

**Nova Scotia School Boards Association
Financial Statements
For the year ended March 31, 2011**

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For the year ended March 31, 2011**

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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, 2011 and the statement of operations, the statement of changes in net assets and the statement of cash flows for the year then ended, 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 generally accepted accounting principles 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, 2011, and the results of its operations, the changes in its net assets, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Douglas A. McNeil, fcga

Licensed Public Accountant, Nova Scotia, Canada

May 2, 2011
Dartmouth, Nova Scotia

Nova Scotia School Boards Association
Statement of Operations
For the year ended March 31, 2011

	2011	2010
	\$	\$
Membership dues	537,500	560,331
Conference and seminars	16,481	63,120
Recoveries	32,358	---
Group insurance administration	32,392	31,834
Communications fees	---	30,000
Pension plan administration	9,500	9,500
Rent	4,500	4,000
Central purchasing fees	---	3,500
Interest	6,024	2,059
Revenue	638,755	704,344
Administration	534,555	531,978
Governance	83,014	88,351
Committees	54,676	64,814
Expenses (see attached schedule)	672,245	685,143
Excess (deficit) of revenue over expenses	(33,490)	19,201

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

Nova Scotia School Boards Association
Statement of Financial Position
As at March 31, 2011

			2011	2010
			\$	\$
Assets				
Cash and bank			129,375	345,696
Short term investments	note	5	353,433	701,600
Accounts receivable			107,595	54,279
Due from Department of Education	note	6	44,984	---
Accrued interest receivable			2,103	154
Prepaid expenses			1,960	18,786
Current assets			639,450	1,120,515
Property, equipment and furniture	note	7	13,614	34,376
Current and capital assets			653,064	1,154,891
Integrated data management project bank and investments			---	284,894
Integrated data management project assets			---	284,894
Total assets			653,064	1,439,785
Liabilities				
Accounts payable and accruals			11,624	21,582
Dues received in advance			---	377,500
Deferred revenue			---	628
Due to Department of Education	note	8	371,055	371,055
Total liabilities (current)			382,679	770,765
Net assets				
Integrated data management project			---	284,894
Indian and Northern Affairs Canada			40,675	110,675
Board member development fund			20,520	30,771
Externally restricted funds			61,195	426,340
Legal expense reserve			20,000	20,000
Dues stabilization fund			100,000	100,000
Internally restricted funds			120,000	120,000
Total restricted funds	note	9	181,195	546,340
Invested in capital assets			13,614	34,376
General funds			75,576	88,304
Total invested in capital assets and general funds			89,190	122,680
Total net assets			270,385	669,020
Total liabilities and net assets			653,064	1,439,785

Approved by:

 Director

 Director

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

Nova Scotia School Boards Association
Statement of Changes in Net Assets
As at March 31, 2011

	2011	2010
	\$	\$
Integrated data management project		
Balance, beginning of year	284,894	978,922
Disbursed during the year	(284,894)	(694,028)
Balance, end of year	<u>---</u>	<u>284,894</u>
Indian and Northern Affairs Canada		
Balance, beginning of year	110,675	58,250
Disbursed during the year	(70,000)	---
Received during the year	---	52,425
Balance, end of year	<u>40,675</u>	<u>110,675</u>
Board member development fund		
Balance, beginning of year	30,771	32,025
Disbursed during the year	(10,251)	(1,254)
Balance, end of year	<u>20,520</u>	<u>30,771</u>
Legal expense reserve		
Balance, beginning of year	20,000	20,000
Balance, end of year	<u>20,000</u>	<u>20,000</u>
Dues stabilization fund		
Balance, beginning of year	100,000	68,922
Transferred from general funds	---	31,078
Balance, end of year	<u>100,000</u>	<u>100,000</u>
Invested in capital assets		
Balance, beginning of year	34,376	52,434
Computer equipment purchases	5,740	---
Amortization of capital assets	(26,502)	(18,058)
Balance, end of year	<u>13,614</u>	<u>34,376</u>
General funds		
Balance, beginning of year	88,304	82,123
Excess (deficit) of revenue over expenses	(33,490)	19,201
Transfer to dues stabilization fund	---	(31,078)
Acquisition of furniture and computer equipment	(5,740)	---
Amortization of capital assets	26,502	18,058
Balance, end of year	<u>75,576</u>	<u>88,304</u>

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, 2011

	2011	2010
	\$	\$
Cash Flows from Operations		
<i>Receipts:</i>		
Dues and other receipts	168,929	942,217
Interest	4,075	2,625
Net restricted funds transactions	---	51,171
<i>Payments:</i>		
Governance, administration and committees	(606,517)	(657,729)
Net restricted funds transactions	(125,235)	---
Department of education funds	---	(1,528)
<i>Increase (decrease) from operations</i>	(558,748)	336,756
Cash Flows from Investing Activities		
<i>Payments:</i>		
Leasehold, furniture and equipment purchases	(5,740)	---
<i>Increase (decrease) from investing</i>	(5,740)	---
Increase (decrease) in cash and cash equivalents	(564,488)	336,756
Change in Cash and Cash Equivalents		
Cash and bank	345,696	260,540
Short term investments	701,600	450,000
<i>Cash and cash equivalents, beginning of year</i>	1,047,296	710,540
Cash and bank	129,375	345,696
Short term investments	353,433	701,600
<i>Cash and cash equivalents, end of year</i>	482,808	1,047,296
Increase (decrease) in cash and cash equivalents	(564,488)	336,756

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, 2011

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

- > These financial statements are prepared in conformity with Canadian accounting standards for not-for-profit organizations. A not-for-profit organization is an entity, normally without transferable ownership interests, organized and operated exclusively for social, educational, professional, religious, health, charitable or any other not-for-profit purpose. A not-for-profit organization's members, contributors and other resource providers do not, in such capacity, receive any financial return directly from the organization.
- > Management has adopted the Canadian Institute of Chartered Accountants (CICA) Handbook recommendations concerning the measurement and reporting of financial instruments. As permitted by the CICA Handbook, management has designated its financial instruments as held for trading assets. Held for trading financial instruments are measured at fair value and all gains and losses are included in net earnings in the period in which they arise.
- > Amortization of property, equipment and furniture is calculated on a straight line basis over the useful life of the asset.

4. Financial instruments

The company's financial instruments consist of short term investments, accounts receivable, due from department of education, accrued interest receivable, accounts payable and accruals, and due to department of education. It is management's opinion that the fair market value of these financial instruments approximate their carrying values. Management's investment philosophy has been to minimize risk by investing surplus funds in interest bearing certificates.

5. Short term investments

Management invests temporary surplus funds in guaranteed investment certificates. Interest is earned at 1% on current investments.

6. Due from Department of Education

At the request of the Department of Education, the association used its own funds to cover expenses of the Integrated Data Management Project in excess of amounts available.

7. Property, equipment and furniture

				2011 \$	2010 \$
	Rate	Cost	Accumulated Amortization	Book Value	Book Value
Equipment	5 yr	120,008	106,394	13,614	17,110
Leaseholds	5 yr	43,168	43,168	---	17,266
		163,176	149,562	13,614	34,376

The association was required to vacate its office building prior to expiry of the amortization period of the leasehold. The balance has been included in current year amortization.

**Nova Scotia School Boards Association
Notes to the Financial Statements
For the year ended March 31, 2011**

8. Due to Department of Education

During a previous fiscal period, the Association received, on behalf of several litigants, a settlement in respect to a lengthy dispute with the Nova Scotia Teachers Union. A balance of \$373,783 from this settlement was payable to the Nova Scotia Department of Education. As at the date of the financial statements, \$371,055 remains due to the Department of Education in respect to the settlement.

9. Total restricted funds

Externally restricted funds

Indian and Northern Affairs Canada

On March 27, 2009, the Association entered into an agreement with Indian and Northern Affairs Canada to administer the funding for a Mi'kmaq Student Support Network. During the year, \$70,000 was disbursed from the fund.

Board member development fund

In April 2005, the Department of Education committed \$71,200 over a two year period to implement the governance development modules. Specifically, the funds are provided to support planning and delivery of 6 modules and Train the Trainer sessions; materials and board staff expenses for Train the Trainer sessions; binders; and placement of information on-line. During the year \$10,251 was disbursed from the fund.

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.

10. 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.

The Agreement and Declaration of Trust requires that The Trustees shall prepare for the Board, financial statements within ninety (90) days following the fiscal year end of the Plan.

11. 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.

12. Lease commitment

On March 1, 2011, the association entered into a 10 year lease agreement for new office premises. Monthly lease payments at \$4,947 plus applicable taxes.

**Nova Scotia School Boards Association
Schedule of Expenses
For the year ended March 31, 2011**

	2011	2010
	\$	\$
Administration		
Amortization	26,502	18,058
Audit	8,000	12,370
Central purchasing	2,679	271
Consulting	4,578	3,760
Equipment lease and maintenance	6,786	6,600
Grants and membership fees	1,243	1,243
Insurance	5,589	7,017
Legal fees - boards	844	2,140
Office occupancy	39,942	27,718
Office supplies	4,960	11,769
Planning and promotion	23,544	27,208
Postage and shipping	1,602	1,174
Research material	1,828	2,161
Salaries, benefits and executive director compensation	387,735	399,803
Sundry	5,426	---
Telephone	13,297	10,686
	534,555	531,978
Governance		
Board of directors and executive committee	33,858	32,347
Canadian School Boards Association	21,615	30,408
Education partners campaign	22,343	20,000
Staff professional development	5,198	5,596
	83,014	88,351
Committees		
External committees	23,014	28,899
Lead and achieve	9,061	5,725
Member employee benefits committee	---	214
Standing committees	22,601	29,976
	54,676	64,814
Expenses	672,245	685,143

Nova Scotia School Boards Association
Schedule of Budget Variances
For the year ended March 31, 2011

	2011 Actual	2011 Budget	Variance
			Actual minus Budget
	\$	\$	\$
Revenue			
Membership dues	537,500	537,500	---
Conference and seminars	16,481	12,000	4,481
Recoveries	32,358	---	32,358
Group insurance administration	32,392	29,000	3,392
Pension plan administration	9,500	9,500	---
Rent	4,500	4,000	500
Interest	6,024	5,000	1,024
	<u>638,755</u>	<u>597,000</u>	<u>41,755</u>
Administration			
Amortization	26,502	17,000	9,502
Audit	8,000	8,000	---
Central purchasing	2,679	3,500	(821)
Consulting	4,578	---	4,578
Equipment lease and maintenance	6,786	15,000	(8,214)
Grants and membership fees	1,243	1,243	---
Insurance	5,589	7,017	(1,428)
Legal fees - boards	844	---	844
Office occupancy	39,942	27,600	12,342
Office supplies	4,960	4,754	206
Planning and promotion	23,544	30,000	(6,456)
Postage and shipping	1,602	1,000	602
Research material	1,828	1,500	328
Salaries, benefits and executive director compensation	387,735	397,793	(10,058)
Sundry	5,426	4,000	1,426
Telephone	13,297	10,000	3,297
	<u>534,555</u>	<u>528,407</u>	<u>6,148</u>
Governance			
Board of directors and executive committee	33,858	32,445	1,413
Canadian School Boards Association	21,615	25,000	(3,385)
Education partners campaign	22,343	---	22,343
Staff professional development	5,198	9,019	(3,821)
	<u>83,014</u>	<u>66,464</u>	<u>16,550</u>
Committees			
External committees	23,014	20,000	3,014
Lead and achieve	9,061	10,000	(939)
Member employee benefits committee	---	500	(500)
Standing committees	22,601	26,516	(3,915)
	<u>54,676</u>	<u>57,016</u>	<u>(2,340)</u>
Total expenses	<u>672,245</u>	<u>651,887</u>	<u>20,358</u>
Excess (deficit) of revenue over expenses	<u>(33,490)</u>	<u>(54,887)</u>	<u>21,397</u>