

**Nova Scotia School Boards Association
Financial Statements
For the year ended March 31, 2016**

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For the year ended March 31, 2016**

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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 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, 2016 and the statement of operations and accumulated surplus, and the statement of cash flows for the year ended March 31, 2016, 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, 2016 and the results of its operations and its cash flows for the year ended March 31, 2016 in accordance with Canadian public sector accounting standards.



McNeil Porter Héту

Licensed Public Accountants, Nova Scotia, Canada

May 6, 2016
Dartmouth, Nova Scotia

Nova Scotia School Boards Association
Statement of Financial Position
As At March 31, 2016

		2016	2015
		\$	\$
Financial assets			
Cash and bank		59,031	53,215
Short term investments		400,000	350,000
Accounts receivable		49,991	54,677
Recoverable expenses		36,134	28,473
Accrued interest receivable		2,333	1,825
Refundable taxes	note 3	85,179	70,670
		<u>632,668</u>	<u>558,860</u>
Liabilities			
Accounts payable and accruals		35,105	57,851
Provincial collective impact strategy	note 4	44,935	---
Due to Department of Education	note 6	---	371,055
		<u>80,040</u>	<u>428,906</u>
Net financial assets		<u>552,628</u>	<u>129,954</u>
Prepaid expenses		1,313	15,194
Tangible capital assets	note 5	19,628	17,297
Non-financial assets		<u>20,941</u>	<u>32,491</u>
Accumulated surplus	note 6	<u>573,569</u>	<u>162,445</u>
Contingencies and contractual obligations	note 10		
On behalf of the Board:			
<hr/>			
Director			
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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, 2016

	Unaudited		
	Budget 2016	2016	2015
	\$	\$	\$
Member school boards fees	456,875	456,875	456,925
Group insurance administration	40,505	40,505	36,000
Conference and seminars	12,000	35,409	16,974
Pension plan administration	24,750	24,750	24,750
Sales tax rebates	15,000	14,509	17,228
Rent	13,032	13,032	13,032
Self-assessment and PD administration fees	---	10,136	---
Interest	4,500	3,264	4,570
Revenue	566,662	598,480	569,479
Administration	478,662	440,188	512,084
Governance	57,000	65,506	53,931
Committees	31,000	27,074	27,585
Expenses (see attached schedule)	566,662	532,768	593,600
Annual surplus (deficit)	---	65,712	(24,121)
Accumulated surplus, beginning of year	162,445	162,445	228,752
Received for funds			
Governance action plan	---	371,055	---
Disbursed from funds			
Governance action plan	---	(10,634)	---
Indian and Northern Affairs Canada	---	---	(40,675)
Board member development fund	---	(15,009)	(1,511)
Accumulated surplus, end of year	162,445	573,569	162,445

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, 2016

	2016	2015
	\$	\$
Cash Flows from Operations		
<i>Increase:</i>		
Member fees and other receipts	453,900	418,654
Interest	2,756	1,455
Net restricted funds transactions	345,412	---
<i>Decrease:</i>		
Governance, administration and committees	(734,976)	(492,315)
Net restricted funds transactions	---	(42,186)
<i>Increase (decrease) from operations</i>	<u>67,092</u>	<u>(114,392)</u>
Cash Flows from Investing Activities		
<i>Decrease:</i>		
Leasehold, furniture and equipment purchases	(11,276)	(10,131)
<i>Increase (decrease) from investing</i>	<u>(11,276)</u>	<u>(10,131)</u>
Increase (decrease) in cash and cash equivalents	<u>55,816</u>	<u>(124,523)</u>
Change in Cash and Cash Equivalents		
Cash and bank	53,215	127,738
Short term investments	350,000	400,000
<i>Cash and cash equivalents, beginning of year</i>	<u>403,215</u>	<u>527,738</u>
Cash and bank	59,031	53,215
Short term investments	400,000	350,000
<i>Cash and cash equivalents, end of year</i>	<u>459,031</u>	<u>403,215</u>
Increase (decrease) in cash and cash equivalents	<u>55,816</u>	<u>(124,523)</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, 2016

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, 2016

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, 2016.

4. *Provincial collective impact strategy*

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 as part of the Minister's Action Plan released on January 29, 2014. EECD will fund the project in the amount of \$320,000 to be paid in four instalments between December 15, 2015 and December 1, 2016. The Association will receive an administration fee calculated as 15% of project costs.

First instalment, December 15, 2015	65,576
Project costs	10,505
Administration fee	10,136
	<u>20,641</u>
Balance, March 31, 2016	<u>44,935</u>

Nova Scotia School Boards Association
Notes to the Financial Statements
For the year ended March 31, 2016

5. <i>Tangible capital assets</i>				2016	2015
				\$	\$
	Rate	Cost	Accumulated Amortization	Book Value	Book Value
Equipment, furniture and computers	5 yr	352,287	332,659	19,628	17,297

6. *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. During the year, 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.

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. The balance of these funds were disbursed during the year.

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.

	2016	2015
	\$	\$
<i>Governance action plan</i>	360,421	---
Board member development fund	---	15,009
Legal expense reserve	20,000	20,000
Dues stabilization fund	100,000	100,000
Invested in capital assets	19,628	17,297
General funds	73,520	10,139
	<u>573,569</u>	<u>162,445</u>

Nova Scotia School Boards Association

Notes to the Financial Statements For the year ended March 31, 2016

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.

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 \$5,157 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, 2016

	Unaudited Budget 2016 \$	2016 \$	2015 \$
Administration			
Amortization	---	8,945	5,958
Audit	10,000	9,976	9,976
Central purchasing	600	1,521	879
Consulting	---	1,569	2,748
Equipment lease and maintenance	12,000	2,802	2,327
Grants and membership fees	1,265	1,265	1,265
Insurance	6,000	3,812	5,619
Legal fees	---	727	2,274
Office occupancy	73,360	75,169	68,265
Office supplies	4,000	3,174	4,133
Planning and promotion	20,000	5,906	12,518
Postage and shipping	500	240	371
Research material	700	1,495	714
Salaries, benefits and executive director compensation	317,041	302,839	336,671
Special projects	16,196	49	39,225
Sundry	3,000	5,194	5,626
Telephone	14,000	15,505	13,515
	478,662	440,188	512,084
Governance			
Board of directors and executive committee	32,000	37,209	29,730
Canadian School Boards Association	25,000	28,297	24,201
	57,000	65,506	53,931
Committees			
External	13,000	11,752	14,433
Leaders advisory	3,000	1,827	3,847
Standing	15,000	13,495	9,305
	31,000	27,074	27,585
Expenses	566,662	532,768	593,600