

**NOVA SCOTIA EDUCATION COMMON SERVICES
BUREAU**

FINANCIAL STATEMENTS

MARCH 31, 2023

**NOVA SCOTIA EDUCATION COMMON SERVICES BUREAU
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MARCH 31, 2023**

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MANAGEMENT'S REPORT

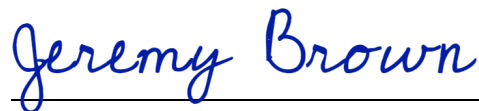
Management's Responsibility for the Financial Statements

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 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 external auditors, Baker Tilly Nova Scotia Inc., conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Nova Scotia Education Common Services Bureau and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Minister:



INDEPENDENT AUDITORS' REPORT

To the Minister of Education and Early Childhood Development:

Qualified Opinion

We have audited the financial statements of **Nova Scotia Education Common Services Bureau** ("the Corporation"), which comprise the statement of financial position as at March 31, 2023 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and supplementary schedule.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2023, and results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards excluding PS 4200.

Basis for Qualified Opinion

Nova Scotia Education Common Services Bureau derives revenues from registrations and third party collections, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Corporation and we were not able to determine whether any adjustments might be necessary to revenues, operating surplus, accumulated surplus, and change in net financial assets as at and for the year ended March 31, 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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 excluding PS 4200, 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.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dartmouth, Nova Scotia
August 3, 2023

Baker Tilly Nova Scotia Inc

Chartered Professional Accountants

NOVA SCOTIA EDUCATION COMMON SERVICES BUREAU
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

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	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	1,675,835	523,741
Accounts receivable	130,987	118,210
HST recoverable	<u>26,423</u>	<u>163,229</u>
	<u>1,833,245</u>	<u>805,180</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	505,201	75,996
Deferred revenue (Note 4)	<u>173,052</u>	<u>135,228</u>
	<u>678,253</u>	<u>211,224</u>
NET FINANCIAL ASSETS	<u>1,154,992</u>	<u>593,956</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 5)	12,488	15,610
Prepays	<u>6,673</u>	<u>1,609</u>
	<u>19,161</u>	<u>17,219</u>
ACCUMULATED SURPLUS (Note 6)	<u>1,174,153</u>	<u>611,175</u>
COMMITMENT (Note 7)		
ECONOMIC DEPENDENCE (Note 8)		

On behalf of the Minister



NOVA SCOTIA EDUCATION COMMON SERVICES BUREAU
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2023

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	2023	2022
	\$	\$
REVENUES		
Special projects (Note 10) -	762,176	604,772
Operating grant (Note 10)	653,000	372,900
Computers for Schools (Note 10)	425,033	-
School Sport Nova Scotia - government (Note 10)	142,000	15,000
School Sport Nova Scotia - non-government	138,721	44,279
Rental	31,510	24,594
Insurance administration	20,059	20,705
Strategic procurement	-	2,300,000
Interest	-	671
	<u>2,172,499</u>	<u>3,382,921</u>
EXPENSES		
Administration (Schedule)	628,862	337,702
Programs and committees (Schedule)	<u>1,574,519</u>	<u>2,782,626</u>
	<u>2,203,381</u>	<u>3,120,328</u>
OPERATING SURPLUS (DEFICIT)	(30,882)	262,593
TRANSFER FROM COMPUTERS FOR SCHOOLS (Note 12)	637,654	-
INVENTORY WRITE DOWN	<u>(43,794)</u>	<u>-</u>
ANNUAL SURPLUS	562,978	262,593
ACCUMULATED SURPLUS - beginning of year	<u>611,175</u>	<u>348,582</u>
ACCUMULATED SURPLUS - end of year	<u><u>1,174,153</u></u>	<u><u>611,175</u></u>

NOVA SCOTIA EDUCATION COMMON SERVICES BUREAU
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
AS AT MARCH 31, 2023

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	2023	2022
	\$	\$
Operating surplus (deficit)	(30,882)	262,593
Acquisition of tangible capital assets	-	(2,479)
Amortization	3,122	3,592
Acquisition of prepaids	(5,064)	-
Use of prepaids	-	632
Transfer from Computers for Schools	637,654	-
Inventory write down	(43,794)	-
CHANGE IN NET FINANCIAL ASSETS	561,036	264,338
NET FINANCIAL ASSETS - beginning of year	<u>593,956</u>	<u>329,618</u>
NET FINANCIAL ASSETS - end of year	<u>1,154,992</u>	<u>593,956</u>

NOVA SCOTIA EDUCATION COMMON SERVICES BUREAU
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

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	2023	2022
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING		
Operating surplus (deficit)	(30,882)	262,593
Items not affecting cash		
Amortization	3,122	3,592
Transfer from Computers for Schools	637,654	-
Inventory write down	(43,794)	-
	<u>566,100</u>	266,185
Changes in non-cash working capital items		
Accounts receivable	(12,777)	(87,453)
HST recoverable	136,806	(156,099)
Accounts payable and accrued liabilities	429,205	59,430
Deferred revenue	37,824	(464,772)
Prepays	(5,064)	632
	<u>1,152,094</u>	(382,077)
CAPITAL		
Acquisition of tangible capital assets	-	(2,479)
INVESTING		
Proceeds on disposal of investment	-	604,129
CHANGE IN CASH	1,152,094	219,573
CASH - beginning of year	<u>523,741</u>	<u>304,168</u>
CASH - end of year	<u><u>1,675,835</u></u>	<u><u>523,741</u></u>

1. OPERATIONS

Nova Scotia Education Common Services Bureau ("the Corporation") is incorporated under the Education Act (Schedule A to the Education Reform (2018) Act). The objectives of the Corporation are:

- (i) to provide services to support the efficient administration and operation of the education system;
- (ii) to provide and administer services for the benefit of individuals or groups related to the education system, including the administration of pensions and benefits to designated individuals employed by education entities; and
- (iii) such other things as in the Minister's discretion may be desirable.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements were prepared in accordance with Canadian public sector accounting standards excluding PS 4200 as required by the Minister of Finance for the Province of Nova Scotia and include the following significant accounting policies:

Cash

Cash consists of cash on hand and bank balances held with a financial institution that fluctuate.

Contributed goods and services

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Corporation's operations and would otherwise have been purchased.

The Corporation benefits from donated services in the form of volunteer time for various programs and objectives of the Corporation. Due to the difficulty of determining their fair value, these contributed services are not recognized in these financial statements.

Financial assets

Measurement of financial assets

The Corporation initially measures its financial assets and financial liabilities at fair value.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Measurement of financial assets (Continued)

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write down is recognized in the statement of operations.

Non-financial assets

Non-financial assets are accounted for as assets because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities unless they are sold.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided for using the following rate and method over their estimated useful lives as follows:

Computer equipment	20%	Diminishing balance
Furniture and fixtures	20%	Diminishing balance

One half year's amortization is taken in the year of acquisition.

Tangible capital assets are tested for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to the ability to provide services or that the value of future economic benefits associated with the asset are less than the book value. Any impairment is accounted for as an loss in the statement of operations.

Revenue recognition

Revenues are recorded using the accrual basis of accounting when they are earned, measurable and collection is reasonably assured.

Government assistance

Government grants for general operations are recorded as revenue when received. Government grants for specific projects are deferred when received and recorded as revenue when related expenditures are incurred.

NOVA SCOTIA EDUCATION COMMON SERVICES BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards excluding PS 4200 requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as allowance for uncollectible accounts, useful lives of tangible capital assets and certain accrued liabilities. Actual results could differ from those estimates.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
	\$	\$
Trade payables	60,809	63,120
Accrued liabilities	<u>444,392</u>	<u>12,876</u>
	<u>505,201</u>	<u>75,996</u>

4. DEFERRED REVENUE

	2023	2022
	\$	\$
Deferred revenue consists of:		
Assistive Technologies grant	147,625	76,641
Before and After Study grant	-	58,587
Cybersecurity grant	<u>25,427</u>	<u>-</u>
	<u>173,052</u>	<u>135,228</u>

Changes in deferred revenue are as follows:

	2023	2022
	\$	\$
Balance - beginning of year	135,228	600,000
Amount recognized as revenue during the year	(762,176)	(604,772)
Amounts received related to future periods	<u>800,000</u>	<u>140,000</u>
	<u>173,052</u>	<u>135,228</u>

NOVA SCOTIA EDUCATION COMMON SERVICES BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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5. TANGIBLE CAPITAL ASSETS

	Computer equipment \$	Furniture and fixtures \$	Total \$
Cost - April 1, 2022	9,445	16,820	26,265
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Cost - March 31, 2023	<u>9,445</u>	<u>16,820</u>	<u>26,265</u>
Accumulated depreciation - April 1, 2022	3,523	7,132	10,655
Depreciation	<u>1,185</u>	<u>1,937</u>	<u>3,122</u>
Accumulated depreciation - March 31, 2023	<u>4,708</u>	<u>9,069</u>	<u>13,777</u>
Net book value - March 31, 2023	<u>4,737</u>	<u>7,751</u>	<u>12,488</u>
Net book value - March 31, 2022	<u>5,922</u>	<u>9,688</u>	<u>15,610</u>

6. ACCUMULATED SURPLUS

	2023 \$	2022 \$
Invested in prepaids	6,673	1,609
Invested in tangible capital assets	12,488	15,610
General funds	<u>1,154,992</u>	<u>593,956</u>
	<u>1,174,153</u>	<u>611,175</u>

7. COMMITMENT

The Corporation leases its office premises, requiring annual rent payments and variable operating costs until February 28, 2026, as follows:

	\$
2024	32,544
2025	32,544
2026	29,832

8. ECONOMIC DEPENDENCE

72% (2022 - 98%) of funding for the Corporation comes from the Department of Education and Early Childhood Development of the Province of Nova Scotia.

NOVA SCOTIA EDUCATION COMMON SERVICES BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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9. PENSION PLAN ADMINISTRATION

The Nova Scotia Education Common Services Bureau Pension Plan provides pension benefits for the non-teaching employees of participating entities of the Nova Scotia Education Common Services Bureau including the Corporation'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 pension plan releases independently audited financial statements.

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

10. GOVERNMENT ASSISTANCE

	2023	2022
	\$	\$
Province of Nova Scotia - Department of Education and Early Childhood Development:		
General operations	653,000	372,900
Assistive Technologies	529,012	523,359
Cybersecurity	174,578	-
School Sport Nova Scotia	127,000	-
Before and After School	58,586	81,413
Strategic procurement	<u>-</u>	<u>2,300,000</u>
	<u>1,542,176</u>	<u>3,277,672</u>
Province of Nova Scotia - Department of Communities, Culture, Tourism and Heritage:		
School Sport Nova Scotia	<u>15,000</u>	<u>15,000</u>
Innovation, Science and Economic Development Canada:		
Computers for Schools Plus program	135,059	-
Computers for Schools intern program	<u>289,974</u>	<u>-</u>
	<u>425,033</u>	<u>-</u>
	<u>1,982,209</u>	<u>3,292,672</u>

11. COMPUTERS FOR SCHOOLS

During the year, the Corporation signed a new agreement regarding two programs, Computers for Schools Plus and Computers for Schools interns, separate programs previously administered by the Corporation but treated as a separate entity. Under this new agreement, the legal nature of the relationship between the Corporation and Computers for Schools changed resulting in an acquisition of the programs on behalf of the Corporation. The net carrying values of Computers for Schools as at April 1, 2022 were added to those of the Corporation as follows:

	2023 \$
Financial Assets	631,072
Financial Liabilities	(68,234)
Net Financial Assets	562,838
Non-Financial Assets	<u>74,816</u>
Accumulated Surplus	<u>637,654</u>

Financial assets include cash and HST recoverable of \$193,728 and \$8,546 respectively. The net assets acquired have been included as a transfer on the statement of operations and accumulated surplus.

At the time of acquisition, Computers for Schools transitioned from Canadian accounting standards for not-for-profit organizations to Canadian public sector accounting standards. This resulted in no changes to the the recognition or classification of the assets or liabilities noted above.

12. REMUNERATION

Pursuant to the Public Sector Compensation Disclosure Act, the Corporation is required to disclose individuals with compensation greater than \$100,000. One individual met this threshold as follows:

	Position	Remuneration
Gallant, Stephen	Director, School Sport NS	\$123,891

13. FINANCIAL INSTRUMENTS

Risks and concentrations

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Corporation's risk exposure and concentrations at March 31, 2023.

It is management's opinion that the Corporation is not exposed to significant market, currency, interest rate or other price risk from its financial instruments. The risks arising on financial instruments are limited to the following:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Corporation to concentrations of credit risk consist of cash and accounts receivable. The Corporation deposits its cash in a reputable financial institution and therefore believes the risk of loss to be remote.

The Corporation is exposed to credit risk from accounts receivable. The Corporation believes this credit risk is minimized as the receivables are primarily due from government organizations and other well established, creditworthy organizations. A provision for impairment of accounts receivable is established when there is objective evidence that the Corporation will not be able to collect all amounts due.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

14. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform with the financial statement presentation adopted for the current year.

NOVA SCOTIA EDUCATION COMMON SERVICES BUREAU
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED MARCH 31, 2023

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	2023	2022
	\$	\$
ADMINISTRATION		
Advertising and promotion	2,615	-
Amortization	3,122	3,592
Consulting	-	3,926
Insurance	5,372	3,837
Miscellaneous	42,234	47
Occupancy	70,484	74,963
Office	43,326	12,162
Postage and shipping	-	58
Professional fees	24,616	18,464
Repairs and maintenance	2,648	3,440
Salaries and benefits	428,526	211,823
Utilities	<u>5,919</u>	<u>5,390</u>
	<u>628,862</u>	<u>337,702</u>
PROGRAMS AND COMMITTEES		
Assistive technologies - Project expense reimbursements	421,802	520,707
Assistive technologies - Salaries	107,210	-
Computers for Schools - Project expenses	83,749	-
Computers for Schools - Salaries	400,280	-
Teacher recruitment and retention	18,500	35
School Sport Nova Scotia	322,086	35,780
Special projects	-	76,104
Cybersecurity	174,578	-
Before and after project	46,314	-
Strategic procurement	<u>-</u>	<u>2,150,000</u>
	<u>1,574,519</u>	<u>2,782,626</u>