
Service New Brunswick

2020-2021 ANNUAL REPORT



**Service New Brunswick
Annual Report 2020-2021**

Province of New Brunswick
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www.gnb.ca

ISBN 978-1-4605-2929-4 (Bilingual print edition)
ISBN 978-1-4605-2930-0 (PDF: English edition)

ISSN 2371-2864 (Bilingual print edition)
ISSN 2321-2872 (PDF: English edition)

13384 | 2021.08 | Printed in New Brunswick

TRANSMITTAL LETTERS

**From the Minister to the Lieutenant-Governor
The Honourable Brenda Murphy
Lieutenant-Governor of New Brunswick**

May it please your Honour:

It is my privilege to submit the annual report of Service New Brunswick, for the fiscal year April 1, 2020, to March 31, 2021.

Respectfully submitted,



Honourable Mary E. Wilson
Minister

**From the Board of Directors to the Minister
The Honourable Mary E. Wilson
Minister of Service New Brunswick**

Dear Minister Wilson:

I am pleased to be able to present the annual report describing operations of Service New Brunswick for the fiscal year April 1, 2020 to March 31, 2021.

Respectfully submitted,



Karen O. Taylor
Board Chair

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Minister's message

As the 2020-2021 fiscal year comes to an end, I want to recognize the hard work and dedication of SNB employees during what has been an unprecedented year due to COVID-19. With a broad mandate to provide services to the people of New Brunswick as well as critical support such as IT and procurement services to other areas of government, it has been a challenging year for SNB's more than 2,400 employees.

However, the team at SNB rose to the challenge of how to deliver services in ways that were safe for both customers and employees, while also continuing to provide critical support to other areas of government that were also facing their own challenges.

SNB employees not only continued to deliver essential services but did it while pivoting and innovating to find new ways to do it during a world-wide pandemic.

As Minister of Service New Brunswick, I would like to take this opportunity to thank all SNB employees for going above and beyond in service delivery during this challenging time. Your hard work and commitment are truly appreciated.

A handwritten signature in black ink, appearing to read 'M. Wilson', is positioned above the typed name.

The Honourable Mary E. Wilson
Minister of Service New Brunswick

Chief Executive Officer's message

On behalf of the management and staff at Service New Brunswick (SNB), it is my privilege to present our 2020-2021 Annual Report. This report provides a summary of the activities of each division within fiscal year 2020-2021, along with audited financial statements for the corporation.

It comes as no surprise that throughout the last year our work was dominated by COVID-19. In the early weeks of the global pandemic, SNB was focused on the procurement of personal protective equipment for health care centres and the priority of keeping government functioning during the initial lockdown.

As the year progressed, we saw an evolution in our way of doing business thanks to innovations brought on by the pandemic. A wide variety of IT solutions have been implemented to help government employees work differently, including web conferencing and shared mailbox platforms. These tools will impact the way the Government of New Brunswick works for years to come.

This crisis has spurred SNB to provide more online services. We made online driver's licence renewal applications available for the first time and became the first province in Canada to offer an online written driver's test. Both steps reduced wait times at service centres and placed an emphasis on safety and convenience for customers.

Amidst work related to the pandemic, SNB continued to make other innovations in how we do business. In November, we launched the New Brunswick First Procurement Strategy, a collaborative effort with other departments and the private sector. NB First supports government's priority of Energizing the Private Sector. It is a lever for economic development, supporting local business and reducing barriers in obtaining NB government contracts.

Our Property Assessment staff successfully launched the first annual Separate Assessment Notices to property owners and implemented a new online request for review process to facilitate easier interactions between customers and SNB.

This past year has been an historic one, and I want to take this opportunity to express my pride in our more than 2,400 employees. They continuously provided excellence in service delivery under extreme circumstances, and I thank them for their dedication.

Alan Roy



Chief Executive Officer
Service New Brunswick

Highlights

The following is a list of particular achievements for the organization during the 2020-2021 fiscal year:

- Service New Brunswick's Facilities team supported the planning and coordination of construction at the new location for the Richibucto service centre.
- Strategic Procurement, along with Opportunities New Brunswick and the Department of Transportation and Infrastructure, led the development and implementation of the New Brunswick First Procurement Strategy and Action Plan.
- Clinical Engineering met its strategic targets for completing maintenance on life-critical and high-risk devices.
- Laundry Services began refurbishment of the Edmundston laundry facility, as well as an upgrade to the Saint John Laundry building. These projects will be completed in early 2021-2022.
- Accounts Payable Services implemented the ability to make payments via e-Transfer, using email, and processed in excess of 19,000 payments with a value of approximately \$2.2 million.
- Central Collection Services implemented a contact management system which manages and prioritizes all inbound enquiries made to Collections via phone and e-mail. The system automation will enable enhanced value to customers.
- Technology Services deployed MS Teams across GNB, to allow for stronger collaboration between departments.
- Technology Services undertook several initiatives to enhance technology, improve security and mitigate risks, including improvements to GNB data centres and critical clinical information, laboratory, and electronic health record solutions.
- Property Assessment Services completed one of the key recommendations from the Auditor General by issuing the first separate property assessment notice in October 2020.
- Property Assessment Services eliminated the Permanent Assessment Gap (P-Gap) Exemption to create a fair and equitable distribution of the tax burden among all properties.
- Print Optimization Services implemented new print devices as part of a new contract across all parts of GNB. The implementation was completed in December 2020.
- The Land Registry Unit modernized components of PLANET, the system that supports land registration and property mapping. This system modernization included the Real Property Information Browser used by clients to search Land Registry records and its Geographic Information System utilized in-house to update the property mapping geodatabase.
- The Corporate Registry launched a plan to modernize many aspects of its registry. Targeted consultations with stakeholders will take place in 2021-2022 to seek input on updates and enhancements to the corporate registry landscape in New Brunswick.
- The Corporate Registry saw a 100% take up rate for the receipt of online corporate filings for the 2020-2021 fiscal year.
- The Residential Tenancies Tribunal amended *The Residential Tenancies Act* to allow for the early termination of a long-term lease where a tenant is experiencing domestic violence.

Governance of the corporation

Service New Brunswick's Board of Directors endorses the principle that sound corporate governance practices are essential for the proper functioning of the corporation and for enhancing the interest of its sole shareholder, the Government of New Brunswick.

The board discharges its responsibilities directly and through committees in accordance with the *Service New Brunswick Act*, Service New Brunswick's bylaws, and the Board of Directors' Governance Manual. The board holds at least five scheduled meetings each year, with unscheduled meetings held as required.

BOARD COMMITTEES

The Board of Directors is responsible for the overall administration of the business and affairs of Service New Brunswick and all decisions and actions of the board are to be based generally on sound business practices. The Board of Directors is also responsible for the governance and functioning of the following two committees:

- Audit and Finance Committee, which has responsibility for reviewing and recommending finance and audit related items; and
- Governance and Human Resources Committee, which has responsibility for reviewing relevant governance and human resource items.

These committees do not act or make decisions on behalf of the board unless specifically mandated to do so.

BOARD OF DIRECTORS

Name	Role	Board meeting attendance	Committee membership	Committee meeting attendance
Kelly Cain ¹	Director	2/2	Governance & HR	1/1
Roberta Dugas ²	Director	3/3	Governance & HR	2/3
Louise Duguay	Director	4/4	Audit & Finance	5/5
Doug Gaudett ³	Director	4/4	Audit & Finance	5/5
Jane Kindred ⁴	Director	1/1	Governance & HR	0/0
Gilles Lanteigne ⁵	Director	1/2	Audit & Finance	1/3
Cathy LaRochelle	Director	4/4	Audit & Finance	3/5
Marcel Lavoie	Director	3/4	Governance & HR	3/3
Garth Lawson	Director	4/4	Audit & Finance	5/5
Cade Libby ⁶	Director	0/0	Governance & HR	0/0
John MacGillivray ⁷	Director	0/1	Governance & HR	0/0
Karen McGrath	Director	3/4	Governance & HR	2/3
Donald Moore	Director	4/4	Governance & HR	2/3
Alan Roy	Chief Executive Officer	4/4	Audit & Finance Governance & HR	4/5 3/3
Mireille Saulnier ⁸	Director	3/3	Governance & HR	3/3
Karen O. Taylor	Board Chair and Director	4/4	Audit & Finance Governance & HR	5/5 3/3

1 Kelly Cain resigned as a director on September 29, 2020.

2 Roberta Dugas's term as a director and chair of the Governance & HR Committee ended on February 11, 2021. Donald Moore then became Governance & HR Committee Chair.

3 Doug Gaudett is the Audit & Finance Committee Chair.

4 Jane Kindred became a director on February 11, 2021.

5 Gilles Lanteigne resigned as a director on October 30, 2020.

6 Cade Libby became a director on February 25, 2021.

7 John MacGillivray became a director on February 11, 2021.

8 Mireille Saulnier's term as a director ended on February 11, 2021.

Top Government Priorities

DELIVERING FOR NEW BRUNSWICKERS - ONE TEAM ONE GNB

One Team One GNB is a new, collaborative approach to how we operate. It represents a civil service that works together as a single unit for New Brunswickers. We have discovered new and innovative ways of doing business, ways that have allowed us to achieve the outcomes needed for New Brunswickers and we are working more efficiently and effectively than ever before. Our new path forward includes a mindset of focus, urgency and results.

We are working every day to improve the way government departments:

- Communicate with one another
- Work side-by-side on important projects
- And drive focus and accountability

STRATEGY AND OPERATIONS MANAGEMENT

The Government of New Brunswick (GNB) uses a Formal Management system built on leading business practices to develop, communicate and review strategy. This process provides the Public Service with a proven methodology to execute strategy, increase accountability and continuously drive improvement.

The development of the strategy, using the Formal Management system, starts with our government's roadmap for the future of New Brunswick that focuses on key priorities and the importance of public accountability.

GOVERNMENT PRIORITIES

Our vision for 2020-2021 is a vibrant and sustainable New Brunswick. To make progress towards this vision, we must focus on our government's priorities.

- Energize private sector
- Vibrant and sustainable communities
- Affordable, responsive and high-performing government
- Dependable public health care
- World-class education, and
- Environment

COVID-19 RESPONSE

As part of GNB's priorities this past year, responding to the COVID-19 pandemic was at the forefront. Throughout the year, SNB staff demonstrated their commitment to deliver critical services during a crisis, their ability to be agile and forward-thinking, and to maintain the everyday functions that keep government running.

Demonstrating the adaptability of SNB staff, essential civil servants were quickly equipped to work from home, configuring and deploying thousands of laptops, and securing remote access tokens and smartphones.

A wide variety of IT solutions have also been implemented to help government employees work differently, including web conferencing, shared mailbox platforms, and the rollout of MS Teams to Part 1 employees. These tools will change the way GNB works for years to come.

Technology Services staff, in collaboration with Public Health, established the *MyHealthNB* (secure web portal) to access COVID-19 test results online. This portal was launched just one month after the pandemic outbreak, on April 15.

SNB provided technology and IT support for GNB's Return to School plan and for the continuity of health-care services.

IT Services staff also worked quickly to establish the infrastructure to take applications for the Explore NB Travel Incentive program.

SNB provided support to the Department of Education and Early Childhood Development's new daycare support website, through our team at TeleServices.

SNB's Strategic Procurement branch procured \$16.9 million in personal protective equipment for the Emergency Measures Organization (EMO) stockpile maintained by the Department of Public Safety and an additional \$25 million for the Health stockpile for the Department of Health. Most significantly, \$10 million of personal protective equipment was procured from New Brunswick suppliers.

At the beginning of the outbreak, SNB established a new process through the SPSuppliers@snb.ca email address to receive offers of personal protective equipment.

Service centres were closed for a short period of time to implement safety protocols allowing for the return to regular hours of operation by July 13, 2020.

The crisis spurred SNB's drive to provide more online services. In May 2020, online driver's licence renewal applications were made available for the first time, and in November New Brunswick became the first province in Canada to offer an online written driver's test.

SNB established a COVID-19 telephone and email information service for the public over a single weekend.

Staff provided information services to more than 60,000 New Brunswickers and supported the Department of Health by notifying citizens of negative COVID-19 test results.

All COVID-19 information was provided to the public in both official languages in a timely manner thanks to SNB's Translation Bureau. Many materials were translated into 12 languages.

Interpreters were able to play a critical role in the daily COVID-19 news conferences of the Premier and Chief Medical Officer Dr. Jennifer Russell, by adapting their delivery model to ensure appropriate social distancing.

Clinical Engineering supported New Brunswick regional hospitals re-deploying critical patient care equipment to multiple dedicated in-hospital COVID-19 care units.

Laundry Services started laundering of reusable OR (Operating Room) garments for the Horizon Regional Health Authority in light of Supply Chain challenges of disposable products. Staff also did emergency laundry processing for Nova Scotia Healthcare as a result of plant failure in Halifax (one tractor trailer on August 29, 2020, and another on September 1, 2020).

The Human Resources branch adjusted to the pressures created by the pandemic, by shifting competitive processes to virtual formats only. The branch focused on streamlining processes and implementing rapid-fire hiring to address urgent needs, ensuring critical functions of SNB work could be completed in a safe way.

In December, New Brunswick received its first batch of the Pfizer vaccine, and the team from SNB Supply Chain ensured its safe arrival at the Miramichi Regional Hospital. The continued efforts of our staff from Health Services, Strategic Procurement, and Technology Services have been essential as vaccines are distributed and administered to New Brunswickers.

Performance measures

This section contains selected measures from the corporation's balanced scorecard.

Excellence in Service Delivery	Enhance value to customers	Measure
	Meet and exceed customer expectations	Internal customer satisfaction index External customer satisfaction index
	Foster an engaged, high performing team	Measure
	Develop trained and capable managers	Average number of paid sick days used
	Grow the business	Measure
	Expand the business model	Number of new or expanded services

ENHANCE VALUE TO CUSTOMERS

OBJECTIVE OF THE MEASURE

Meet and exceed customer expectations

MEASURE

Internal customer satisfaction index
External customer satisfaction index

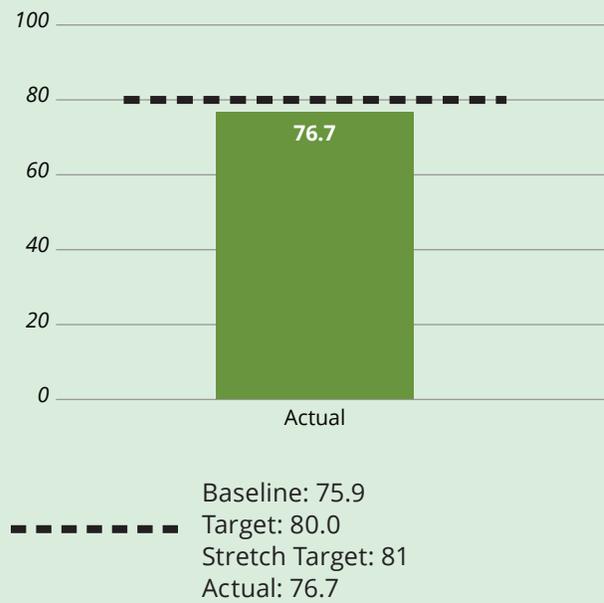
DESCRIPTION OF MEASURE

SNB has a methodology to measure customer satisfaction: the customer satisfaction index. SNB conducted separate customer satisfaction surveys with both internal customers and external customers in 2020-2021. In these surveys, SNB measures customer satisfaction with an index of 11 questions.

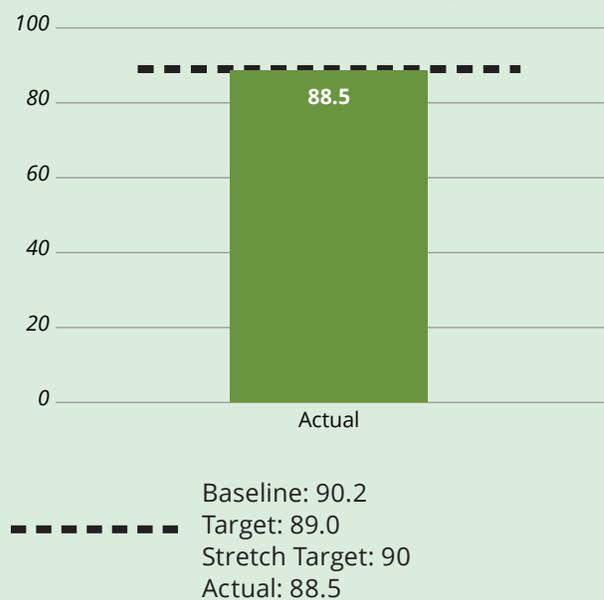
These measures indicate the level of satisfaction of all SNB customers with services that they have received. SNB conducts its annual survey using various outreach mediums (email, paper copy, online, telephone) to the customer groups. Survey questions are aligned with six key drivers of customer satisfaction: timeliness, issue resolution, staff interaction, service design, positive outcome and channel functionality.¹ The 2020 survey saw 6,035 responses from internal customers, which are GNB employees in Parts 1 and 3, and 2,051 responses from external customers which are New Brunswick residents and businesses.

OVERALL PERFORMANCE

Internal customer satisfaction survey results

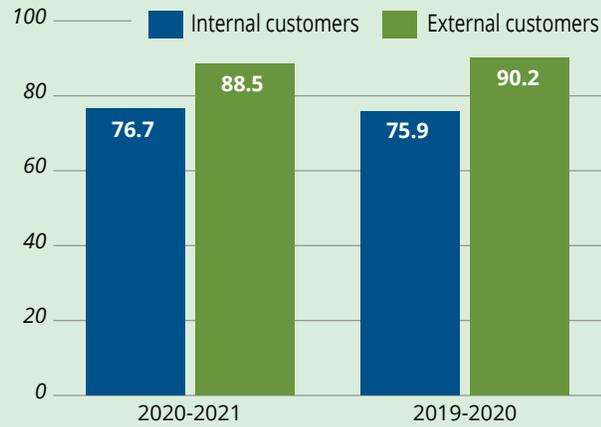


External customer satisfaction survey results



¹ Institute for Citizen-Centered Services

CUSTOMER SATISFACTION SURVEY RESULTS



The results show that customer satisfaction for internal SNB customers increased slightly while that of external customers had a decrease. Fluctuation by three to four points year to year is not unusual when measuring customer satisfaction. Satisfaction is subjective, and many variables can impact the results.

Nonetheless, results for the staff interactions driver (staff are helpful, knowledgeable and courteous) continue to be the highest driver for both internal and external customers. When compared to scores from other Canadian public sector organizations*, SNB's results for external customers continue to score very well, while there is still opportunity to explore improvements with our internal customers.

**Benchmarking provided by the Institute for Citizen-Centered Services (ICCS).*

WHY DO WE MEASURE THIS?

Measuring customer satisfaction provides insight into customers' experience when receiving SNB services. The survey is an opportunity for customers to communicate their needs and expectations, and for SNB to continue to improve in response to feedback received.

WHAT INITIATIVES OR PROJECTS WERE UNDERTAKEN IN THE REPORTING YEAR TO ACHIEVE THE OUTCOME?

In an effort to improve customer satisfaction, survey results – including verbatim comments received from customers – were shared with SNB leaders and their staff by service area and by driver of satisfaction, to better understand where improvements can be made. As a result, several initiatives were undertaken to improve customer satisfaction including shifting services online and undertaking Lean Six Sigma projects to improve SNB processes.

FOSTER AN ENGAGED, HIGH PERFORMING TEAM

OBJECTIVE OF THE MEASURE

Develop trained and capable managers

MEASURE

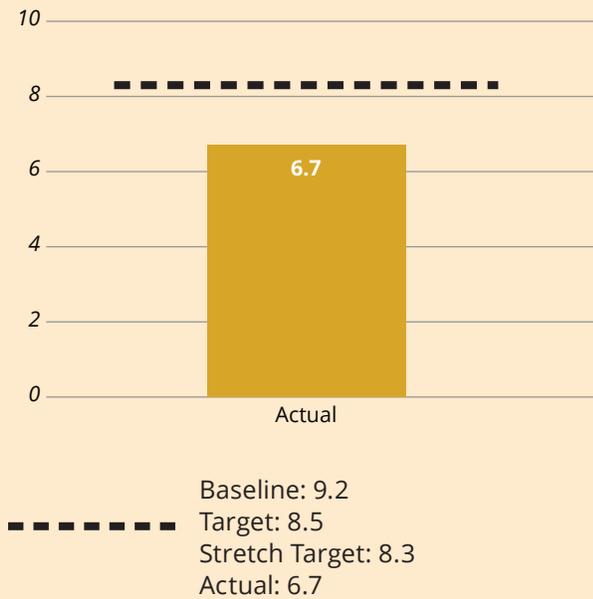
Average number of paid sick days used

DESCRIPTION OF MEASURE

SNB has seen reductions in sick leave usage since it first appeared on the balanced scorecard in 2012, with SNB continuing to monitor sick leave to ensure sustainability and re-introduce improvement initiatives if needed. This is a cumulative measure.

OVERALL PERFORMANCE

In 2020-2021, SNB's average number of sick days was 6.7 sick days/employee (cumulative measure) compared to 9.2 in 2019-2020, exceeding the stretch target.



WHY DO WE MEASURE THIS?

Measuring paid sick days helps to ensure that SNB continues to develop a wellbeing culture that supports work/life balance.

WHAT INITIATIVES OR PROJECTS WERE UNDERTAKEN IN THE REPORTING YEAR TO ACHIEVE THE OUTCOME?

The drop in sick leave is due, in part, to a combination of efforts related to absenteeism management by SNB leaders, modules around mental health and how to take care of wellbeing, and measures implemented to mitigate the spread of COVID-19.

GROW THE BUSINESS

OBJECTIVE OF THE MEASURE

Expand the business model

MEASURE

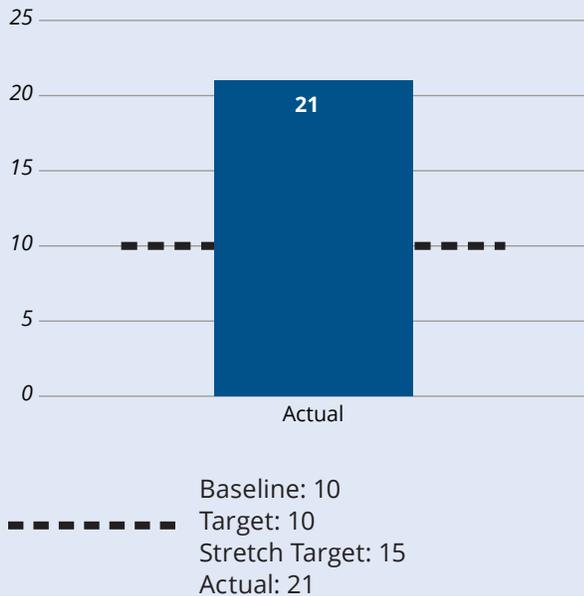
Number of new or expanded services

DESCRIPTION OF MEASURE

Success is measured in terms of the additional sustainable revenue streams arising from new or expanded service offerings and new customers, which is expressed in terms of new or updated Service Agreements.

OVERALL PERFORMANCE

SNB added 21 new or expanded services in 2020-2021 compared to 10 in 2019-2020, exceeding the stretch target.



WHY DO WE MEASURE THIS?

Growing the business is a fundamental component of SNB's Strategic Plan.

WHAT INITIATIVES OR PROJECTS WERE UNDERTAKEN IN THE REPORTING YEAR TO ACHIEVE THE OUTCOME?

SNB has supported Part 1 departments, partners and customers during the pandemic and that has resulted in a significant growth in services offered to customers. Examples of the 21 new services being provided by SNB include the Driver's Examination Online Test and Driver's Licence Renewal for the Department of Justice and Public Safety; the Laptop Assistance Program for the Department of Education and Early Childhood Development; the Explore NB Travel Incentive program for the Department of Tourism, Heritage and Culture; Property Tax Seniors' Deferral for the Department of Finance and Treasury Board; vaccination scheduling for Department of Health; and laundry and linen invoicing and payment for Horizon Health Network.

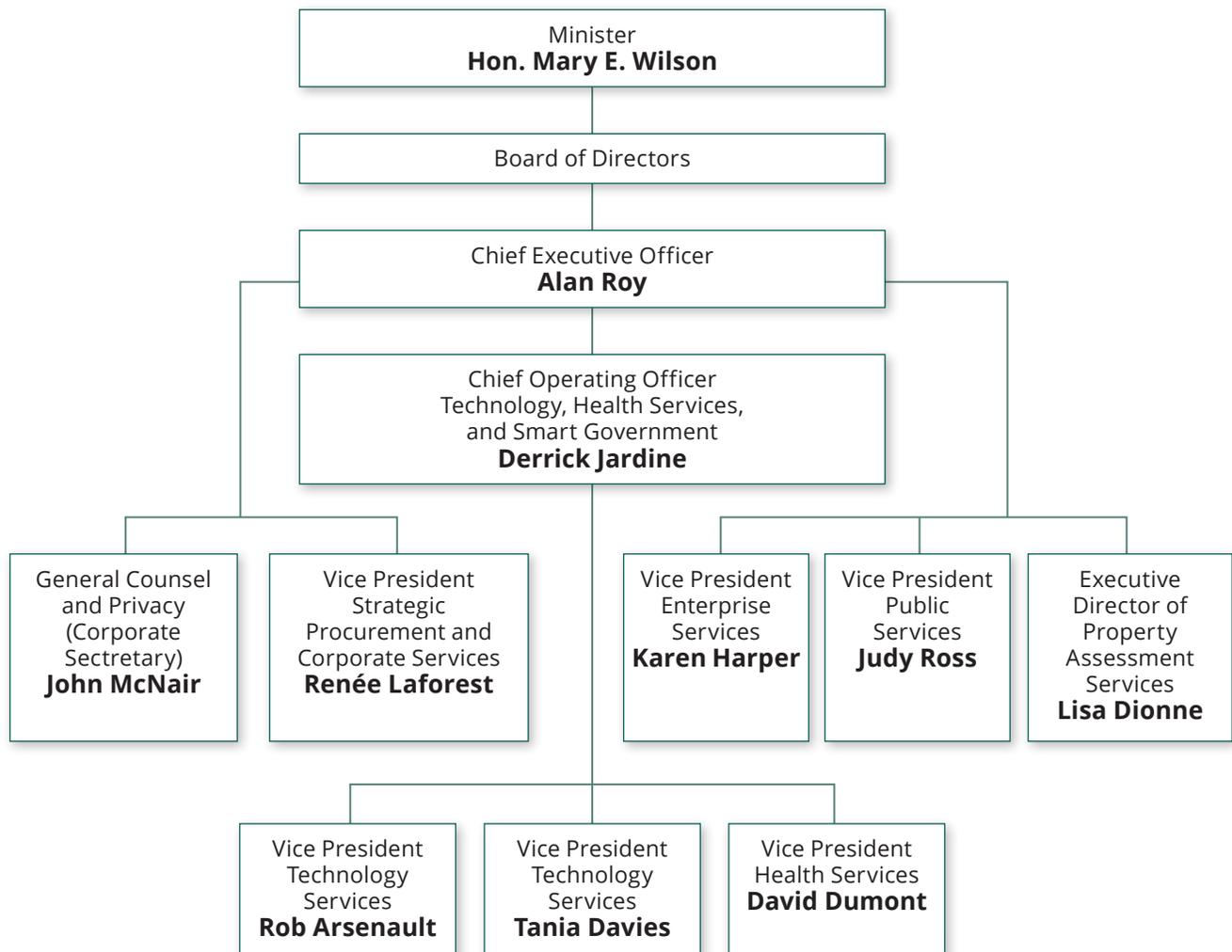
Overview of organizational operations

Service New Brunswick is a Part 1 Crown corporation created to deliver shared services for the Government of New Brunswick with the express purpose of standardizing services and reducing costs. The *Service New Brunswick Act* provides the context for the activities of the corporation. Our mission is to provide high-quality, innovative services for customers with a focus on value for all New Brunswickers.

SNB fulfils its mission by delivering high-quality services, standardizing processes and products, adopting best practices, and leveraging greater economies of scale in the procurement of goods and services. SNB's operations are funded through a combination of regulated fees for registry services, payments from GNB and municipalities, grants that GNB provides to deliver service on its behalf, and sales of products and services.

SNB employed more than 2,400 people and had a budget of more than \$261M in 2020-2021.

HIGH LEVEL ORGANIZATIONAL CHART



Division overview and highlights

CORPORATE SERVICES

HUMAN RESOURCES

The Human Resources branch is responsible for recruitment; employee relations; wellness, health and safety; employee experience; learning and development; as well as the coordination of a variety of employee programs.

STRATEGY AND ORGANIZATIONAL PERFORMANCE

The Strategy and Organizational Performance (SOP) branch is responsible for corporate performance reporting and leads the strategic planning process. This includes developing strategic initiatives, annual action plans and performance metrics using the balanced scorecard methodology. The branch also administers continuous improvement efforts designed to increase efficiency and improve customer benefits using Lean Six Sigma methodologies.

SOP oversees aspects of SNB's customer relationship management (customers and business partners) from a corporate perspective. It is responsible for formulating business development strategies, which includes evaluating and supporting opportunities for growth, and developing and monitoring service agreements.

SOP is responsible for SNB's day-to-day internal communication needs, including maintenance of the employee intranet, websites, and reports that provide information and services to employees, managers and business partners.

It leads the advancement of the corporation's legislation, privacy and corporate policies, and administers the *Right to Information and Protection of Privacy Act* and responses to Right to Information requests. Staff are also responsible for the corporation's records management, risk management, data integration processes and operational reporting.

Finally, SOP administers survey services, change management and measurement of service delivery performance and customer satisfaction.

FINANCE AND ADMINISTRATION

The Finance Branch provides financial and operational reporting and analysis; internal controls; accounting for receivables, payables and assets; coordination of external audits; and the preparation of financial statements.

The branch provides budgeting, ordinary and capital expenditure management, and coordination of the budget and forecast process with the Finance and Treasury Board. It is also responsible for facilities management services, including lease administration, office relocation and renovations, and it fulfills organizational administrative requirements.

INTERNAL AUDIT

The Audit Services Unit conducts internal compliance reviews with respect to cash management at SNB's service centres, performs IT security reviews, and audits automobile dealerships enrolled in the Online Dealer program. The unit also conducts investigations as required.

Highlights

- ◆ The Human Resources branch worked diligently in the early days of the COVID-19 pandemic to meet critical staffing needs across SNB and GNB. This work carried on throughout the fiscal year, as the pandemic evolved and staffing requirements changed.
- ◆ The Facilities team supported the planning and coordination of construction at the new location for the Richibucto Service Centre.
- ◆ Facilities was tasked with ensuring SNB office spaces were safe for staff to return to work after GNB's COVID-19 stay at home orders were relaxed in May 2020.

STRATEGIC PROCUREMENT

SNB is responsible for delivering procurement services for Part 1 (GNB departments), Part 2 (school districts) and Part 3 (Regional Health Authorities). The division also provides support to the wider GNB entities such as municipalities, NB Power, community colleges and universities.

STRATEGIC SOURCING

Strategic Sourcing's role is to maximize competition to achieve the best value for money while ensuring that all suppliers who wish to compete for government contracts have a fair and open opportunity to do so. Competitive quotes or formal bids are solicited for goods and services except in specific circumstances which are exempt from the normal process by legislation.

PROCUREMENT ENABLEMENT

The Procurement Enablement branch provides the policies, systems, and frameworks to support the procurement teams and the wider GNB community. Procurement Enablement helps support the daily operations of the Procurement Specialists by providing documentation and support for policies and regulations. The Central Tendering office is responsible for receiving and logging bids for goods and services tenders on behalf of Strategic Procurement. The Procurement Enablement team works to ensure the entire procurement process functions efficiently and effectively for customers and suppliers.

Statistics at a glance	2020-2021	2019-2020	Change
Purchase Order value*	\$1,288,778,198	\$836,813,184	\$451,965,014
Number of Purchase Orders*	4,893	4,987	(94)
Number of Tenders/RFPs	1,103**	1,649	(546)

* Includes Purchase Order Amendments

** The decrease in Tenders/RFPs issued in 2020-2021 can be attributed to the COVID -19 pandemic.

Highlights

- Strategic Procurement, along with customer organizations, identified procurement savings opportunities of more than \$3.8M in 2020-2021. These savings included soft (negotiated price discounts and cost increase avoidance) and hard savings (year-over-year price reductions).
- Strategic Procurement along with the Department of Transportation and Infrastructure (DTI) and Opportunities New Brunswick (ONB) led the development and implementation of the New Brunswick First Procurement Strategy and Action Plan. This initiative aligns with one of government's top six priorities, "Energized Private Sector," and is part of the "Increase competitiveness and resilience of companies in NB" initiative led by ONB. The New Brunswick First Procurement Strategy includes measures and actions to maximize the success of New Brunswick suppliers in obtaining government contracts. It supports strategic supplier development, increases the use of best value and innovative procurement practices, and streamlines procurement policy and legislation. Several action items such as an Unsolicited Proposals Program, a New Brunswick First Procurement Policy, and an increased use of Regional Economic Development Exemptions have been implemented, with additional items to be implemented in 2021-2022.
- Strategic Procurement played an important role in government's response to COVID-19 by leading the procurement of critical supplies, including personal protective equipment (PPE) and related medical supplies for essential government services and the healthcare sector. More than \$55.9M in PPE was procured in 2020-2021, including \$25.1M for the healthcare pandemic stockpile, \$16.9M for a new stockpile established for government departments and other essential and vulnerable populations, and \$13.9M for regional health authorities. Approximately 10M of this PPE was procured from New Brunswick suppliers. To support the New Brunswick business community, Strategic Procurement also created a COVID-19 Business Preparedness Directory featuring local sellers of PPE and related supplies.

HEALTH SERVICES

CLINICAL ENGINEERING

Health care professionals use a wide array of diagnostic and therapeutic medical equipment in their day-to-day work. This equipment can be complex and costly. The Clinical Engineering branch works with clinicians and health care administrators to plan for and evaluate new and existing health care technologies. Responsibilities include inspecting and maintaining equipment, and ensuring the technology complies with all applicable regulations. The Clinical Engineering branch helps determine when equipment has reached end-of-life status and plays a role in the decommissioning process. The service also supports investigations of incidents related to medical equipment and participates actively in the training and education of technical and medical personnel regarding its use.

In the pandemic's first weeks, the highly specialized team in Clinical Engineering focused to ensure that essential diagnostic and treatment equipment were ready for rapid use. Staff worked with 11 hospitals across New Brunswick to redeploy critical patient care equipment to dedicated COVID-19 care units.

Statistics at a glance	2020-2021	2019-2020	Change
Work orders*	62,366	65,485	(3,119)
Preventative maintenance service orders received**	20,101	20,295	(194)
Equipment alerts requiring action***	1,630	1,029	601

Net new equipment inventory (incoming equipment – obsolete equipment) increased by 2,935 devices.

* The decrease in work orders is attributed to implementing staff rotation that resulted in lost technologist time on site during the early onset of the COVID-19 pandemic.

** Preventative Maintenance support hours increased by 8.75% (+ 1,881 hours) and incoming inspections (safety and compliance) on new equipment increased by 6.39% (+348 hours). Annual fluctuations in Preventative Maintenance Support are directly dependent on the quantity of new equipment purchases, past equipment purchases, aging equipment, and expiring equipment warranties.

*** The number of alerts handled varies from year to year as they are dependent on the quantity of equipment in service and the details of the published alert.

SUPPLY CHAIN

On a day-to-day basis, a wide variety of equipment, supplies and services are used in the delivery of health-care to New Brunswickers. The Supply Chain branch supports healthcare professionals by ensuring the right goods and services are available at the right time

and place. It is responsible for the purchasing, storage, delivery, and distribution of all equipment, supplies, and services for the healthcare system throughout New Brunswick. The Supply Chain branch includes purchasing, inventory management/stores, shipping and receiving, distribution, logistics, print shops, and mail rooms.

In response to the COVID-19 pandemic, Supply Chain was called upon daily to counter the effects of world shortages of products. This included tracking down substitutes, shifting inventory from one institution to another to prevent the cancelation of medical procedures, opening two additional provincial warehouses to house required Personal Protective Equipment, and distribution of supplies to multiple pop up testing and vaccination sites hosted by the regional health authorities (RHAs).

Statistics at a glance	2020-2021	2019-2020	Change
Purchase orders*	139,672	142,370	(2,698)
Dollar value of purchase orders*	\$295,180,638	\$254,010,222	\$41,170,416
# Purchase order lines received by shipping & receiving departments	509,220	552,791	(43,571)
Avg. monthly inventory turnover	0.68	0.94	(0.26)
Avg. monthly main inventory value**	\$9,966,194	\$6,042,801	\$3,923,393
# Warehouse line items picked for distribution	2,384,735	2,529,225	(144,490)

*The table above excludes dollar value and number of purchase orders processed by Strategic Procurement Health. Data is now reported under the Strategic Procurement Division of SNB.

**The increase of inventory value and the decrease in monthly turnover is due to the sourcing of significant amounts of protective personal equipment (PPE) and cleaning supplies to battle the pandemic.

LAUNDRY AND LINEN SERVICES

There has never been a better year to demonstrate how reliable laundry service is essential to the operation and delivery of health care. It is an integral component in the management of infection control for the delivery of patient care. This includes the preparation

and processing of products such as isolation gowns, surgical linen, patient gowns, bed sheets, towels, and environmental products. Laundry and linen service provides complete service from pick-up of soiled linen to delivery of clean items throughout New Brunswick's many health care facilities and nursing homes.

During the pandemic, laundry services have responded to multiple customers and non-customers in support of local outbreak management. A significant increase in frontline healthcare uniforms, environmental products and reusable PPE such as isolation gowns were requested and supplied. Pandemic challenges brought the opportunity for our service to re-introduce reusable operating room (OR) products for our customers.

In the fall of 2020, both the refurbishment of the Edmundston laundry and the building upgrade of the Saint John laundry began. Both will be completed early in 2021-2022 as the pandemic affected the timeline of the projects. For the Campbellton Laundry refurbishment, all equipment for the refurbishment was purchased, and completion is planned for 2021-2022.

Statistics at a glance	2020-2021	2019-2020	Change
Pounds of laundry processed (lbs.)	21,094,143	21,798,987	(704,844)
Number of customers	81	80	1

ENERGY MANAGEMENT

The Energy Management unit is responsible for leading and coordinating the Government of New Brunswick Energy Management Strategy. This service incorporates energy efficiency and conservation into everyday operational practices while maintaining or improving thermal comfort and indoor air quality for its patrons (patients, students, public service employees). The unit uses a continuous improvement approach which is instrumental in optimizing energy use, an essential solution to climate change challenges. Staff work directly with the Regional Health Authorities, laundry operations, and school districts.

In response to the Climate Change Action Plan, SNB continues to implement the government-wide energy management and reporting system to ensure all departments are accountable for energy consumption and corresponding greenhouse gas emissions. The system, ENERGY STAR® Portfolio Manager^{1,2}, allows for energy benchmarking and information to be visible. Energy benchmarking is the first critical step in managing a building's energy performance by reducing energy consumption and demand, resulting in a reduction of greenhouse gas emissions. Schools and some healthcare facilities were previously in the system with additional GNB-owned facilities entered this year (remainder healthcare facilities, community colleges and some government-owned facilities).

Statistics at a glance	2020-2021	2019-2020	Change
Number of sites entered into ENERGY STAR® Portfolio Manager	540	303	237
ENERGY STAR certified buildings	4	4	---
Actual cost avoidance ³	\$4.5M	\$2.7M	\$1.8M

¹ This was made possible by financial contribution from Natural Resources Canada (NRCan).

² NRCan's ENERGY STAR Portfolio Manager® is a free, simple to use, web-based benchmarking tool that allows users to understand how their building's energy performance measures against similar buildings.

³ Cost avoidance is a combination of \$1.4M for health and \$2.4M for schools. In the spring of 2020 schools were unoccupied because of COVID-19 and responded by modifying to unoccupied mode (\$1.2M cost avoidance). Subsequent to the 2019 refurbishment, Saint John Laundry cost avoidance is \$700,000.

Highlights

- Clinical Engineering met its strategic targets for completing maintenance on life-critical and high-risk devices.
- Laundry Services began refurbishment of the Edmundston laundry facility, as well as an upgrade to the Saint John Laundry building. These projects will be completed in early 2021-2022.

ENTERPRISE SERVICES

ACCOUNTS PAYABLE

The Accounts Payable branch manages the delivery of standard payables as well as transactions associated with numerous Client and Case Management Systems used to deliver programs for client departments. The unit is responsible for transactional services as well as administration of the purchase-card and iExpense processes, supplier maintenance, payment processing, and delivering services in accordance with Key Performance Indicators (KPIs) established as part of service agreements. The team provides end-user guidance, publishes procedural documentation, and offers general process support to clients.

Statistics at a glance	2020-2021	2019-2020	Change
Account payable transactions processed (in excess of)	500,000	500,000	---

CENTRAL COLLECTIONS SERVICES

The Central Collections Services Branch manages debt owed to GNB by collecting on overdue property tax and student loan accounts.

Statistics at a glance	2020-2021	2019-2020	Change
Total collected on property tax accounts in arrears	\$98M	\$86.1M	\$11.9M
Total collected on Student Loan Accounts in default	\$1.8M	\$7.2M	(\$5.4M)*

*The decrease in collections is the result of a decision to suspend repayment and interest on student loans from March 31 to September 30, 2020 due to the COVID-19 pandemic.

For every \$1 invested in operations, Central Collection Services collected \$121. (\$99.50 in 2019-2020)

TRANSLATION BUREAU

The Translation Bureau provides written translation; simultaneous interpretation for conferences, seminars, and other gatherings; consecutive interpretation for court proceedings and administrative tribunal hearings; and other linguistic services. The work performed by the branch helps departments and agencies meet GNB's obligations under the *Official Languages Act* as well as Subsection 16(2) of the *Canadian Charter of Rights and Freedoms*.

Statistics at a glance	2020-2021	2019-2020	Change
Translation requests processed by employees	14,503 requests 6.7 M words	12,209 requests 6.5 M words	2,294 requests 0.2 M words
Translation requests processed externally	3,284 requests 7.1 M words	2,206 requests 6.2 M words	1,078 requests 0.9 M words
Days of simultaneous and/or consecutive interpretation provided by employees	1,177	848	329 days
Days of simultaneous and/or consecutive interpretation provided externally	692	1,028	(336 days)

PAYROLL AND BENEFITS SERVICES

On behalf of GNB, Payroll and Benefits Services is accountable for ensuring Part 1 and Part 4 (NB Legal Aid Services Commission) civil servants and contingent workers receive timely payments and benefits as per established key performance indicators.

The branch maintains employee records, leave data, and reporting for accounting and regulatory compliance with acts, regulations, policies, collective agreements and procedures. Payroll and Benefits Services also supports Part 4 (New Brunswick Community College, Collège communautaire du N.-B., and NB Legal Aid Services Commission) in regulatory, accounting and compliance activities.

There are three payroll systems used to process payroll for permanent, term, seasonal, casual, temporary term and personal service contract employees, and students. Additionally, the branch supports the data entry for Part 2 school district payrolls, school district student testing, and the moose and deer count on behalf of the Department of Natural Resources and Energy Development.

Statistics at a glance	2020-2021	2019-2020	Change
Transactions processed	136,088	130,757	5,331

MANAGED PRINT AND DISTRIBUTION

The Managed Print and Distribution branch is composed of four different units.

Printing Services provides highspeed digital printing and finishing services for black and white and colour print requests. The unit also maintains a list of prequalified print vendors and acquires external print services for specialty and large quantity print jobs. This year, the unit began providing print service for the Dr. Everett Chalmers Regional Hospital (DECH). This change made it possible for the hospital to repurpose the space that previously housed its own print shop.

The Postal Services unit provides centralized mail and delivery services to GNB customers from its main processing facility in Fredericton. Regional interoffice mail services are also provided throughout the province.

Print Optimization Services centrally manages a contract that provides efficient multi-functioning printing devices throughout government. This year services were expanded beyond Parts 1, 2 and 4 of GNB to include Part 3.

The Managed Print and Distribution branch provides an employee/agent identification card service and administers GNB's surplus assets.

Statistics at a glance	2020-2021	2019-2020	Change
Printing Services (volume)			
Internal print jobs	910	1,625	(715)
Third-party print jobs	231	240	(9)
DECH Print Jobs	5,666	5,649	17
Postal Services			
Pieces metered	5,175,786	4,875,838	299,948
Pieces shipped	22,962	18,315	4,647
Print Optimization Services			
Device count	6,406	6,552	(146)
Impressions	246,493,648	324,750,309	(78,256,661)

Highlights

- ♦ Print Optimization Services implemented new print devices as part of this new contract across all Parts of GNB. The implementation was completed in December 2020.
- ♦ Accounts Payable assisted the Department of Tourism, Heritage and Culture's Explore NB program and evaluated more than 25,000 applications.
- ♦ Accounts Payable introduced making payments via e-transfer, using email, and processed in excess of 19,000 payments with a value of approx. \$2.2M.
- ♦ In August 2020, Central Collection Services implemented a contact management system which manages and prioritizes all inbound enquiries made to Collections via phone and email. The system automation will enable enhanced value to our customers.

TECHNOLOGY SERVICES

Technology is increasingly a core element to improving the delivery of services to the public and an important aid in the productivity of government workers. SNB Technology Services is accountable for the effective and efficient delivery of Information Technology (IT) services across GNB while meeting the provincial government’s objectives related to technology.

Technology Services provides leadership, expertise and services across all aspects of IT including:

- Supporting more than 38,600 GNB/RHA employees and other stakeholders;
- Managing more than 28,000 devices which consist of desktops, laptops and tablets;
- Operating and supporting the government IT infrastructure (data centers, email, provincial IT networks) and application solutions used by government departments, healthcare sector and education sector;
- Developing technology plans and strategies; and
- Running a collaborative enterprise cyber security management program.

Statistics at a glance	2020-2021	2019-2020	Change
Service Desk tickets	302,664	289,848	12,816
Service Desk calls answered	191,941	152,857	39,084
Managed devices	28,184	27,404	780
Secure email accounts	39,021	32,300	6,721
Sites connected to GNB network	867	826	41

Highlights

- Technology Services played an instrumental role in the pandemic response to support the healthcare sector, the education and early childhood sector, and essential government services.
- Support of the healthcare sector COVID-response included the setup of technology for screening and vaccination clinics and the implementation of IT solutions and dashboards to manage the response. Digital healthcare solutions have also been rolled out, including tools to support virtual patient care and the availability of online COVID test results.

- The Department of Education and Early Childhood Education’s Return to School Plan required devices for students and teachers and increased connectivity in K-12 schools around the province. Online tools were implemented to support: on-line learning; the school bus transportation system; the student laptop subsidy program; and childcare services registration for essential workers.
- Support for government essential services over the past year has included technology solutions that provide citizens with more online services such as driver’s exams, driver’s licence renewal, border travel permits, and tourism rebates. Other examples of technology support involved equipping the GNB workforce to work remotely and securely when needed and implementing video-conferencing in court rooms.
- Technology Services deployed MS Teams across GNB. This application provides a set of tools for stronger collaboration as we work as one team, one GNB. Bringing together chat, meetings, audio/video calling, and a project workspace in one collaboration tool played a crucial role in allowing thousands of GNB staff to maintain work-related activities and customer service throughout the pandemic.
- Technology Services performed many modernization initiatives and upgrades. GNB data centres and critical clinical information systems, laboratory systems and electronic health record applications were upgraded. The platforms supporting motor vehicle, hunting and fishing, child care registry, and SNB registry and mapping services have all been modernized to provide a more efficient and modern experience to New Brunswickers.
- Several initiatives have been undertaken during the year to enhance technology security and mitigate risks. These actions protect GNB user credentials and data from being compromised; maintain confidentiality and safekeeping of personal information; and maintain the availability of business-critical systems used across the government, health and education sectors. Cybersecurity awareness training and expansion of the cybersecurity security operations centre was also completed this year.

Statistics at a glance (Volume)	2020-2021	2019-2020	Change
GeoNB hosted datasets	70	66	4
GeoNB hosted applications	23	23	0
GeoNB map services	57	49	8
GeoNB visits	238,558	208,083	30,475
Maps hosted on ArcGIS Online	121	116	5
LiDAR products*	6	0	6
Outreach / Education sessions	1	6	(5)

* Hillshade, shaded relief, slope degree, slope per cent, digital surface model, digital elevation model are available as map services and will soon be added to the data catalogue.

LAND INFORMATION INFRASTRUCTURE SECRETARIAT

SNB is the lead agency for coordination of geomatics and base mapping in New Brunswick. The activities of the Land Information Infrastructure Secretariat include:

- managing an interagency governance framework to facilitate collaboration on geomatics across GNB;
- implementing interagency projects such as the development of provincial standards and data sets, and creation of authoritative road, water, and imagery data sets;

PUBLIC SERVICES

CUSTOMER CARE

SNB is the gateway for the public to a number of government services offered through a multichannel service delivery network. Customer convenience is a key factor in service delivery. To meet New Brunswickers' expectations, SNB offers three channels of delivery:

- in person, through a network of 33 service centres;
- over the telephone (TeleServices) at 1-888-762-8600; and
- online at www.snb.ca.

A range of services are delivered on behalf of various departments and agencies including the federal government. SNB also accepts payments on behalf of 64 municipalities.

- developing and operating the GeoNB infrastructure, which allows for discovery, access, storage, and dissemination of geographic data and related applications on behalf of partners; and
- coordinating geomatics educational and outreach activities.

BUSINESS OPPORTUNITIES AND DIGITAL SERVICES

Digital Services supports various online service platforms such as gBiz, Fish and Wildlife e-Licensing, Lobbyist Registry and BizPal, as well as Open Data NB, an online portal that allows citizens to access hundreds of data sets with continuous updates.

Highlights

- The branch published 169 new data assets in the open data portal.
- Staff created and supported the COVID-19 Online Test Request form for the Department of Health.
- Staff created various online application forms for regulatory intakes and implemented hunting license bundles and the Resident Turkey Draw in the e-Licensing system.
- The branch created nine public service videos for display in SNB service centres.

Services include:

- motor vehicle – driver's licences, registration, placards for disabled persons;
- recreation – hunting and fishing licenses, trail permits for all-terrain vehicles and snowmobiles;
- government forms – Medicare, lottery registration, Elections NB;
- federal government – pleasure craft licensing; and
- municipalities – water and sewage payments, parking ticket payments.

Statistics at a Glance Service Delivery Transactions			
Volume by partner	2020-2021	2019-2020	Change
Government partners: Provincial (all government departments); federal (Pleasure Craft Licensing*); municipalities	3,031,202	3,231,630	(200,428)
SNB: Property Assessment Services, Corporate Registry, Personal Property Registry, Land Registry, Residential Tenancies Tribunal, Vital Statistics, and SNB products	2,420,171	2,471,175	(51,004)
Other partners: Payment taking for NB Power, Regional Health Authorities, WorkSafeNB, and others	73,706	88,269	(14,563)
Total transactions	5,525,079	5,791,074	(265,995)

*The bulk of the drop in transactions are related to the Pleasure Craft Licensing historical documents project, which ended at the end of the 2018-2019 Fiscal Year.

RESIDENTIAL TENANCIES TRIBUNAL

The Residential Tenancies Tribunal provides an alternative dispute resolution service outside of the traditional court process.

Residential Tenancies Officers are appointed to carry out duties prescribed by the *Residential Tenancies Act*. The activities include holding in trust all security deposits paid by tenants pursuant to a residential tenancy lease; investigating and resolving disputes and complaints by mediation, when possible, or adjudication; enforcing the *Residential Tenancies Act*; and providing information about residential tenancies.

Statistics at a glance	2020-2021	2019-2020	Change
Security deposits accepted	18,532	17,271	1,261
Net value of security deposits	\$36.4M	\$32.9M	\$3.5M
Security deposits returned	13,565	13,665	(100)
Applications for assistance or disputed claims received	4,066	5,469	(1,403)

REGISTRIES

Condominium properties are administered through the *Condominium Property Act*, which sets out the rules for developing, operating, and managing them in New Brunswick. This area provides approval for condominium corporations and the registration of associated documents and plans. It also accepts information on reserve funds, financial statements, insurance, and directors filed by these corporations.

The Corporate Registry administers incorporation and regulation of New Brunswick-based business corporations and non-profit companies as well as registering partnerships and business names, and extra-provincial corporations. The registry maintains publicly available, up-to-date information on business and non-profit corporations and unincorporated business entities. Internet users can access information on past and existing businesses and non-profit companies through the registry.

Land registration records date back to the original Crown land grants and are available for public scrutiny. The Land Registry unit operates the provincial land registration office where legal plans and documents such as deeds, mortgages and wills relating to the ownership of real property, can be registered. The unit maintains the PLANET system, which allows land-based transactions through a comprehensive, integrated, online source of land registration, property mapping and real property information. The unit also maintains a province-wide Global Positioning System (GPS)-based survey network that includes a series of continuously operating active control stations, which provides observations to users via the SNB website.

The Personal Property Registry maintains a province-wide registry service where users can serve public notice of their security interests, judgments, and other claims affecting personal property, such as automobiles, recreational vehicles, furniture, and business inventory. It also offers individuals and businesses the opportunity to determine if there is a registered security interest on a personal property by providing the means to search the Personal Property Registry, primarily through the Atlantic Canada Online portal and SNB's Lien Check service.

Vital Statistics is responsible for registering, maintaining and disseminating birth, death, stillbirth, and marriage data (also known as "vital events"). Vital Statistics can search records, issue certificates of a vital event, distribute marriage licenses, approve and register changes of name, and maintain an index of marriage officiants and churches/religions authorized to solemnize marriages in New Brunswick.

Statistics at a Glance			
Registries Activities	2020-2021	2019-2020	Change
Condominiums			
New corporations	2	3	(1)
New units approved	26	89	(63)
Corporate Registry			
Incorporations	2,759	2,471	288
Registrations	3,723	3,070	653
Annual return	40,558	41,601	(1,043)
Certificate of Status/ certified copies	4,345	3,794	551
Land Registry			
Registrations	93,171	85,852	7,319
Searches	37,047	34,536	2,511
Certificates of Registered Ownership sold	37,769	32,242	5,527
Personal Property Registry			
Registrations	150,027	153,557	(3,530)
Searches	73,422	79,231	(5,809)
Vital Statistics			
Certificates issued (all types)	20,575	28,981	(8,406)
Change of name processed	288	352	(64)
Vital events registered	17,639	15,104	2,535

Highlights

- ◆ The Land Registry Unit has modernized some components of PLANET, the system that supports land registration and property mapping. This system modernization included the Real Property Information Browser used by clients to search Land Registry records and its Geographic Information System utilized in-house to update the property mapping geodatabase.
- ◆ SNB has continued its long-term partnership with the Association of Land Surveyors by hosting its unregistered plan database in its PLANET system. This collaboration is providing more accurate and up to date mapping of property lines for land owners.
- ◆ The Corporate Registry launched a plan to modernize many aspects of its registry. Targeted consultations with stakeholders will take place in 2021-2022 to seek input on updates and enhancements to the corporate registry landscape in New Brunswick.

- ◆ To accommodate business changes and pressures due to the global pandemic, the Corporate Registry held off the forfeiture process for a 12-month period.
- ◆ The Corporate Registry also saw a 100% take up rate for the receipt of online corporate filings for the 2020-2021 fiscal year.

PROPERTY ASSESSMENT SERVICES

SNB is responsible for the valuation and classification of all real property in New Brunswick. Property Assessment is a vital component in the processes of real property taxation.

The *Assessment Act* states that all property in the province is to be assessed at its Real and True (market) value as of January 1 of the year for which the assessment is determined. Individual property assessments are then compiled to produce municipal and provincial assessment bases.

These bases are shared with the Department of Environment and Local Government, which produces the tax bases for each municipality, rural community, and local service district.

Individual property assessments are also provided to the Department of Finance and Treasury Board. These are then used, along with municipal and provincial property tax rates, to produce an annual property tax notice (bill).

Property Assessment Errors			
Tax Year	Number of Factual*	Number of Administrative**	Total Errors
2020	865	2,868	3,733
2019	1,568	3,125	4,693
2018	2,117	3,172	5,289

* A factual error is the result of incorrect property data / characteristics used in the calculation of a property value.

**An administrative error is the result of an incorrect tax levy amount which is unrelated to the property valuation.

Property assessors are responsible for maintaining an inventory of all real property information as well as administering many property tax-related benefits programs.

On November 23, 2017, the Auditor General of New Brunswick released a public report, *Service New Brunswick Residential Property Assessment – Special Examination*. The report included 25 recommendations, of which 22 were directed at SNB. SNB agreed with all

recommendations and has executed an action plan to address the outstanding issues. SNB has completed 19 of the recommendations, with the remaining recommendations either partially complete or in progress. A key recommendation, the separation of the property assessment notice from the property tax notice (bill), was successfully implemented.

Property Assessment Statistics					
Tax year	Number of properties	Assessment Base (Billion \$)	Request for review	Per cent of property accounts	Appeals (Assessment Board)
2020	471,082	67.2	5,941	1.3	192
2019	469,948	66.1	5,439	1.1	118
2018	468,744	64.4	3,956	0.8	127
2017	467,602	62.8	18,568	4.0	375
2016	466,022	62.5	7,156	1.5	180
2015	465,500	61.4	7,951	1.7	319

Financial Overview

DISCUSSION AND ANALYSIS

The Financial Statement Discussion and Analysis document will focus on providing variance analyses between the Budget and Actual amounts for 2020-2021.

SIGNIFICANT FINANCIAL VARIANCES

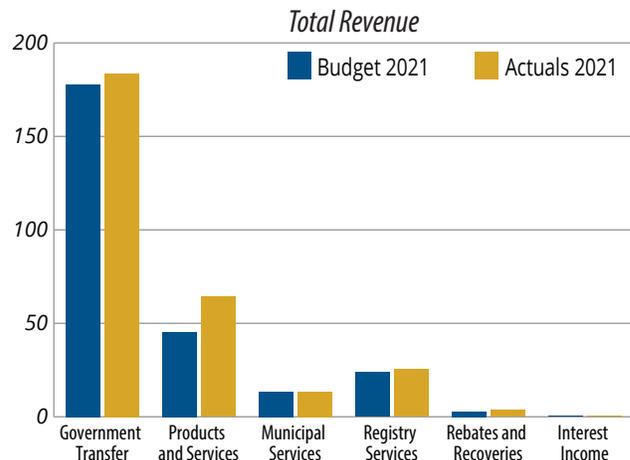
The following table compares actual financial results to budgeted figures for 2020-2021.

Financial Statement Analysis for the year ended March 31, 2021 STATEMENT OF OPERATIONS			
	Budget	Actuals	Budget
	2021	2021	Variance
Revenues			
Government Transfers	\$ 177,870,225	\$ 183,624,639	\$ 5,754,414
Products and Services	45,393,273	64,218,836	18,825,563
Municipal Services	13,397,504	13,445,795	48,291
Registry Services	23,811,600	25,422,363	1,610,763
Rebates and Recoveries	2,709,000	3,542,279	833,279
Investment Income	312,000	328,051	16,051
Revenue from Operations	263,493,602	290,581,963	27,088,361
Expenses			
Executive Administration	768,559	538,755	(229,804)
Corporate Services	16,993,403	18,623,684	1,630,281
Strategic Procurement	4,914,401	4,881,210	(33,191)
Technology Services	142,866,364	163,794,362	20,927,998
Health Services	38,597,101	40,972,402	2,375,301
Enterprise Services	25,910,355	28,178,500	2,268,145
Public Services	30,955,588	35,197,064	4,241,476
TOTAL EXPENSE	261,005,771	292,185,977	31,180,206
SURPLUS	\$ 2,487,831	\$ (1,604,014)	\$ (4,091,845)

REVENUE VARIANCES

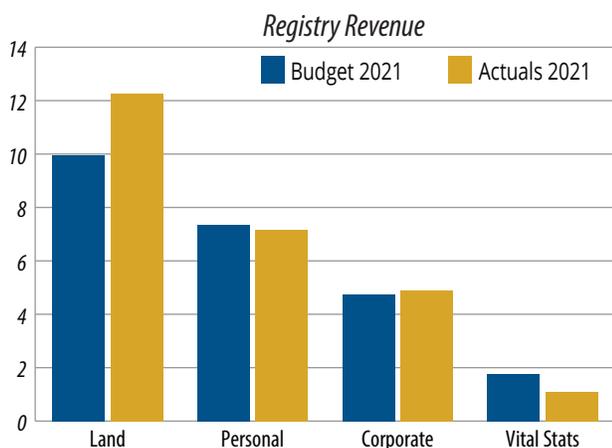
Total revenue for 2020-2021 is \$27.1M greater than budget. Most of this additional revenue was generated by the COVID response efforts. This variance will be explained by revenue source below.

Government Transfer – Revenues from Government Transfers is \$5.8M higher than budget. This increase is due to funding for COVID purchases of \$5.1M, and transfers for unsigned bargaining contract increases of \$1.3M. These increases were partially offset by \$0.6M decrease in capital funding.



Products and Services – Revenues resulting from the sale of products and services came in at \$18.8M more than budget for 2020-2021. This increase is made of additional revenue for ‘net new’ services and additional chargebacks to departments and agencies for programs and services related to Technology Services (\$22.3M), Accounts Payable (\$0.3M) and Laundry Services (\$0.4). This increase was partially offset by lower revenue in Print and Postal of \$1.1M and a reallocation of registry revenue to registry services.

Registries – Registry revenue totals were \$1.6M more than budgeted for 2020-2021. This variance is largely due to Land Registry and Corporate registry transaction volumes being higher than expected accounting for \$2.5M in additional revenue. The performance of the land registry is heavily dependent on the strength of the economy, and the degree to which consumers are selling and purchasing real property. This increase is partially offset by lower transaction volumes in Personal Property registry and Vital Statistics which accounted for \$0.9M in reduced revenue.

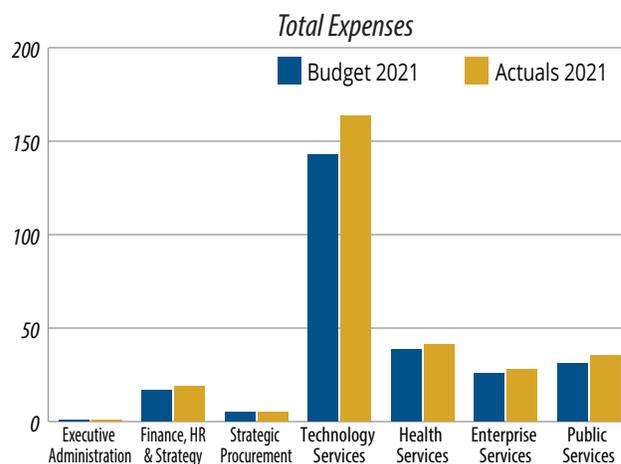


Rebates and Recoveries – This revenue came in at \$0.8M more than budget primarily due to higher rebates from suppliers.

Interest Income – Interest revenues exceeded budget expectations by \$.02M in 2020-2021.

EXPENSE VARIANCES

Total expenses for 2020-2021 are \$31.2M higher than budgeted. This over expenditure is due to expense required for the COVID response and the purchase on new printers. Variances by division will be explained below.



Executive Administration – Total expenses were \$0.2M less than budgeted. This decrease was due to unspent budget in Professional Services and travel.

Finance, Human Resources and Strategy - Total expenses were \$1.6M greater than budgeted. This increase was due to \$1.9M in additional expense in response to COVID which covered additional cleaning, Commissionaires, plexi-glass barriers and new easily washable chairs. There was also an additional \$0.4M in credit card discount fees. These increases were partially offset by a savings in salary expense, Professional Services and travel.

Strategic Procurement - Total expenses were \$0.03M less than budgeted. This decrease was due to unspent travel and conference fees of \$0.2M, this savings was partially offset by additional salary expense of \$0.15M and additional supplies of \$0.03M.

Technology Services - Total expenses were \$20.9M higher than budgeted of which \$11.2M was required for COVID response. This increase is due to additional salary expense of \$2.1M, additional expenditures in hardware and software of \$19.5M and other discretionary expenses of \$2.9M. These increases were partially offset by savings in Professional Services of \$1.9M, travel of \$0.7M and amortization of \$1.0M.

Health Services - Total expenses were \$2.4M higher than budgeted of which \$1.7M was required for COVID response. This increase was due to additional salaries of \$1.0M, \$3.0M in equipment and supplies expense and \$0.2M in additional Professional Services expense. These increases were partially offset by savings of \$0.2M in amortization and \$0.1M in vehicle expenses, building expenses of \$1.1M and \$0.4M in travel.

Enterprise Services - Total expenses were \$2.3M greater than budgeted. Increases related to \$4.3M expense for new printers, additional salaries of \$0.1M, additional postage expense of \$0.4M, additional translation expense of \$0.2M and other discretionary expenses of \$0.6M. These increases were partially offset by saving in interpretation services of \$0.8M, office equipment and services of \$2.4M and travel of \$0.1M.

Public Services - Total expenses were \$4.2M higher than budgeted of which \$1.1M was required to operate the COVID helpline. The remaining increase was due to salary expenses of \$2.4M, computer and software expenses of \$0.2M, postage of \$0.5M and Professional Services of \$0.2M. This increase was partially offset by \$0.2M reduction in travel.

Summary of staffing activity

Number of SNB employees		
Employee type	2020-2021	2019-2020
Permanent	1,916	1,897
Temporary	91	83
Casuals	448	397
TOTAL	2,455	2,377

Permanent employees include all permanent full time and part time employees. Temporary employees are employees in various types of temporary positions, including personal service contract (PSC) positions and ministerial/constituency office staff. Casuals include full-time, part-time, hourly and on-call employees, as well as students.

Staffing activity within fiscal year		
Employee type	2020-2021	2019-2020
Permanent	286	341
Temporary	377	388
TOTAL	663	729

Staffing activities include formal competitions, expressions of interest, casual hiring, personal services contracts, secondments, and lateral transfers. Of these, SNB posted 324 competitions, including 201 open (public) competitions and 123 closed (internal) competitions.

Pursuant to sections 15 and 16 of the *Civil Service Act*, SNB made the following appointments using processes to establish merit other than the competitive process:

Appointment type	Appointment description	Section of the <i>Civil Service Act</i>	Number
Specialized Professional, Scientific or Technical	An appointment may be made without competition when a position requires: – A high degree of expertise and training; – A high degree of technical skill; and – Recognized experts in their field.	15(1)	0
Equal Employment Opportunity Program	Provides Aboriginals, persons with disabilities and members of a visible minority group with equal access to employment, training and advancement opportunities.	16(1)(a)	9
Department Talent Management Program	Permanent employees identified in corporate and departmental talent pools, who meet the four-point criteria for assessing talent, namely performance, readiness, willingness and criticalness.	16(1)(b)	2
Lateral transfer	The GNB transfer process facilitates the transfer of employees from within Part 1, 2 (school boards) and 3 (hospital corporations) of the Public Service.	16(1) or 16(1)(c)	16
Regular appointment of casual/temporary	An individual hired on a casual or temporary basis under section 17 may be appointed without competition to a regular properly classified position within the Civil Service.	16(1)(d)(i)	0
Regular appointment of students/apprentices	Summer students, university or community college co-op students or apprentices may be appointed without competition to an entry level position within the Civil Service.	16(1)(d)(ii)	0

Pursuant to section 33 of the *Civil Service Act*, no complaints alleging favouritism were made to the CEO of Service New Brunswick and no complaints were submitted to the Ombud.

Summary of legislation and legislative activity

Name of Legislation	Effective Date	Summary of Changes
<i>Bill 4 - An Act to Amend the Assessment Act</i> (introduced by the Minister of Finance and Treasury Board) https://www.gnb.ca/legis/bill/pdf/60/1/Bill-4.pdf	This Bill received Royal Assent on December 18, 2020; changes were retroactive to January 1, 2020.	Changes have been made so that the public transit facilities operated by the cities of Saint John, Fredericton and Moncton are exempt from the provincial portion of property tax.
<i>Bill 5 - An Act to Amend the Assessment Act</i> (introduced by the Minister of Service New Brunswick) https://www.gnb.ca/legis/bill/pdf/60/1/Bill-5.pdf	This Bill received Royal Assent on December 18, 2020 and came into effect on January 1, 2021.	Amendments were made to remove the Permanent Assessment Gap Exemption to return to property assessments that are based on the Real and True (market) value of a property.
<i>Bill 42 - An Act to the Motor Vehicle Act</i> https://www.gnb.ca/legis/bill/pdf/59/3/Bill-42.pdf	This Bill received Royal Assent on June 18, 2021 and came into effect on March 1, 2021.	Amendments were made to allow for the online renewal of a Class 5 driver's licence and a New Brunswick identification (ID) card.
<i>Bill 38 - An Act to Amend the Service New Brunswick Act</i> https://www.gnb.ca/legis/bill/pdf/60/1/Bill-38.pdf	This Bill was introduced on March 17, 2021 but has yet to complete the legislative process.	Changes will be made to allow for staggered terms of appointments to Service New Brunswick's Board of Directors.

Name of Regulation	Effective Date	Summary of Changes
New Brunswick Regulation 2015-64, the <i>Specified Services Regulation - Service New Brunswick Act</i> http://laws.gnb.ca/en/showfulldoc/cr/2015-64//20210316	February 16, 2021	This regulation was amended to expand the definition of collection services and remove services related to marketing, web and archives.
New Brunswick Regulation 2014-93, the <i>General Regulation - Procurement Act</i> http://laws.gnb.ca/en/showfulldoc/cr/2014-93//20210316	February 16, 2021	This regulation was amended to correct rules pertaining to the procurement of specific professional services by entities not bound by trade agreements.
New Brunswick 83-42, the <i>General Regulation - Motor Vehicle Act</i> http://laws.gnb.ca/en/showfulldoc/cr/83-42//20210316	January 1, 2021	This regulation was amended to allow for the online renewal of a Class 5 driver's licence and a New Brunswick identification (ID) card.
New Brunswick Regulation 82-218, the <i>General Regulation - The Residential Tenancies Act</i> http://laws.gnb.ca/en/showfulldoc/cr/82-218//20210316	June 30, 2020	This regulation was amended to allow for the early termination of a long-term lease where a tenant is experiencing domestic violence.

Summary of Official Languages activities

Service New Brunswick recognizes its obligations under the *Official Languages Act* and is committed to actively offering and providing quality services in both Official Languages.

Seven official complaints were filed under the act in 2020–2021. All the complaints were deemed to be founded or resolved without requiring an investigation.

INTRODUCTION

During 2020–2021, Service New Brunswick continued to ensure its obligations under the *Official Languages Act* were met throughout the organization. Below are associated activities that were carried out on an ongoing basis during the year in question.

FOCUS 1

Ensure access to service of equal quality in English and French throughout the province:

- The Annual Customer Satisfaction Survey includes a question for customers to confirm if they received the service in the Official Language of their choice.

FOCUS 2

An environment and climate that encourages, for all employees, the use of the Official Language of their choice in their workplace:

- As part of the annual Performance Review process, all employees are required to review the Language of Service and Language of Work policies and discuss with their managers.
- Training sessions to managers and employees were offered in both official languages.

FOCUS 3

Ensure that new and revised government programs and policies consider the realities of the province's Official Language communities:

- Presentations on Official Languages are part of the orientation for new employees.

FOCUS 4

Ensure public service employees have a thorough knowledge and understanding of the *Official Languages Act*, relevant policies, regulations, and the province's obligations with respect to Official Languages:

- Employees were asked to complete the online modules on Language of Service and Language of Work to build on their knowledge of the *Official Languages Act*.

CONCLUSION

During 2020-2021, Service New Brunswick continued to apply tools that help employees work in the language of their choice. The organization continues to work toward achievement of the objectives set out in the government-wide Official Languages Action Plan.

Summary of recommendations from the Office of the Auditor General

NEW: Section 1 – Includes the current reporting year and the previous year.

Name and year of audit area with link to online document	Recommendations
	Total
Matter arising from the Audit of the Financials Statements of Service New Brunswick, 2020/2021	7

Name and year of audit area with link to online document	Recommendations
	Total
Matters Arising from our Audit of the Financial Statements of the Province, 2020 – SNB, Payments Processed through the Imaging Process Management System (IPM) https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2020V3/Agrepe.pdf	4

Name and year of audit area with link to online document	Recommendations
	Total
Matters Arising from our Audit of the Financial Statements of the Province, 2020 – SNB, Property Tax Assessment System https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2020V3/Chap9e.pdf	5

Implemented Recommendations	Actions Taken
We recommend SNB improve the quality control processes used to verify the accuracy of property assessment values in advance of next year's billing cycle.	SNB has implemented several quality control enhancements over the year to ensure accurate property assessments. With the hiring of the Quality Assurance Manager in December 2019 and the Quality Assurance Auditors following in July of 2020, further review will be completed on the quality control process in 2021.
We recommend SNB proceed as quickly as possible to validate the assessment data of properties assessed using methodologies from the 2017 Fast Track initiative. We recommend SNB develop and implement a process to track when properties are visually re-inspected. We recommend this information be used when creating annual assessor work plans.	SNB recognizes the importance of validating the assessment data of properties that were assessed using the 2017 methodologies. Priority has been placed on achieving progress with this initiative during 2021. SNB recognizes the importance of enhancing the current tracking method for both reporting and prioritizing annual work programs.
We recommend SNB review and resolve system access control weaknesses for the property assessment system (EvAN) as soon as possible. These weaknesses relate to user access reviews and managing user access for the EvAN application, database and operating system.	SNB is exploring additional controls and measures that can be added to our current access management procedures, the frequency of access reviews and the generation of a listing to be used when performing access reviews.
We recommend SNB strengthen its processes to verify property tax assessment values by using a risk-based approach to review the work of assessors and assessment staff.	With the hiring of the Quality Assurance team, SNB has commenced various Quality Assurance activities that encompass review of assessor work and process documentation. This has helped strengthen SNB's processes in verifying the quality of our assessment data. SNB will continue to develop these activities with emphasis towards a risk-based approach.
We recommend SNB document its work to compare, review and approve property assessment values after systems are upgraded, or property assessment data is converted. We recommend evidence of this work be retained for audit purposes.	SNB acknowledges the importance of retaining and documenting the work completed concerning approvals and data comparisons for future system upgrades and conversions.

Name and year of audit area with link to online document	Recommendations
	Total
Matters Arising from our Audit of the Financial Statements of the Province, 2020 – SNB, Information Technology Infrastructure Audit https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2020V3/Agrepe.pdf	6

Name and year of audit area with link to online document	Recommendations
	Total
Matters Arising from our Audit of the Financial Statements of the Province, 2020 – SNB, Payroll and Benefits (HRIS) https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2020V3/Agrepe.pdf	3

Implemented Recommendations	Actions Taken
We recommend Service New Brunswick (SNB) use effective project management practices when implementing a new payroll/human management system. These practices should ensure the new system meets the needs of its users and is implemented in a timely manner, within budget and with proper internal controls.	The Enterprise Resource Planning (ERP) project is underway for Human Resources which includes the payroll functions. Spring 2021 is the tentative date that SNB, Finance and Treasury Board (FTB), and General Government (FTB client groups) should move from HRIS to the new ERP payroll solution. This is considered Wave 1 of the implementation scope.
We recommend SNB evaluate regularly (at least semi-annually) the payroll validation sampling processes to determine if they are still appropriate when compared with actual sample results. We recommend SNB document its review of payroll processes. Evidence of review should be retained for audit purposes.	A review of processes will take place in Q3 of fiscal 2020-2021. Changes will be documented and retained.
We recommend SNB update and test the Business Continuity Plan for payroll functions on an annual basis to help ensure its adequacy in the event of a disaster.	System limitations present a challenge for full-scale testing. We will continue to work with our partners to enhance the current processes.

Name and year of audit area with link to online document	Recommendations
	Total
Matter arising from the Audit of the Financials Statements of Service New Brunswick, 2019/2020 https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2020V3/Agrepe.pdf	6

Implemented Recommendations	Actions Taken
We recommend: – SNB only pay for goods or services it has received. For example, SNB should only pay for goods if proof of receipt is attached to an invoice. – SNB review all payments made to Lexmark to verify SNB has only paid for printers it has ordered and received.	<ul style="list-style-type: none"> – SNB reviewed controls in place across the organization to ensure payments are only made after a proof of receipt of goods or services is obtained – SNB communicated to staff with signing authority a reminder of their responsibility, including proof of receipt of goods and services – SNB’s Internal Audit team reviewed all payments to Lexmark to ensure no other overpayments have been made and will also investigate the specific issue and recommend improved controls based on those findings – SNB is currently implementing a new process to track Lexmark printers ordered, received and paid for

<p>We recommend SNB implement a new accounting and payroll system. If SNB expects an extended timeframe for completing these projects and if it is cost effective, SNB should process transactions in one system reducing the risk of duplicate payments, fraud and staff inefficiencies.</p>	<p>Duplicate payments: A quarterly procedure is currently in place to identify potential duplicates and ensure these instances are rectified. Most of the duplicates identified through the audit were also identified through SNB's review. SNB always follows up on duplicate payments and will seek to obtain full recovery, as it has in the past. SNB transferred more payments into one system and will continue to work on combining functions, or transactions, where operationally feasible and deemed to be efficient and cost effective.</p> <p>Unsupported system: The Premier Support for JDE 9.1 has ended but SNB continues to have Sustaining Support through a contract with Oracle. This allows SNB to have support on production issues, access to patches and existing fixes as well as year end files. Management accepts this as a strong mitigating factor that reduces risks to a minimum.</p> <p>Data transfer errors: SNB performs reconciliations to ensure that data has correctly transferred from one system to another and that all transfer errors are correctly identified and corrected. The current reconciliation process allows SNB to detect significant errors and these are corrected in the next accounting period. This process is inefficient for staff but allows for a very low risk that an error would remain uncorrected in the financial statements.</p>
<p>We recommend SNB reconcile its cash to its accounting records on a regular basis. Cash should be reconciled every month for the previous month's activity and unreconciled amounts should be investigated and corrected as soon as possible.</p>	<p>New processes have been put in place including instituting a monthly Internal Audit review with results being submitted directly to the CFO. The bank reconciliation process will also move under the responsibility of another manager. Please note that daily bank transactions are being reconciled and required adjustments are posted as required.</p>
<p>We recommend SNB maintain a list of all significant contracts. We recommend SNB review its existing and future contracts and disclose all significant contracts, if any, in its commitments note.</p>	<p>A minimum threshold was set up as well as a process for contract disclosure. SNB will also investigate methods to improve tracking of our existing contracts.</p>
<p>We recommend SNB review and resolve the internal control weaknesses identified in Appendix A as soon as possible.</p>	<p>Management accepts the recommendation and will separately review and assess the risks identified in Appendix A. Corrective action will be taken for items identified as high risk and for which there are no mitigating measures in place. Some of these items will remain until the new Enterprise Resource Planning system is fully operational as they are considered as a low-medium risk to the organization or because there is mitigation in place.</p>
<p>We recommend SNB have signed agreements with all of its business partners.</p>	<p>Management accepts the recommendation and continues to work with the business partners mentioned above to sign new agreements which include rolling over agreements into the current year. Regardless, work continues and SNB continues to be paid for all services rendered. For the Regional Health Authorities an extension was provided due to the pandemic.</p>

Section 2 – Includes the reporting periods for years three, four and five.

Name and year of audit area with link to online document	Recommendations	
	Total	Implemented
Matters Arising from our Audit of the Financial Statements of the Province, 2019 – SNB, Collection of Overdue Property Tax Accounts https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V1/Chap4e.pdf	1	1
Matters Arising from our Audit of the Financial Statements of the Province, 2019 – SNB, Payroll and Benefits (HRIS) https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V3/Agrepe.pdf	3	1
Matters Arising from our Audit of the Financial Statements of the Province, 2019 – SNB, Payments Processed through the Imaging Process Management System (IPM) https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V3/Agrepe.pdf	6	2
Matters Arising from our Audit of the Financial Statements of the Province, 2019 – SNB, Information Technology Infrastructure Audit https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V3/Agrepe.pdf	5	5
Matters Arising from our Audit of the Financial Statements of the Province, 2019 – SNB, Property Tax Assessment System https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V3/Agrepe.pdf	4	1
Matter arising from the Audit of the Financials Statements of Service New Brunswick, 2018/2019 https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2019V3/Agrepe.pdf	6	5
Special Examination of Property Assessment Services https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2017V3/Agrepe.pdf	25	19
Matters Arising from our Audit of the Financial Statements of the Province, 2016 – SNB, Property Tax Assessment System (EvAN) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2016V4/Agrepe.pdf	3	2
Matters Arising from our Audit of the Financial Statements of the Province, 2017 – Payments Processed through the Image Process Management System (IPM) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2017V4/Agrepe.pdf	4	2
Department of Social Development: Advisory Services Contract, 2017 – SNB, Strategic Procurement https://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2017V1/Chap2e.pdf	3	2
Matters Arising from our Audit of the Financial Statements of the Province, 2017 – SNB, Payroll and Benefits (HRIS) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2017V4/Agrepe.pdf	3	1
Department of Agriculture, Aquaculture and Fisheries: Agricultural Fair Associations, 2016 – SNB, Property Tax Assessment Services http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2016V1/Chap4e.pdf	2	1

Report on the *Public Interest Disclosure Act*

Service New Brunswick has policies and processes designed to manage public interest disclosures as required by the *Public Interest Disclosure Act*. Service New Brunswick received no claims or disclosures of wrongdoing in the 2020-2021 fiscal year.

Appendix: Financial statements

Service New Brunswick

Management Report

The preparation of financial information is an integral part of management's responsibilities and the accompanying financial statements are the responsibility of the management of the Corporation. This responsibility includes the selection of appropriate accounting policies and making judgments and estimates consistent with Canadian Public Sector Accounting Standards (PSAS).

The Corporation maintains accounting systems and related controls to provide management and the Board of Directors with reasonable assurance that transactions are executed and recorded as authorized, that assets are properly safeguarded and accounted for, and that financial records are reliable for the preparation of financial statements in accordance with PSAS.

It is the responsibility of the Board of Directors to oversee management's performance of its financial reporting responsibilities and to review and approve the financial statements. It is assisted in its responsibilities by the Audit and Finance Committee. This committee reviews and recommends approval of the financial statements, and meets periodically with management and the external auditors concerning internal controls and matters related to financial reporting. Upon the recommendation of the Audit and Finance Committee, these financial statements for the year ended March 31, 2021 are approved by the Board of Directors.



Alan Roy
Chief Executive Officer



Renée Laforest, CPA, CGA
Chief Financial Officer

Fredericton, N.B., Canada
June 23, 2021

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Board of Directors of Service New Brunswick

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Service New Brunswick (the Entity), which comprise the statement of financial position as at March 31, 2021, and the statements of operations & change in accumulated surplus, change in net financial assets, and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and the results of its operations & change in accumulated surplus, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I 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 I identify during my audit.



Janice Leahy, CPA, CA, CIA
Acting Auditor General

Fredericton, New Brunswick, Canada
June 23, 2021

Service New Brunswick

Statement of Financial Position

As at March 31

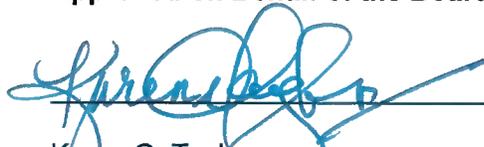
	2021	2020
Financial Assets		
Cash	\$ 13,699,633	\$ 6,704,321
Due from Province of New Brunswick	79,704,224	83,639,431
Short-Term Investments	-	12,000,000
Restricted Assets (Note 6)	11,038,474	8,012,487
Accounts Receivable and Advances (Note 7)	20,442,577	23,369,162
Long-Term Investments	7,000,000	7,000,000
Total Financial Assets	131,884,908	140,725,401
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	\$ 28,074,549	\$ 30,580,875
Partner Liabilities (Note 9)	4,371,810	1,582,489
Deferred Receipts	284,705	287,047
Land Titles Assurance (Note 10)	6,666,664	6,429,998
Total Liabilities	39,397,728	38,880,409
Net Financial Assets	\$ 92,487,180	\$ 101,844,992
Non-Financial Assets		
Tangible Capital Assets (Note 11)	\$ 68,642,066	\$ 69,848,863
Inventory	145,346	240,688
Prepaid Expenses	24,052,100	14,996,163
Total Non-Financial Assets	92,839,512	85,085,714
Accumulated Surplus	\$185,326,692	\$ 186,930,706

The accompanying notes are an integral part of these Financial Statements.

Contingent Liabilities (Note 13)

Commitments (Note 14)

Approved on Behalf of the Board


 Karen O. Taylor
 Chair - Board of Directors


 Doug Gaudett, CPA, CA
 Director

Service New Brunswick

Statement of Operations & Change in Accumulated Surplus

For the year ended March 31

	Budget Note 3	2021	2020
Revenue			
Government Transfers	\$177,870,225	\$ 183,624,639	\$ 189,763,225
Products and Services	45,393,273	64,218,836	55,761,657
Municipal Services	13,397,504	13,445,795	13,124,567
Registry Services	23,811,600	25,422,363	23,072,673
Rebates and Recoveries	2,709,000	3,542,279	2,506,007
Investment Income	312,000	328,051	538,154
Total Revenue	263,493,602	290,581,963	284,766,283
Expense			
Executive Administration	768,559	538,755	567,777
Finance, Human Resources and Strategy	16,993,403	18,623,684	18,159,286
Strategic Procurement	4,914,401	4,881,210	4,750,652
Technology Services	142,866,364	163,794,362	142,699,373
Health Services	38,597,101	40,972,402	43,435,749
Enterprise Services	25,910,355	28,178,500	32,244,989
Public Services	30,955,588	35,197,064	32,583,593
Total Expense	261,005,771	292,185,977	274,441,419
(Deficit) Surplus	2,487,831	(1,604,014)	10,324,864
Accumulated Surplus, Beginning of Year		186,930,706	176,605,842
Accumulated Surplus, End of Year		\$ 185,326,692	\$ 186,930,706

The accompanying notes are an integral part of these Financial Statements.

Service New Brunswick

Statement of Change in Net Financial Assets

For the year ended March 31

	Budget Note 3	2021	2020
Net Financial Assets, Beginning of Year	\$101,844,992	\$101,844,992	\$106,290,761
(Deficit) Surplus	-	(1,604,014)	10,324,864
Loss (Gain) on Disposal of Tangible Capital Assets	-	1,068,536	123,760
Proceeds from Disposal of Tangible Capital Assets	-	150	24,965
Acquisition of Tangible Capital Assets (Note 11)	(13,530,000)	(8,902,953)	(20,140,251)
Amortization of Tangible Capital Assets	10,572,971	9,041,064	8,700,853
Net Changes in Prepaid Expenses	-	(9,055,937)	(3,473,814)
Net Changes in Inventory	-	95,342	(6,146)
Decrease in Net Financial Assets	(2,957,029)	(9,357,812)	(4,445,769)
Net Financial Assets, End of Year	\$ 98,887,963	\$ 92,487,180	\$101,844,992

The accompanying notes are an integral part of these Financial Statements.

Service New Brunswick

Statement of Cash Flows

For the year ended March 31

	2021	2020
Cash Generated by (used in):		
Operating Transactions		
(Deficit) Surplus	\$ (1,604,014)	\$ 10,324,864
Amortization of Tangible Capital Assets	9,041,064	8,700,853
Loss on Disposal of Tangible Capital Assets	1,068,536	123,760
Accounts Receivable and Advances (Note 7)	2,926,585	1,971,595
Due from Province of New Brunswick	3,935,207	(22,590,460)
Accounts Payable and Accrued Liabilities (Note 8)	(2,506,326)	3,173,497
Prepaid Expenses	(9,055,937)	(3,473,814)
Land Titles Assurance (Note 10)	236,666	218,686
Partner Liabilities (Note 9)	2,789,321	(5,898,799)
Deferred Receipts	(2,342)	(62,340)
Inventory	95,342	(6,146)
Restricted Assets (Note 6)	(3,025,987)	5,680,113
	3,898,115	(1,838,191)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 11)	(8,902,953)	(20,140,251)
Proceeds from Disposal of Tangible Capital Assets	150	24,965
	(8,902,803)	(20,115,286)
Investing Transactions		
Investments Redeemed	12,000,000	6,000,000
	12,000,000	6,000,000
Increase (Decrease) in Cash	6,995,312	(15,953,477)
Cash, Beginning of Year	6,704,321	22,657,798
Cash, End of Year	\$ 13,699,633	\$ 6,704,321

The accompanying notes are an integral part of these Financial Statements.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2021

1. Description of Operations

Service New Brunswick (hereafter referred to as "the Corporation") is a non-taxable Crown Corporation established under the *Service New Brunswick Act* (hereafter referred to as "the Act") which was proclaimed and came into force October 1, 2015.

The Corporation has no share capital and the Act does not provide for this. However, the Act does stipulate that any profits may be appropriated by the Crown at the discretion of the Minister of Finance. The Corporation is not subject to any externally imposed capital requirements and has the ability to borrow funds when necessary.

The Corporation was formed as a result of the restructuring of the former common services organizations, the New Brunswick Internal Services Agency, Service New Brunswick, the Department of Government Services and FaciliCorpNB into one common services organization Service New Brunswick. Its mission is providing high quality, innovative public services for customers with a focus on value for all New Brunswickers.

2. Summary of Significant Accounting Policies

General

These financial statements are prepared by management using the Corporation's accounting policies stated below, which are in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board.

Due from Province of New Brunswick

Represents the net amount of Province of New Brunswick ("the Province") funds used by the Corporation in the course of its operations. The amount is payable to the Corporation on demand and is not interest bearing. It does not include all amounts owing to or receivable from the Province (Note 5).

Investments

The Corporation holds investments in the form of short-term and long-term Guaranteed Investment Certificates of varying interest rates. Short-term investments mature within the subsequent fiscal year while long-term investments are held to a maximum of 5 years.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2021

Note 2 (Continued)

Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not to be consumed in the normal course of operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but instead are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include prepaid expenses, inventory and tangible capital assets.

Restricted Assets

Management has amounts Due from Province of New Brunswick equal to the amount of Partner Liabilities (Note 9) and the amount accumulated under Land Titles Assurance (Note 10).

Tangible Capital Assets

Tangible capital assets are assets owned by the Corporation which have useful lives greater than one year. For practical purposes certain dollar thresholds have been established for each asset. Intangible assets are not recognized in the financial statements.

Tangible capital assets are reported at cost and amortized on a straight-line basis over their estimated useful lives.

In the year of acquisition and disposal, one-half of the annual amortization expense will be recorded.

Thresholds and Amortization Rates

Class	Cost Thresholds	Amortization Rate
Land	Any	n/a
Buildings	\$ 100,000	40 years
Leasehold Improvements	\$ 100,000	Lease Term
Capital Leases (various classes)	As per related class	Lease Term
Computer Hardware	\$ 100,000	5 years
Computer Software	\$ 100,000	5 years
Motor Vehicles	\$ 15,000	5 – 10 years
Major Equipment	\$ 100,000	5 – 15 years
Databases and Systems	\$ 100,000	5 – 15 years
First Time Equipping of New Buildings	\$ 100,000	5 years
Assets Under Construction	As per related class	n/a

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2021

Note 2 (Continued)

Revenues

Government transfers are provided by the Province in the form of appropriations, operating and capital grants in accordance with Government's Main Estimates process. Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Government transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Deferred government transfer revenue is recognized in the statement of operations & change in accumulated surplus as the liabilities are settled.

Other revenues; including Products and Services, Municipal Services and Registry Services are recognized in the period in which the transactions or events occurred that gave rise to the revenues. Gains are generally recognized when realized. Items not practicably measurable until cash is received would be accounted for at that time.

Deferred Receipts

Monies received in consideration for the development of Tangible Capital Assets such as systems are initially accounted for as deferred receipts, and recognized as revenue in the period in which the system is completed.

Pension Contributions

The Corporation has shared risk pension plans in accordance with New Brunswick's *Pension Benefits Act*. Certain employees of the Corporation are entitled to receive benefits under these plans. Employer pension contributions are accounted for by the Province on behalf of the Corporation. The Corporation is not responsible for any unfunded liability nor does it have access to any surplus with respect to its employee pensions.

The Corporation's employer contributions are made by the Province as described below.

Expenses Paid by Other Parties

The Corporation's employer contributions are made by the Province as described in Note 5.

Inter-entity Transactions

Inter-entity transactions (transactions between commonly controlled entities) are recorded at the exchange amount when they are undertaken on similar terms and conditions as if the entities were dealing at arm's length. Cost allocations (such as chargebacks) to/from commonly controlled entities are recorded on a gross basis.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2021

Note 2 (Continued)

Financial Instruments

Financial assets and liabilities are initially recognized at fair value and their subsequent measurement is dependent on their characteristics, the purpose for which the financial instruments were acquired or issued, and how they are evaluated or managed.

All financial assets and liabilities, not including Deferred Receipts, are subsequently measured at cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Measurement Uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the useful lives of tangible capital assets for amortization, allocation of costs, Land Titles Assurance as well as the accrual of certain expenses and service delivery revenues. Actual results could differ from management's estimates as additional information becomes available in the future.

The COVID-19 pandemic was declared in March 2020 and remains on-going. The extent and timing of the continued spread, or mitigation, of the COVID-19 virus remains uncertain. Given this uncertainty, the Corporation cannot reasonably estimate the future impact of the COVID-19 virus on the significant areas requiring the use of management estimates.

Inventory

Inventory includes paper stock and supplies used in the Print Centre, postage on hand in Postal Services and is recorded at the lower of cost or net realizable value.

Prepaid Expenses

Prepaid expenses include maintenance and support amounts, in excess of \$10,000, which are charged to expense over the periods expected to benefit from it.

3. Budget

The budget figures included in these financial statements have been derived from management's estimates and approved by the Corporation's Board of Directors.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2021

4. Risk Management

The carrying value of the Corporation's financial instruments are assumed to approximate their fair amounts because of their short term to maturity.

An analysis of significant risk from the Corporation's financial instruments is provided below:

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. Significant accounts receivable balances are due from related entities of the Province (\$15,218,242 as described in Note 5). These balances are considered low risk due to excellent collection history. The Corporation's maximum exposure to credit risk at March 31, 2021 is equal to the accounts receivable balance of \$20,486,538. Credit risk is not disbursed as the majority of the accounts receivable balance consists of amounts due from related entities of the Province and two reputable vendors noted above.

b) Liquidity risk

Liquidity risk is the risk of not being able to settle or meet an obligation on time or at a reasonable price. The Corporation manages liquidity risk through its Due From Province of New Brunswick to ensure sufficient cash availability to meet operating and capital requirements.

c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. The Corporation's management considers exposure to interest rate risk to be insignificant.

d) Currency risk

Currency risk arises on financial instruments denominated in a foreign currency. The Corporation is exposed to currency risk on purchases and that are denominated in a currency other than the Corporation's functional currency, primarily in US Dollars (USD). The Corporation's foreign currency transactions are normally settled in the short term, therefore management considers exposure to currency risk to be insignificant.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2021

5. Related Entity Transactions

The Corporation is economically dependent on the Province of New Brunswick. During the fiscal year, the Corporation received funding of \$183,624,639 (\$189,763,225 in 2020) from the Province. These financial statements include transactions with related entities.

The Corporation is related to the Province and all departments, agencies, commissions, and Crown corporations under common control of the Province.

As part of its common services mandate, the Corporation provides services for payroll, payment processing, information technology, procurement, laundry, collections and other administrative support services to the Province and many other entities under common control of the Province.

Transactions with the Province of New Brunswick and entities under common control of the Province are settled on normal trade terms, with the exception of the items noted below:

- The Corporation uses some office space for which rent is paid for by the Province.
- The Province contributes certain other services, such as legal and personnel services pending subsequent transfer to the Corporation.
- The Province records the employer expenses for the following: Pension contributions, Canada Pension Plan contributions, Retirement Allowance payments, Group Life Insurance, and Supplementary Employee Retirement Program on behalf of the Corporation. These expenses along with the Sick Leave Liability Accrual, Worksafe Liability Accrual, and vacation liability are not presented in these financial statements. Under the agreed operating terms of the Corporation, these benefit plan balances are obligations/assets of the Province and are not assumed by the Corporation.
- Items recorded on a net basis such as IT procurement and telephone.

There are no contractual obligations or contingent liabilities with related entities.

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2021

Note 5 (Continued)

The Statement of Financial Position contains the following related entity amounts.

	<u>2021</u>	<u>2020</u>
Due from Province of New Brunswick	\$ 79,704,224	\$ 83,639,431
Accounts Receivable	15,218,242	14,452,565
Accounts Payable and Accrued Liabilities	(2,108,980)	(431,731)
Partner Liabilities	(3,858,488)	(1,222,579)
Net Due to (from) the Corporation	\$ 88,954,998	\$ 96,437,686

The Statement of Operations & Change in Accumulated Surplus contains the following amounts that were received from or paid to the Province of New Brunswick related entities:

	<u>2021</u>	<u>2020</u>
Revenue	\$255,595,113	\$246,356,423
Expense	(3,515,833)	(3,773,659)
Net Revenue	\$252,079,280	\$242,582,764

6. Restricted Assets

	<u>2021</u>	<u>2020</u>
Partner Liabilities (Note 9)	\$ 4,371,810	\$ 1,582,489
Land Titles Assurance (Note 10)	6,666,664	6,429,998
	\$ 11,038,474	\$ 8,012,487

7. Accounts Receivable and Advances

	<u>2021</u>	<u>2020</u>
Accounts Receivable	\$ 19,802,851	\$ 22,795,232
Advances	618,739	484,604
Accrued Interest	64,948	153,890
Provision for Doubtful Accounts	(43,961)	(64,564)
	\$ 20,442,577	\$ 23,369,162

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2021

8. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Accounts Payables and Accrued Liabilities	\$ 20,309,702	\$ 23,511,475
Salary and Benefits Payable	7,764,847	7,069,400
	<u>\$ 28,074,549</u>	<u>\$ 30,580,875</u>

9. Partner Liabilities

The Corporation collects amounts on behalf of the Province of New Brunswick and other business partners. The following amounts were payable to the Province and other partners at the end of the year.

	<u>2021</u>	<u>2020</u>
Province of New Brunswick	\$ 3,764,911	\$ 1,217,205
Other Partners	606,899	365,284
	<u>\$ 4,371,810</u>	<u>\$ 1,582,489</u>

10. Land Titles Assurance

Under the *Land Titles Act*, the Province guarantees title to real property registered under Land Titles. The Corporation has established a charge, based on an actuarial estimate, to cover potential claims pertaining to indemnification pursuant to the *Land Titles Act*. An assurance fee of \$3.00 is charged for each registration in the Land Titles registry:

	<u>2021</u>	<u>2020</u>
Opening Balance	\$ 6,429,998	\$ 6,211,312
Assurance Fees Collected	264,480	238,686
Assurance Claims Paid	(27,814)	(20,000)
	<u>\$ 6,666,664</u>	<u>\$ 6,429,998</u>

Service New Brunswick

Notes to the Financial Statements
For the year ended March 31, 2021

11. Tangible Capital Assets

	Computer Hardware and Software	5 Years	Land and Buildings	40 Years	Databases and Systems	5 - 15 Years	Motor Vehicles	5 - 10 Years	Major Equipment	5 - 15 Years	Leasehold Improvements	Lease Term	5 Years	First Time Equipping of New Buildings	Assets Under Construction (AUC)	March 31 2021 Total	March 31 2020 Total
Estimated Useful Life (Years)			Buildings	40 Years				5 - 10 Years									
Cost																	
Opening Cost	\$ 32,491,481	\$ 19,633,256	\$ 63,976,567	\$ 499,583	\$ 21,464,475	\$ 8,044,172	\$ 1,794,274	\$ 8,424,419	\$ 156,328,227	\$ 141,335,011							
Transferred from AUC	-	-	-	-	1,678,195	5,974,898	1,150,820	(8,803,913)	-	-	-	-	-	-	-	-	-
Additions	3,200,540	-	801,995	78,776	-	-	-	4,821,642	8,902,953	20,140,251							
Disposals	(11,683,459)	-	(5,469,538)	(29,279)	(150)	-	-	(17,182,426)	(5,147,035)								
Closing Cost	24,008,562	19,633,256	59,309,024	549,080	23,142,520	14,019,070	2,945,094	4,442,148	148,048,754	156,328,227							
Accumulated Amortization																	
Opening	22,574,976	3,270,490	50,347,527	223,235	2,967,408	5,301,454	1,794,274	-	86,479,364	82,776,821							
Accumulated Amortization	(10,619,099)	-	(5,469,538)	(25,103)	-	-	-	-	(16,113,740)	(4,998,310)							
Disposals	3,647,231	414,668	2,693,944	74,928	1,493,034	602,177	115,082	-	9,041,064	8,700,853							
Expense	15,603,108	3,685,158	47,571,933	273,060	4,460,442	5,903,631	1,909,356	-	79,406,688	86,479,364							
Closing Accumulated Amortization	\$ 8,405,454	\$ 15,948,098	\$ 11,737,091	\$ 276,020	\$ 18,682,078	\$ 8,115,439	\$ 1,035,738	\$ 4,442,148	\$ 68,642,066	\$ 69,848,863							

Assets Under Construction at March 31, 2021 is as follows:

Databases and Systems	\$ 839,037
Major Equipment	2,317,349
Leasehold Improvements	148,767
Buildings	1,136,995
Total	\$ 4,442,148

Service New Brunswick

Notes to the Financial Statements

For the year ended March 31, 2021

12. Expenses by Object

	<u>2021</u>	<u>2020</u>
Personnel Services	\$137,913,660	\$136,710,032
Supplies and Services	143,946,898	128,813,860
Debt and Other Charges	1,284,355	216,674
Amortization	9,041,064	8,700,853
	<u>\$292,185,977</u>	<u>\$274,441,419</u>

13. Contingent Liabilities

The Corporation does not carry general liability insurance on the majority of its assets. Any successful liability claims against the Corporation and any replacement of lost or damaged property are generally charged to expense in the year of settlement or replacement.

The Corporation is involved in legal actions which the outcome is not determinable and where management believes there is no material loss. These amounts are not disclosed to prevent adverse effects on the outcome of the litigations.

14. Commitments

The Corporation has commitments related to office space and contractual agreements. Minimum payments for these commitments are estimated as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>
Office Space	\$4,870,861	\$4,593,972	\$4,265,809	\$3,393,279	\$2,338,563	\$1,875,648
Contractual Agreements	37,922,292	18,695,514	17,208,459	12,696,768	10,994,414	23,274,682
Total	\$42,793,153	\$23,289,486	\$21,474,268	\$16,090,047	\$13,332,977	\$25,150,330

The Corporation enters into other contractual arrangements on a regular basis in its normal course of operations.