

**Nova Scotia School Boards Association
Financial Statements
For the year ended March 31, 2014**

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For the year ended March 31, 2014**

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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 Héту, 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 Nova Scotia School Boards Association:



Director



Director



Porter Hétu
Nova Scotia
Professional Services Group

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Personal Service
Practical Solutions*

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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, 2014 and the statement of operations and accumulated surplus, and the statement of cash flows for the year ended March 31, 2014, 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, 2014 and the results of its operations and its cash flows for the year ended March 31, 2014 in accordance with Canadian public sector accounting standards.

McNeil Porter Hétu
Licensed Public Accountants, Nova Scotia, Canada

May 5, 2014
Dartmouth, Nova Scotia

**Nova Scotia School Boards Association
Statement of Financial Position
As At March 31, 2014**

	<u>2014</u>	<u>2013</u>
	\$	\$
Financial assets		
Cash and bank	127,738	75,311
Short term investments	400,000	402,087
Accounts receivable	44,879	119,700
Accrued interest receivable	3,280	274
Refundable taxes	note 3 53,442	36,525
	<u>629,339</u>	<u>633,897</u>
Liabilities		
Accounts payable and accruals	47,372	22,517
Due to Department of Education	note 4 371,055	371,055
	<u>418,427</u>	<u>393,572</u>
Net financial assets	<u>210,912</u>	<u>240,325</u>
Prepaid expenses	4,716	2,977
Tangible capital assets	note 5 13,124	12,849
Non-financial assets	<u>17,840</u>	<u>15,826</u>
Accumulated surplus	note 6 228,752	256,151
Contingencies and contractual obligations	note 10	

Approved by:

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, 2014

	Unaudited Budget 2014	2014	2013
	\$	\$	\$
Member school boards fees	456,875	456,875	456,875
Sales tax rebates	10,000	---	---
Group insurance administration	36,000	36,000	36,158
Rent	10,000	10,000	10,000
Conference and seminars	12,000	15,162	10,897
Pension plan administration	17,000	17,000	17,000
Interest	3,500	9,157	2,497
Revenue	545,375	544,194	533,427
Administration	484,773	488,233	493,819
Governance	57,000	57,934	64,723
Committees	31,000	25,426	25,642
Expenses (see attached schedule)	572,773	571,593	584,184
Annual surplus (deficit)	(27,398)	(27,399)	(50,757)
Accumulated surplus, beginning of year	256,151	256,151	306,908
Accumulated surplus, end of year	228,753	228,752	256,151

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, 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
Cash Flows from Operations		
<i>Increase:</i>		
Member fees and other receipts	531,696	530,930
Interest	---	3,327
<i>Decrease:</i>		
Interest	(3,006)	---
Sales tax recoveries	(16,917)	(13,601)
Governance, administration and committees	(457,670)	(585,210)
<i>Increase (decrease) from operations</i>	<u>54,103</u>	<u>(64,554)</u>
Cash Flows from Investing Activities		
<i>Decrease:</i>		
Leasehold, furniture and equipment purchases	(3,763)	---
<i>Increase (decrease) from investing</i>	<u>(3,763)</u>	<u>---</u>
Increase (decrease) in cash and cash equivalents	<u>50,340</u>	<u>(64,554)</u>
Change in Cash and Cash Equivalents		
Cash and bank	75,311	41,952
Short term investments	402,087	500,000
<i>Cash and cash equivalents, beginning of year</i>	<u>477,398</u>	<u>541,952</u>
Cash and bank	127,738	75,311
Short term investments	400,000	402,087
<i>Cash and cash equivalents, end of year</i>	<u>527,738</u>	<u>477,398</u>
Increase (decrease) in cash and cash equivalents	<u>50,340</u>	<u>(64,554)</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, 2014**

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, accrued interest and refundable taxes 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, 2014**

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

Liabilities

Accounts payable and accruals are amounts due in one year or less. Due to Department of Education has no set terms of payment. 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. *Refundable taxes*

The organization is entitled to a 50% rebate for HST paid on purchases. The amount reported is the estimated accrued claim for the period January 1, 2011 to March 31, 2014.

4. *Due to Department of Education*

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. 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.

5. *Tangible capital assets*

			2014	2013
			\$	\$
	Rate	Accumulated Cost Amortization	Book Value	Book Value
Equipment, furniture and computers	5 yr	128,863	115,739	13,124
			13,124	12,849

**Nova Scotia School Boards Association
Notes to the Financial Statements
For the year ended March 31, 2014**

6. Accumulated surplus

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. There were no funds disbursed during the year.

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 six modules and Train the Trainer sessions; materials and board staff expenses for Train the Trainer sessions; binders; and placement of information on-line. \$4,000 was disbursed during the current fiscal period.

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.

	2014	2013
	\$	\$
Indian and Northern Affairs Canada	40,675	40,675
Board member development fund	16,520	20,520
Legal expense reserve	20,000	20,000
Dues stabilization fund	100,000	100,000
Invested in capital assets	13,124	12,849
General funds	38,433	62,107
	<u>228,752</u>	<u>256,151</u>

7. 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.

**Nova Scotia School Boards Association
Notes to the Financial Statements
For the year ended March 31, 2014**

8. *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.

9. *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.

10. *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.

Nova Scotia School Boards Association
Schedule of Expenses
For the year ended March 31, 2014

	Unaudited Budget 2014 \$	2014 \$	2013 \$
Administration			
Amortization	---	3,488	4,529
Audit	10,000	10,051	9,325
Central purchasing	1,500	848	1,157
Consulting	---	5,676	---
Equipment lease and maintenance	12,000	3,685	4,722
Grants and membership fees	1,265	1,265	1,265
Insurance	6,000	5,619	5,619
Legal fees	---	8,778	5,964
Office occupancy	69,460	64,425	66,894
Office supplies	3,600	4,632	3,986
Planning and promotion	10,000	21,195	5,972
Postage and shipping	500	767	613
Research material	1,500	327	1,302
Salaries, benefits and executive director compensation	349,095	322,510	336,088
School board elections	---	---	1,000
Special projects	4,153	14,635	12,771
Sundry	3,000	4,372	5,410
Temporary staffing	---	2,529	14,395
Telephone	12,700	13,431	12,807
	484,773	488,233	493,819
Governance			
Board of directors and executive committee	32,000	29,460	25,281
Board member development	---	3,739	---
Canadian School Boards Association	25,000	23,846	27,579
Emergent learning conference	---	889	---
Facilitated planning session	---	---	11,863
	57,000	57,934	64,723
Committees			
External committees	13,000	8,851	11,167
Leaders advisory committee	3,000	3,691	3,297
Standing committees	15,000	12,884	11,178
	31,000	25,426	25,642
Expenses	572,773	571,593	584,184