

**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**

**Contents**

Independent Auditor's Report	
Statement of Operations	1
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5-6
Schedule of Expenses	7
Schedule of Budget Variances	8



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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**

	<b>2011</b>	2010
	<b>\$</b>	<b>\$</b>
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
<b>Revenue</b>	<b>638,755</b>	<b>704,344</b>
Administration	534,555	531,978
Governance	83,014	88,351
Committees	54,676	64,814
<b>Expenses (see attached schedule)</b>	<b>672,245</b>	<b>685,143</b>
<b>Excess (deficit) of revenue over expenses</b>	<b>(33,490)</b>	<b>19,201</b>

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**

		<b>2011</b>	2010
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
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
<b>Current assets</b>		<b>639,450</b>	<b>1,120,515</b>
Property, equipment and furniture	note 7	13,614	34,376
<b>Current and capital assets</b>		<b>653,064</b>	<b>1,154,891</b>
Integrated data management project bank and investments		---	284,894
<b>Integrated data management project assets</b>		<b>---</b>	<b>284,894</b>
<b>Total assets</b>		<b>653,064</b>	<b>1,439,785</b>
<b>Liabilities</b>			
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
<b>Total liabilities (current)</b>		<b>382,679</b>	<b>770,765</b>
<b>Net assets</b>			
Integrated data management project		---	284,894
Indian and Northern Affairs Canada		40,675	110,675
Board member development fund		20,520	30,771
<b>Externally restricted funds</b>		<b>61,195</b>	<b>426,340</b>
Legal expense reserve		20,000	20,000
Dues stabilization fund		100,000	100,000
<b>Internally restricted funds</b>		<b>120,000</b>	<b>120,000</b>
<b>Total restricted funds</b>	note 9	<b>181,195</b>	<b>546,340</b>
Invested in capital assets		13,614	34,376
General funds		75,576	88,304
<b>Total invested in capital assets and general funds</b>		<b>89,190</b>	<b>122,680</b>
<b>Total net assets</b>		<b>270,385</b>	<b>669,020</b>
<b>Total liabilities and net assets</b>		<b>653,064</b>	<b>1,439,785</b>

Approved by:

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Director

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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**

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

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operations</b>		
<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)
<b><i>Increase (decrease) from operations</i></b>	<b>(558,748)</b>	<b>336,756</b>
<b>Cash Flows from Investing Activities</b>		
<i>Payments:</i>		
Leasehold, furniture and equipment purchases	(5,740)	---
<b><i>Increase (decrease) from investing</i></b>	<b>(5,740)</b>	<b>---</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(564,488)</b>	<b>336,756</b>
<b>Change in Cash and Cash Equivalents</b>		
Cash and bank	345,696	260,540
Short term investments	701,600	450,000
<b><i>Cash and cash equivalents, beginning of year</i></b>	<b>1,047,296</b>	<b>710,540</b>
Cash and bank	129,375	345,696
Short term investments	353,433	701,600
<b><i>Cash and cash equivalents, end of year</i></b>	<b>482,808</b>	<b>1,047,296</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(564,488)</b>	<b>336,756</b>

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 are \$4,947 plus applicable taxes.

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

	<b>2011</b>	2010
	<b>\$</b>	<b>\$</b>
<b>Administration</b>		
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
	<b>534,555</b>	<b>531,978</b>
<b>Governance</b>		
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
	<b>83,014</b>	<b>88,351</b>
<b>Committees</b>		
External committees	23,014	28,899
Lead and achieve	9,061	5,725
Member employee benefits committee	---	214
Standing committees	22,601	29,976
	<b>54,676</b>	<b>64,814</b>
<b>Expenses</b>	<b>672,245</b>	<b>685,143</b>

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

	2011 Actual	2011 Budget	Variance
	\$	\$	Actual minus Budget
	\$	\$	\$
<b>Revenue</b>			
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>
<b>Administration</b>			
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>
<b>Governance</b>			
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>
<b>Committees</b>			
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>
<b>Total expenses</b>	<u>672,245</u>	<u>651,887</u>	<u>20,358</u>
<b>Excess (deficit) of revenue over expenses</b>	<u>(33,490)</u>	<u>(54,887)</u>	<u>21,397</u>