
**New Brunswick Economic and
Social Inclusion Corporation**

Financial Statements

March 31, 2014

New Brunswick Economic and Social Inclusion Corporation

Table of Contents

March 31, 2014

	Page
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position	1
Statement of Operations and Changes in Accumulated Surplus	2
Statement of Cash Flows	3
Notes to Financial Statements	4 - 6



Independent Auditor's Report

To: The Board of Directors of New Brunswick Economic and Social Inclusion Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of New Brunswick Economic and Social Inclusion Corporation, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and change in accumulated surplus and cash flows for the year then ended, and a 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.

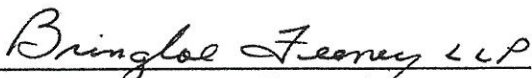
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization'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 New Brunswick Economic and Social Inclusion Corporation as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Fredericton, New Brunswick
December 10, 2014


Chartered Accountants

New Brunswick Economic and Social Inclusion Corporation

Statement of Financial Position

As at March 31, 2014

	2014	2013
FINANCIAL ASSETS		
Grant receivable - Post-Secondary Education, Training and Labour (PETL)	\$ 10,000	\$ -
Due from related party, Province of New Brunswick (note 3)	<u>2,635,687</u>	<u>2,033,347</u>
	<u>\$ 2,645,687</u>	<u>\$ 2,033,347</u>
LIABILITY		
Accounts payable and accrued liabilities (note 4)	\$ 45,657	\$ 28,152
ACCUMULATED SURPLUS		
Surplus	<u>2,600,030</u>	<u>2,005,195</u>
	<u>\$ 2,645,687</u>	<u>\$ 2,033,347</u>

Approved on behalf of the Board:

Director



Director



New Brunswick Economic and Social Inclusion Corporation

Statement of Operations and Changes in Net Assets

Year ended March 31, 2014

	2014	2013
Revenues		
Province of New Brunswick	\$ 2,790,000	\$ 2,789,000
PETL	<u>100,000</u>	<u>-</u>
	<u>2,890,000</u>	<u>2,789,000</u>
Program spending		
Community Inclusion Networks	750,000	775,000
Community Learning Grants	393,011	620,121
Community Transportation Grants	260,000	348,648
Overcoming Poverty Together 2	150,010	-
Social Enterprise Group	92,681	-
Board expenses	<u>89,163</u>	<u>68,538</u>
	<u>1,734,865</u>	<u>1,812,307</u>
Operating expenses		
Salaries and related benefits	473,325	458,077
Services	55,716	87,888
Travel	15,615	26,848
Telephone	9,331	6,830
Advisory committees	5,695	17,309
Supplies	356	1,188
Computer expenses	<u>262</u>	<u>14,750</u>
	<u>560,300</u>	<u>612,890</u>
Excess of revenues over expenses	594,835	363,803
Accumulated surplus, opening	<u>2,005,195</u>	<u>1,641,392</u>
Accumulated surplus, closing	<u>\$ 2,600,030</u>	<u>\$ 2,005,195</u>

New Brunswick Economic and Social Inclusion Corporation

Statement of Cash Flows
Year ended March 31, 2014

	2014	2013
Operating activities		
Cash received - Province of New Brunswick	\$ 2,277,660	\$ 2,426,779
Cash paid to suppliers and employees	<u>(2,277,660)</u>	<u>(2,426,779)</u>
Change in cash position	-	-
Cash, opening	<u>-</u>	<u>-</u>
Cash, closing	<u>\$ -</u>	<u>\$ -</u>

New Brunswick Economic and Social Inclusion Corporation

Notes to Financial Statements

March 31, 2014

1. Nature of operations

New Brunswick Economic and Social Inclusion Corporation is a Province of New Brunswick Crown Corporation created by special act on April 16, 2010. The corporation is exempt from income taxes under ITA 149(1)(d).

This corporation was created as part of the Provincial Plan for the continued partnership of the citizens of New Brunswick in the development, adoption, implementation and evaluation of the Economic and Social Inclusion Plan. The Plan's vision is that all citizens shall have the necessary resources to meet their basic needs and to live with dignity, security and good health.

The primary objectives and purposes of the corporation are as follows:

- (a) to lead the implementation and evaluation of the Provincial Plan and the development and adoption of other Economic and Social Inclusion Plans;
- (b) to coordinate and support community inclusion networks in the development of their local plans and in the implementation of the objectives of the Provincial Plan set out in their local plans;
- (c) to manage the Economic and Social Inclusion Fund established under the Economic and Social Inclusion Act;
- (d) to carry out the other activities or duties authorized or required by the Economic and Social Inclusion Act and regulations, as directed by the Lieutenant-Governor in Council.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards. The significant policies are detailed as follows:

(a) Revenue recognition

The corporation follows the deferral method of accounting for grants received for operations and specific projects. Grants to be used for restricted purposes are recognized as revenue in the period in which the related expenditures are incurred. When a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Unrestricted grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Grants approved but not received at the end of an accounting period are accrued.

The corporation currently receives all of its funding from the Province of New Brunswick.

New Brunswick Economic and Social Inclusion Corporation

Notes to Financial Statements

March 31, 2014

2. Significant accounting policies, continued

(b) Capital assets

The corporation records capital expenditures under \$10,000 as current period expenses as incurred.

(c) Contributed materials and services

The Province of New Brunswick provides various materials and services to the company without charge including fixed assets, information technology, human resource, occupancy, accounting and other administrative support. Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

(d) Pension plans and other retirement benefit plans

Full-time employees of the corporation are members of the New Brunswick Public Service Superannuation Plan. The plan is a defined benefit multi-employer plan under which contributions are made by both the corporation and its employees. The employer's contributions to the plan are accounted for as a defined contribution plan, as the corporation's obligation is limited to the amount of these contributions.

(e) Financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The company subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

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

(f) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

New Brunswick Economic and Social Inclusion Corporation

Notes to Financial Statements

March 31, 2014

3. Related party transactions

The Province of New Brunswick pays all costs on behalf of the corporation throughout the fiscal year.

The amount due from the Province of New Brunswick represents the amount due to the corporation for the excess of approved funding over expenditures incurred.

During the year, the Province of New Brunswick authorized funding totalling \$2,790,000 (2013 - \$2,789,000).

	<u>2014</u>	<u>2013</u>
Province of New Brunswick	<u>\$ 2,635,687</u>	<u>\$ 2,033,347</u>

4. Accounts payable and accrued liabilities

	<u>2014</u>	<u>2013</u>
Audit accrual	\$ 15,000	\$ 7,500
Vacation accrual	<u>30,657</u>	<u>20,652</u>
	<u>\$ 45,657</u>	<u>\$ 28,152</u>