

**Nova Scotia School Boards Association
Financial Statements
For the year ended March 31, 2017**

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For the year ended March 31, 2017**

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Management's Report

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Board also discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, McNeil Porter Hétu, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Nova Scotia School Boards Association and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements

On behalf of the Board:

Director

Director

Independent Auditor's Report

To the members of Nova Scotia School Boards Association:

We have audited the accompanying financial statements of Nova Scotia School Boards Association, which comprise the statement of financial position as at March 31, 2017 and the statement of operations and accumulated surplus, and the statement of cash flows for the year ended March 31, 2017, and the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nova Scotia School Boards Association as at March 31, 2017 and the results of its operations and its cash flows for the year ended March 31, 2017 in accordance with Canadian public sector accounting standards.



McNeil Porter Héту

Licensed Public Accountants, Nova Scotia, Canada

May 6, 2017
Dartmouth, Nova Scotia

Nova Scotia School Boards Association
Statement of Financial Position
As At March 31, 2017

		2017	2016
		\$	\$
Financial assets			
Cash and bank		113,303	59,031
Short term investments	note 3	400,000	400,000
Accounts receivable		71,826	49,991
Recoverable expenses	note 4	---	36,134
Accrued interest receivable		1,173	2,333
Refundable taxes	note 5	111,972	85,179
		<u>698,274</u>	<u>632,668</u>
Liabilities			
Accounts payable and accruals		54,807	35,105
Inspiring Communities	note 6	105,906	44,935
		<u>160,713</u>	<u>80,040</u>
Net financial assets		<u>537,561</u>	<u>552,628</u>
Prepaid expenses		17,015	1,313
Tangible capital assets	note 7	19,477	19,628
Non-financial assets		<u>36,492</u>	<u>20,941</u>
Accumulated surplus	note 8	<u>574,053</u>	<u>573,569</u>
Contingencies and contractual obligations	note 12		
Economic dependence	note 13		
Retirement, post-employment, compensated absences and termination benefits	note 14		
On behalf of the Board:			

Director

Director

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

Nova Scotia School Boards Association
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	Unaudited		
	Budget 2017	2017	2016
	\$	\$	\$
Member school boards fees	536,875	537,500	456,875
Group insurance administration	40,505	40,505	40,505
Conference and seminars	12,000	16,554	35,409
Pension plan administration	24,750	24,750	24,750
Sales tax rebates	15,000	26,793	14,509
Rent	13,032	13,032	13,032
Administration fees	35,000	43,873	10,136
Interest	1,200	2,685	3,264
Revenue	678,362	705,692	598,480
Administration	590,481	542,713	440,188
Governance	70,000	60,862	65,506
Committees	67,100	28,615	27,074
Expenses (see attached schedule)	727,581	632,190	532,768
Annual surplus (deficit)	(49,219)	73,502	65,712
Accumulated surplus, beginning of year	573,569	573,569	162,445
Received for funds			
Governance action plan	---	---	371,055
Disbursed from funds			
Governance action plan	---	(73,018)	(10,634)
Board member development fund	---	---	(15,009)
Accumulated surplus, end of year	524,350	574,053	573,569

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

Nova Scotia School Boards Association
Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
	\$	\$
Cash Flows from Operations		
<i>Increase:</i>		
Member fees and other receipts	551,799	453,900
Interest	3,845	2,756
Net restricted funds transactions	---	345,412
<i>Decrease:</i>		
Governance, administration and committees	(419,560)	(734,976)
Net restricted funds transactions	(73,018)	---
<i>Increase (decrease) from operations</i>	<u>63,066</u>	<u>67,092</u>
Cash Flows from Investing Activities		
<i>Decrease:</i>		
Leasehold, furniture and equipment purchases	(8,794)	(11,276)
<i>Increase (decrease) from investing</i>	<u>(8,794)</u>	<u>(11,276)</u>
Increase (decrease) in cash and cash equivalents	<u>54,272</u>	<u>55,816</u>
Change in Cash and Cash Equivalents		
Cash and bank	59,031	53,215
Short term investments	400,000	350,000
<i>Cash and cash equivalents, beginning of year</i>	<u>459,031</u>	<u>403,215</u>
Cash and bank	113,303	59,031
Short term investments	400,000	400,000
<i>Cash and cash equivalents, end of year</i>	<u>513,303</u>	<u>459,031</u>
Increase (decrease) in cash and cash equivalents	<u>54,272</u>	<u>55,816</u>

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

Nova Scotia School Boards Association
Notes to the Financial Statements
For the year ended March 31, 2017

1. *Governing statutes and nature of operations*

The Nova Scotia School Boards Association is incorporated under the Nova Scotia School Boards Association Act. The objectives of the Association are:

- > to provide a forum for the exchange of views and information on matters of mutual interest among the boards holding membership in the Association;
- > to provide a common voice for the member boards in presentations to the provincial government, department of education, royal commissions, and other authorities or organizations concerned with education; and
- > to co-operate with the provincial and municipal governments and with other organizations in the furtherance of education.

2. *Summary of significant accounting policies*

Basis of presentation

These financial statements are prepared in conformity with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board excluding PS 4200 as required by the Minister of Finance for the Province of Nova Scotia.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the year. Significant areas of estimation include assumptions used in estimating amortization of tangible capital assets and provisions for accrued liabilities. Actual results could differ from these estimates.

Revenues

Revenues are recorded on the accrual basis. The main components of revenue are fees paid by member school boards and various service fees.

Expenses

Expenses are recorded on the accrual basis and reported by category on the statement of operations and accumulated surplus with a more detailed presentation provided by the schedule of expenses.

Financial assets

Cash and bank, short term investments and accrued interest are recorded at cost, which approximates market value. Accounts receivable are recorded at principal amount less valuation allowances.

Nova Scotia School Boards Association
Notes to the Financial Statements
For the year ended March 31, 2017

2. *Summary of significant accounting policies (continued)*

Liabilities

Accounts payable and accruals are amounts due in one year or less. Liabilities are recorded at cost which approximates market value.

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

Non financial assets

Tangible capital assets have useful lives extending beyond the accounting period, are held for use in the production and supply of goods and services, and are not intended for sale in the ordinary course of operations. Tangible capital assets are recorded at gross historical cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, construction, development, and installation of the tangible capital asset, except interest. Tangible capital assets consist of furniture, equipment and computers.

Prepaid expenses are cash disbursements for goods or services, other than tangible capital assets and inventories of supplies, that 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.

3. *Short term investments*

The Association holds funds in trust on behalf of Computers for Schools Nova Scotia. These funds are invested in short term deposits and will be transferred to Computers for Schools at their Board's request.

	2017
	\$
Total term deposits	450,000
In Trust for Computers for Schools	50,000
Short term investments	400,000

4. *Recoverable expenses*

	2017	2016
	\$	\$
Pension plan expenses	---	24,172
MEB Committee expenses	---	11,962
	---	36,134

Recoverable expenses outstanding from 2016 have been invoiced and collected. All recoverable expenses incurred during 2017 have been invoiced and any outstanding amounts are included in the accounts receivable balance.

Nova Scotia School Boards Association
Notes to the Financial Statements
For the year ended March 31, 2017

5. *Refundable taxes*

A not for profit organization that receives government funding in excess of 40% of its total revenue is entitled to a 50% rebate for HST paid on purchases. A claim for the rebate for the period January 1, 2011 to December 31, 2014 was initially rejected. This claim is currently under review by the appeals division of the Canada Revenue Agency. Further claims have been deferred pending the decision of the appeals division. The amount reported includes the amount claimed and an estimate of the amount for the period January 1, 2015 to March 31, 2017.

6. *Inspiring Communities*

On January 13, 2016 the Association entered into an agreement with the Department of Education and Early Childhood Development (EECD) to manage the development of a provincial collective impact study. EECD will fund the project with quarterly installments and the association will receive an administration fee calculated as 15% of the project cost. Inspiring Communities was created to support collaborative efforts to address complex social issues in Nova Scotia's communities. They engage directly with local organizations and residents to understand the challenges they're facing and to identify innovative solutions for overcoming them. Their work is all about finding new ways of coming together to help facilitate action that will lead to positive social impact and to remove barriers preventing our communities from thriving. Their work is a priority of eight social policy Ministers and Deputy Ministers: Education and Early Childhood Development; Labour and Advanced Education; Communities, Culture and Heritage; Health and Wellness; Community Services; Seniors; Justice; and, Aboriginal Affairs. They recognize that working collaboratively - both within government and in communities - is needed to come up with new solutions to complex problems that cannot be addressed by one department or sector on its own. Dedicated staff include Annika Voltan, Director, and Sarah Mathewson, Research and Evaluation Analyst.

7. *Tangible capital assets*

			2017	2016
			\$	\$
	Rate	Accumulated Cost Amortization	Book Value	Book Value
Equipment, furniture and computers	5 yr	361,477	342,000	19,477
			19,477	19,628

8. *Accumulated surplus*

Externally restricted funds

Governance action plan

During a previous fiscal period, the Association received, on behalf of several litigants, a settlement in respect of a lengthy dispute with the Nova Scotia Teachers Union. The Association received authority from the Department of Education to disburse these funds over a three year period in support of the Governance Action Plan as recommended by the Auditor General.

Internally restricted funds

Legal expense reserve

The Association has appropriated \$20,000 from general funds to hold as a reserve for unexpected legal costs that may arise between budget periods.

Dues stabilization fund

The dues stabilization fund was established to control dues required to fund annual fluctuations in surpluses and deficits. The Association imposed a maximum balance of \$100,000 on this fund.

	2017	2016
	\$	\$
Governance action plan	287,403	360,421
Legal expense reserve	20,000	20,000
Dues stabilization fund	100,000	100,000
Invested in capital assets	19,477	19,628
General funds	147,173	73,520
	574,053	573,569

Nova Scotia School Boards Association
Notes to the Financial Statements
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9. *Pension fund*

The Nova Scotia School Boards Association Pension Plan provides pension benefits for the non-teaching employees of participating Boards of the Nova Scotia School Boards Association including the Association's employees.

A pension plan is a reporting entity separate from a sponsor and the plan participants. As such, these financial statements do not reflect information about the pension plan, including net assets available for benefits and the pension obligations.

10. *Bank line of credit*

The Association has access to a line of credit of \$75,000, secured by the assets of the Association and bearing interest at prime.

11. *Lease commitment*

On March 1, 2011, the association entered into a 10 year lease agreement for new office premises. Monthly lease payments are \$5,931 plus applicable taxes.

12. *Contingencies and contractual obligations*

The Nova Scotia School Boards Association entered into agreements with the Minister of Industry representing the Government of Canada for the financial support of the Computers for Schools program in Nova Scotia. Computers for Schools supports the collection and refurbishment of surplus federal and donated private sector computers and their delivery, ready-to-use, to schools, libraries and other not-for-profit learning organizations. The Computers for Schools program involves partnerships with a network of not-for-profit organizations, federal departments, provincial and territorial governments, the private sector, school boards and the voluntary sector throughout Canada.

While the Nova Scotia School Boards Association has representation on the Computers for Schools Nova Scotia Board, the program is run independently from the Association. As the signatory to the agreements with the Minister of Industry, the Nova Scotia School Boards Association has assumed all financial and other risks associated with the terms and conditions of the agreements.

13. *Economic dependence*

The major source of funding for the Association is the Department of Education of the Province of Nova Scotia through the School Boards of Nova Scotia. Individual School Boards may opt out of membership. The fees paid by the School Boards are subject to the approval of the Department of Education of the province of Nova Scotia.

14. *Retirement, post-employment, compensated absences and termination benefits*

The Association is not responsible for any material retirement, post-employment, compensated absences or termination benefits.

Nova Scotia School Boards Association
Schedule of Expenses
For the year ended March 31, 2017

	Unaudited Budget 2017 \$	2017 \$	2016 \$
Administration			
Amortization	---	9,341	8,945
Audit	10,000	9,976	9,976
Central purchasing	2,000	1,517	1,521
Consulting	50,000	11,138	1,569
Equipment lease and maintenance	12,000	6,234	2,802
Grants and membership fees	1,265	1,265	1,265
Insurance	6,000	3,987	3,812
Legal fees	---	2,742	727
Office occupancy	73,809	78,708	75,169
Office supplies	4,000	11,094	3,174
Planning and promotion	20,000	4,206	5,906
Postage and shipping	500	592	240
Research material	1,200	531	1,495
Salaries, benefits and executive director compensation	391,707	371,070	302,839
Special projects	---	---	49
Sundry	4,000	9,021	5,194
Telephone	14,000	21,291	15,505
	590,481	542,713	440,188
Governance			
Board of directors and executive committee	40,000	30,011	37,209
Canadian School Boards Association	30,000	30,851	28,297
	70,000	60,862	65,506
Committees			
External	13,000	5,275	11,752
Leaders advisory	3,000	1,844	1,827
Self-assessment and professional development	36,100	10,423	---
Standing	15,000	11,073	13,495
	67,100	28,615	27,074
Expenses	727,581	632,190	532,768