annual Increase
	< 30	7.50%
	30 - 34	4.75%
	35 - 39	2.50%
	40 - 44	1.25%
	45 - 49	1.00%
	50 - 59	0.75%
	60 +	0.00%

Continuity of Service Award Allowance Obligation - Teachers

	<u>2023</u>	<u>2022</u>
Opening benefit obligation, beginning of the year	\$ 48,150	\$ 135,782
Interest on obligation	900	3,200
Less: benefits paid	(26,089)	(45,732)
Actuarial losses (gains)	<u>15,500</u>	<u>(45,100)</u>
Closing benefit obligation, end of year	38,461	48,150
Pension assets, at market related values	-	-
Funded status – deficiency	<u>(38,461)</u>	<u>(48,150)</u>
Unamortized actuarial gains	<u>(265,585)</u>	<u>(305,440)</u>
Accrued benefit liability - Teachers	<u>\$ (304,046)</u>	<u>\$ (353,590)</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.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

10. Service Award Obligation (continued)

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.

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 ("EARS") 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 May 5, 2023.

Valuation Date	March 31, 2021
Annual Discount Rate	2.74% per annum for fiscal 2021/2022 expense determination and March 31, 2022 benefit obligation 2.96% per annum for fiscal 2022/23 expense determination, March 31, 2023 benefit obligation and estimated fiscal 2023/2024 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

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

10. Service Award Obligation (continued)

Retirement Age	For March 31, 2021 benefit obligation and fiscal 2021/2022 expense determination: 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) For March 31, 2022 benefit obligation, fiscal 2022/2023 expense determination, March 31, 2023 benefit obligation and estimated fiscal 2023/2024 expense determination: 60% at age 60 100% at age 65
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Continuity of Service Award Allowance Obligation – Non-Teachers	<u>2023</u>	<u>2022</u>
Opening benefit obligation, beginning of the year	\$ 99,776	\$ 788,143
Interest on obligation	2,900	21,700
Less: benefits paid	167	(167)
Actuarial (gains) losses	<u>(300)</u>	<u>(709,900)</u>
Closing benefit obligation, end of year	102,543	99,776
Pension assets, at market related values	-	-
Funded status – deficiency	<u>(102,543)</u>	<u>(99,776)</u>
Unamortized actuarial (gains) losses	<u>(355,249)</u>	<u>(709,650)</u>
Accrued Benefit Liability – Non-Teachers	<u>\$ (457,792)</u>	<u>\$ (809,426)</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:

- 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.
- Teachers accumulate sick leave to a total of one hundred and ninety five (195) days.
- Accumulated sick leave cannot be used until the current year's sick leave (20 days per school year) has been expended.
- Accumulated sick leave benefits are not paid out on termination, retirement or resignation.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

11. Sick Leave Obligation

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.

Actuarial Assumptions

Valuation Date	July 31, 2020	
Discount Rate on Liabilities:	2.74% per annum for fiscal 2021/22 expense determination, March 31, 2022 benefit obligation and estimated fiscal 2022/23 expense determination 2.96% per annum for fiscal 2022/23 expense determination, March 31, 2023 benefit obligation and estimated fiscal 2023/2024 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:	100% of CPM-2014 Public with future mortality improvements according to scale CPM-B - Males 107% and Females 99% of CPM-2014 Public with future mortality improvements according to scale CPM-B	
Withdrawal Prior to Retirement:	5% per annum in first 2 years of employment	
Salary Growth Rate:	For March 31, 2023 benefit obligation and estimated fiscal 2023/24 expense determination: 1.5% on August 1, 2021, 1.5% on August 1, 2022 and 2% per year from August 1, 2023 plus a promotional scale - Promotional Scale:	
	Age Group	Promotional Scale
	< 30	7.50%
	30 – 34	4.75%
	35 – 39	2.50%
	40 – 44	1.25%
	45 – 49	1.00%
	50 – 59	0.75%
	60 +	0%
Salary Growth Rate:	For March 31, 2021 benefit obligation, fiscal 2021/22 expense determination, March 31, 2022 benefit obligation and and fiscal 2022/23 expense determination: 1.5% on August 1, 2021, 1.5% on August 1, 2022 and 2% per year from August 1, 2023 plus a promotional scale - Promotional Scale:	
	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%

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

11. Sick Leave Obligation (continued)

Current Year Sick Leave Utilization:	- Each year, full time employees are expected to use sick time accrued during the school year as follows: 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		
Sick Leave Bank Utilization:	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	6.3%	11.3 days
	Males 30 – 39	6.5%	14.0 days
	Males 40 – 49	8.1%	22.6 days
	Males 50 – 59	10.5%	30.8 days
	Males 60 & over	14.9%	25.1 days
	Females under 30	13.2%	10.2 days
	Females 30 – 39	14.4%	13.8 days
	Females 40 – 49	12.0%	19.3 days
	Females 50 – 59	13.7%	24.4 days
	Females 60 & over	20.1%	20.8 days
	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>2023</u>	<u>2022</u>
Opening benefit obligation, beginning of the year	\$ 4,273,255	\$ 4,102,465
Current service cost	349,100	345,600
Interest on obligation	123,800	114,400
Actuarial (gains) losses	(77,300)	88,000
Less: sick leave taken	<u>(388,300)</u>	<u>(377,200)</u>
Closing benefit obligation, end of year	4,280,555	4,273,255
Pension assets, at market related values	<u>-</u>	<u>-</u>
Funded status – deficiency	(4,280,555)	(4,273,255)
Unamortized actuarial gains	<u>(3,296,103)</u>	<u>(3,516,929)</u>
Accrued benefit liability	<u>\$ (7,576,658)</u>	<u>\$ (7,790,184)</u>

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

11. Sick Leave Obligation (continued)

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, 2023.

II. Sick Leave – Non-Teachers

Eckler provided to the Province of Nova Scotia on May 13, 2022, 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, 2022. 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, 2021					
Annual Discount Rate:	2.74% per annum for fiscal 2021/22 expense determination, March 31, 2022 benefit obligation 2.96% per annum for fiscal 2022/23 expense determination, March 31, 2023 benefit obligation and estimated fiscal 2023/2024 expense determination					
Annual Salary Increases (includes 0.5% merit)	2.5% on April 1, 2018, 3.0% on April 1, 2019, 3.0% on April 1, 2020, 3.5% on April 1, 2021, and 3.0% per annum from April 1, 2022 for March 31, 2021 benefit obligation and fiscal 2021/22 expense determination 3.0% on April 1, 2021, 2.5% on April 1, 2022 and 3.0% per annum from April 1, 2023 for March 31, 2022 benefit obligation and fiscal 2022/23 expense determination, March 31, 2023 benefit obligation and fiscal 2023/24 expense determination					
Sample Net Excess Utilization Rate of Sick Leave – March 31, 2021 benefit obligation and fiscal 2021/22 expense determination:	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		
Sample Net Excess Utilization Rate of Sick Leave – March 31, 2022 benefit obligation, fiscal 2022/23 expense determination, March 31, 2023 benefit obligation and estimated fiscal 2023/24 expense determination:	Age	Hours	Age	Hours	Age	Hours
	<30	29.3	45-49	61.7		
	30-34	32.6	50-54	76.4		
	35-39	39.6	55-59	111.4		
	40-44	50.8	>60	148.9		
Withdrawal Prior to Retirement	Nil					

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

11. Sick Leave Obligation (continued)

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 • However, above rates adjusted to 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) • For March 31, 2022 benefit obligation and estimated fiscal 2022/2023 expense determination, March 31, 2023 benefit obligation and estimated fiscal 2023/24 expense determination, used 60% at age 60 and 100% at age 65.

Continuity of Accumulated Sick Leave Obligation – Non-Teachers	<u>2023</u>	<u>2022</u>
Opening benefit obligation, beginning of the year	\$ 1,188,494	\$ 870,994
Current service cost	195,800	129,500
Interest on obligation	35,300	24,000
Less: sick leave taken	(152,200)	(138,400)
Actuarial gains (losses)	<u>(19,100)</u>	<u>302,400</u>
Closing benefit obligation, end of year	1,248,294	1,188,494
Pension assets, at market related values	<u>-</u>	<u>-</u>
Funded status – deficiency	(1,248,294)	(1,188,494)
Unamortized actuarial losses	<u>318,919</u>	<u>363,543</u>
Accrued benefit liability	<u>\$ (929,375)</u>	<u>\$ (824,951)</u>

Summary of Accumulated Sick Leave Obligation	<u>2023</u>	<u>2022</u>
Accumulated sick leave obligation - Teachers	\$ 7,576,658	\$ 7,790,184
Accumulated sick leave obligation - Non-Teachers	<u>929,375</u>	<u>824,951</u>
Total accumulated sick leave obligation	<u>\$ 8,506,033</u>	<u>\$ 8,615,135</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, 2023.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

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 expired on March 31, 2023.

The collective agreement with the Nova Scotia Government Employees Union expires on March 31, 2024.

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

13. Deferred Revenue

Deferred revenue as of March 31:	<u>2023</u>	<u>2022</u>
Teachers PD Fund	\$ 224,437	\$ 221,702
International Student Program	502,465	-
School Generated Funds (Note 5)	330,809	347,516
Programs – Province of Nova Scotia	<u>1,106,004</u>	<u>971,900</u>
	<u>\$ 2,163,715</u>	<u>\$ 1,541,118</u>

14. Bank Indebtedness

As of March 31, 2023 the Regional Centre had utilized \$Nil (2022 - \$Nil) of the available operating line of credit of \$840,000 (2022 - \$803,000), 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.

Tri-County Regional Centre for Education

Notes to the Consolidated Financial Statements

March 31, 2023

15. Financial Instrument Risk Management (continued)

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

Market risk

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

Interest rate risk

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

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

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

Liquidity risk

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

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

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

Fair Value

The Centre does not hold any financial derivatives, equity investments quoted in an active market or other financial instruments that would be designated to the fair value category.

Gain from Fund Distribution

During the year, the Centre did not receive any non-cash distributions on investments.

16. 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

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Province of Nova Scotia			
Operating	\$ 64,211,516	\$ 69,371,998	\$ 54,838,849
Restricted	12,995,300	14,045,733	12,436,559
Other	2,631,469	1,002,064	13,680,630
	<u>\$ 79,838,285</u>	<u>\$ 84,419,795</u>	<u>\$ 80,956,038</u>
 Government of Canada			
First Nations	<u>\$ 380,000</u>	<u>\$ 390,768</u>	<u>\$ 368,446</u>
 Municipal Contributions - Mandatory	<u>\$ 12,463,384</u>	<u>\$ 12,463,383</u>	<u>\$ 12,299,878</u>
 School Generated Funds (Note 5)	<u>\$ 2,500,000</u>	<u>\$ 2,412,465</u>	<u>\$ 1,429,255</u>
 Regional Centre Operations			
Regional Centre Generated Revenue - Other Revenue	\$ 1,790,688	\$ 2,432,876	\$ 450,761
Interest/Investment	15,000	85,005	10,029
	<u>\$ 1,805,688</u>	<u>\$ 2,517,881</u>	<u>\$ 460,790</u>
 Total Revenue	<u>\$ 96,987,357</u>	<u>\$ 102,204,292</u>	<u>\$ 95,514,407</u>

Tri-County Regional Centre for Education

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

		2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Office of the Regional Executive Director</u>			
Salaries	\$ 190,033	\$ 195,426	\$ 195,790
Benefits	16,743	18,004	16,466
Travel	16,000	17,616	10,051
Professional Services - Legal	75,000	36,633	75,559
Contracted Services	73,150	65,525	64,545
Supplies/Materials/Telecommunications	70,000	65,303	62,936
Professional Development	3,750	-	634
Insurance	75,600	161,459	100,583
Total Office of the Regional Executive Director	\$ 520,276	\$ 559,966	\$ 526,564
<u>Financial Services</u>			
Salaries	\$ 204,094	\$ 202,220	\$ 200,586
Benefits	44,686	43,091	36,223
Travel	5,000	1,637	4,315
Professional Services - Audit	30,000	32,069	31,650
Contracted Services	460,272	361,952	369,830
Supplies/Materials/Telecommunications/Utilities	700	3,466	2,541
Professional Development	2,950	1,990	1,854
Total Financial Services	\$ 747,702	\$ 646,425	\$ 646,999
<u>Human Resources Services</u>			
Salaries	\$ 456,488	\$ 465,424	\$ 552,748
Benefits	91,985	97,640	101,004
Travel	16,000	22,809	17,248
Contracted Services	10,000	16,798	14,100
Supplies/Materials/Telecommunications	17,700	9,768	3,055
Professional Development	41,624	11,117	14,051
Total Human Resources Services	\$ 633,797	\$ 623,556	\$ 702,206

Tri-County Regional Centre for Education

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2023

2022

	Budget	Actual	Actual
School Services			
School Services Administration			
Salaries	\$ 1,656,126	\$ 1,740,494	\$ 1,723,214
Benefits	134,050	131,101	127,157
Total School Services Administration	\$ 1,790,176	\$ 1,871,595	\$ 1,850,371
School Costs			
Salaries	\$ 50,278,096	\$ 53,144,908	\$ 51,166,439
Benefits	12,346,519	12,343,090	12,244,298
Travel	36,000	66,832	30,009
Contracted Services	115,200	146,651	149,400
Repairs/Maintenance	-	5,654	-
Supplies/Materials/Telecommunications	291,928	281,687	235,599
Utilities	-	1,666	2,348
Interest-Service Awards	-	162,900	163,300
Professional Development	16,000	3,406	13,319
Total School Costs	\$ 63,083,743	\$ 66,156,794	\$ 64,004,712
School Services PD			
Salaries	\$ 101,470	\$ 22,527	\$ 13,859
Benefits	-	1,782	1,249
Professional Development	623,029	475,754	393,239
Total School Services PD	\$ 724,499	\$ 500,063	\$ 408,347
International Students			
Salaries	\$ 356,424	\$ 338,758	\$ 194,610
Benefits	18,442	23,629	12,624
Travel	50,868	91,477	9,174
Contracted Services	702,877	895,756	88,231
Supplies/Materials/Telecommunications	141,430	129,272	5,335
Professional Development	4,989	-	-
Total International Students	\$ 1,275,030	\$ 1,478,892	\$ 309,974
Other			
Salaries	\$ 16,722	\$ 32,450	\$ 145,895
Benefits	1,586	4,285	15,930
Travel	575	1,403	108
Supplies/Materials/Telecommunications	2,100	3,838	4,357
Total Other	\$ 20,983	\$ 41,976	\$ 166,290

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

For the year ended March 31

		2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Special Education			
Salaries	\$ 1,869,447	\$ 1,636,642	\$ 1,572,439
Benefits	118,465	103,974	90,591
Travel	50,000	71,019	37,023
Supplies/Materials/Telecommunications	89,901	10,881	19,129
Professional Development	9,000	13,390	8,476
Total Special Education	\$ 2,136,813	\$ 1,835,906	\$ 1,727,658
Program Grants			
Salaries	\$ 523,237	\$ 283,032	\$ 154,143
Benefits	-	17,931	10,050
Travel	188,000	256,932	141,821
Supplies/Materials/Telecommunications	1,786,644	1,842,679	1,769,967
Conveyance	15,500	37,123	5,283
Professional Development	62,750	25,065	6,631
Total Program Grants	\$ 2,576,131	\$ 2,462,762	\$ 2,087,895
School Services Grants			
Salaries	\$ 614,009	\$ 723,139	\$ 542,769
Benefits	53,252	57,866	45,972
Travel	-	1,247	4,703
Contracted Services	-	6,541	36,260
Repairs/Maintenance	-	8,358	-
Supplies/Materials/Telecommunications	30,535	67,427	28,152
Professional Development	-	380	-
Amortization	-	41,587	12,520
Total School Services Grants	\$ 697,796	\$ 906,545	\$ 670,376
Total School Services	\$ 72,305,171	\$ 75,254,533	\$ 71,225,623
Operational Services			
Operations Administration			
Salaries	\$ 676,863	\$ 626,421	\$ 452,785
Benefits	139,749	127,330	108,677
Travel	13,000	19,561	12,661
Contracted Services	19,807	19,807	19,807
Vehicle Expenses	6,675	979	5,485
Supplies/Materials/Telecommunications	37,317	5,778	6,236
Professional Development	6,000	2,500	3,845
Total Operations Administration	\$ 899,411	\$ 802,376	\$ 609,496

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

For the year ended March 31

		2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Property Services			
Salaries	\$ 3,344,803	\$ 3,471,383	\$ 3,782,041
Benefits	832,892	885,693	911,614
Travel	2,000	7,236	2,922
Contracted Services	807,504	1,070,184	979,593
Repairs/Maintenance	830,700	1,421,894	1,213,627
Vehicle Expenses	67,119	116,530	79,203
Supplies/Materials/Telecommunications	322,850	474,681	519,250
Utilities	2,200,348	3,086,697	2,664,687
Professional Development	3,500	11,937	5,246
Insurance	390,000	557,987	400,985
Amortization	61,000	95,514	110,209
Total Property Services	<u>\$ 8,862,716</u>	<u>\$ 11,199,736</u>	<u>\$ 10,669,377</u>
Student Transportation			
Salaries	\$ 3,159,555	\$ 3,287,095	\$ 3,306,291
Benefits	794,105	864,996	874,048
Travel	18,000	62,014	12,112
Contracted Services	61,654	65,500	69,398
Repairs/Maintenance	90,102	71,167	60,401
Vehicle Expenses	1,360,596	2,285,232	1,158,632
Supplies/Materials/Telecommunications	45,398	44,722	38,991
Conveyance	24,000	4,005	11,909
Utilities	32,873	47,554	34,707
Professional Development	16,250	22,302	25,129
Insurance	68,895	54,840	81,535
Amortization	11,000	6,481	13,192
Total Student Transportation	<u>\$ 5,682,428</u>	<u>\$ 6,815,908</u>	<u>\$ 5,686,345</u>
Technology Services			
Salaries	\$ 509,443	\$ 505,706	\$ 459,287
Benefits	127,151	129,864	120,143
Travel	32,000	39,514	35,029
Contracted Services	271,877	211,966	284,138
Vehicle Expenses	1,500	-	-
Supplies/Materials/Telecommunications	231,202	338,141	316,935
Professional Development	1,000	1,544	-
Total Technology Services	<u>\$ 1,174,173</u>	<u>\$ 1,226,735</u>	<u>\$ 1,215,532</u>
Total Operational Services	<u>\$ 16,618,728</u>	<u>\$ 20,044,755</u>	<u>\$ 18,180,750</u>

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

For the year ended March 31

2023

2022

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Pre-Primary Program</u>			
Salaries	\$ 2,411,092	\$ 2,356,673	\$ 2,255,296
Benefits	577,182	541,853	521,498
Travel	-	10,790	6,521
Supplies/Materials/Telecommunications	673,409	189,320	210,619
Professional Development	-	332	2,054
Total Pre-Primary Program	\$ 3,661,683	\$ 3,098,968	\$ 2,995,988
<u>School Based Funds (Note 5)</u>			
School Based Funds	\$ 2,500,000	\$ 2,440,882	\$ 1,418,572
Total School Based Funds	\$ 2,500,000	\$ 2,440,882	\$ 1,418,572
Total Expenditures	\$ 96,987,357	\$ 102,669,085	\$ 95,696,702

Tri-County Regional Centre for Education
Schedule C - Supplementary Details of Tangible Capital Assets
For the year ended March 31

		2023	2022
	<u>Vehicles</u>	<u>Total</u>	<u>Total</u>
<u>Cost of Tangible Assets</u>			
Opening Costs	\$ 741,283	\$ 741,283	\$ 748,987
Additions	328,176	328,176	106,302
Dispositions	(87,775)	(87,775)	(114,006)
Closing Costs	<u>\$ 981,684</u>	<u>\$ 981,684</u>	<u>\$ 741,283</u>
 <u>Accumulated Amortization</u>			
Opening Balance	\$ 438,232	\$ 438,232	\$ 416,317
Amortization Expense	143,582	143,582	135,921
Amortization Adjustment on disposition	(87,775)	(87,775)	(114,006)
Closing Balance	<u>\$ 494,039</u>	<u>\$ 494,039</u>	<u>\$ 438,232</u>
 Net Book Value (NBV)	<u>\$ 487,645</u>	<u>\$ 487,645</u>	<u>\$ 303,051</u>
 <u>Net Book Value (NBV):</u>			
Opening Balance	\$ 303,051	\$ 303,051	\$ 332,670
Closing Balance	487,645	487,645	303,051
Increase (Decrease) in NBV	<u>\$ 184,594</u>	<u>\$ 184,594</u>	<u>\$ (29,619)</u>

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

As at March 31

2023

2022

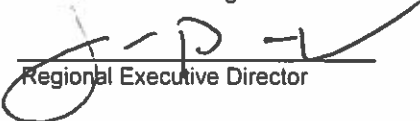
Assets

Cash and Cash Equivalents	\$ 1,174,423	\$ 1,145,276
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Equity

Augusta Nickerson	\$ 18,128	\$ 17,557
Elsie Hemeon Fund	206	199
F. Dakin and P. Dakin Dickson	48,507	47,373
Dr. Charles and Mary Webster	470,224	509,185
Reserve for Scholarships		
Tri-County Regional School Board Memorial	826	800
Samuel Margolian Trust - Yarmouth High	5,077	4,959
Samuel Margolian Trust - St. Ambrose	5,027	4,910
Churchill Trust	1,102	1,067
Loraleis Trust	1,661	1,659
Blackader - Kirk Trust	51	36
Olson Trust	3,337	3,232
Andrew Maxwell	1,426	1,575
Shelburne High - New School	61,333	59,401
Barrington High - Enhancements - New School	43,936	42,552
Nicol Balcom	19,731	20,093
Emily Allen	69,228	71,967
Krista Harris	1,204	1,147
Salida Capital Corporation	212	6,571
K. Daley Memorial	11	11
C. Stanley Memorial	15,548	16,042
F. Walker Memorial	6,372	6,663
J. Roache Memorial	13,852	13,416
S. deMolitor Memorial	673	652
David and Clytie Dexter	99,046	95,926
David and Clytie Dexter-BMHS Enhancements	4,658	4,550
Dr John Sutherland Medical Scholarship	48,585	47,054
George A Cox Scholarship	15,065	15,568
Nellie & Grant Dauphinee Bursary	21,921	21,231
Harley Cox & Sons Award	4,332	4,488
Lynn Ward Memorial Bursary	10,745	10,650
G Killam Engineering Scholarship	65,631	47,252
Chuck and Faye Smith Fundamentals	66,964	49,253
EJ Vickery Award	9,813	10,000
Kendrick Bursary	4,321	4,680
Goodwin	18,014	-
Sheila Poole	8,228	-
Staff Deferred Leave	9,428	3,557
	<u>\$ 1,174,423</u>	<u>\$ 1,145,276</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, 2022

	Balance Beginning of Year	Additions	Interest	Disbursements	Balance End of Year
Augusta Nickerson	\$ 17,557	-	\$ 571		\$ 18,128
Elsie Hemeon	199	-	7	-	206
F. Dakin and P. Dakin Dickson	47,373	-	1,534	(400)	48,507
Dr. Charles and Mary Webster	509,185		1,094	(40,055)	470,224
Tri-County Regional School Board Memorial	800	-	26		826
S. Margolian Trust - Yarmouth High	4,959	-	160	(42)	5,077
S. Margolian Trust - St. Ambrose	4,910	-	159	(42)	5,027
Churchill Trust	1,067	-	35	-	1,102
Loraleis Trust	1,659	-	52	(50)	1,661
Blackader - Kirk Trust	36	1,000	15	(1,000)	51
Olson Trust	3,232	-	105	-	3,337
Andrew Maxwell	1,575	-	51	(200)	1,426
Shelburne High - New School	59,401	-	1,932	-	61,333
Barrington High - Enhancements - New School	42,552	-	1,384	-	43,936
Nicol Balcom	20,093	-	638	(1,000)	19,731
Emily Allen	71,967	-	2,261	(5,000)	69,228
Krista Harris	1,147	1,000	57	(1,000)	1,204
Salida Capital Corporation	6,571		141	(6,500)	212
K. Daley Memorial	11	-	-	-	11
C. Stanley Memorial	16,042	-	506	(1,000)	15,548
F. Walker Memorial	6,663	-	209	(500)	6,372
J. Roache Memorial	13,416	-	436		13,852
S. deMoliter Memorial	652	-	21		673
David and Clytie Dexter	95,926	-	3,120		99,046
David and Clytie Dexter-BMHS Enhancements	4,550	-	147	(39)	4,658
Dr John Sutherland Medical Scholarship	47,054	-	1,531	-	48,585
George A Cox Scholarship	15,568	-	497	(1,000)	15,065
Nellie & Grant Dauphinee Bursary	21,231	-	690		21,921
Harley Cox & Sons Award	4,488	-	144	(300)	4,332
Lynn Ward Memorial Bursary	10,650	100	345	(350)	10,745
G Killam Engineering Scholarship	47,252	20,000	1,629	(3,250)	65,631
Chuck and Faye Smith Fundamentals	49,253	21,000	1,711	(5,000)	66,964
EJ Vickery Award	10,000		313	(500)	9,813
Kendrick Bursary	4,680		141	(500)	4,321
Goodwin	-	18,155		(141)	18,014
Sheila Poole	-	8,330		(102)	8,228
Staff Deferred Leave	3,557	5,659	212	-	9,428
	<u>\$ 1,145,276</u>	<u>\$ 75,244</u>	<u>\$ 21,874</u>	<u>\$ (67,971)</u>	<u>\$ 1,174,423</u>