

**ALBERTA SCHOOL COUNCILS' ASSOCIATION**

**Financial Statements**

**For The Year Ended June 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

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To the Directors of Alberta School Councils' Association

We have audited the accompanying financial statements of Alberta School Councils' Association, which comprise the statement of financial position as at June 30, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta School Councils' Association as at June 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**METRIX GROUP LLP**

Chartered Professional Accountants

September 29, 2018  
Edmonton, Alberta



**ALBERTA SCHOOL COUNCILS' ASSOCIATION**

**Statement of Financial Position**

**As At June 30, 2018**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents (Note 2)	\$ 507,896	\$ 487,480
Receivables (Note 3)	11,370	9,840
Prepaid expenses	9,501	4,555
	<u>528,767</u>	501,875
TANGIBLE CAPITAL ASSETS (Note 4)	<u>1,012</u>	10,310
	<u>\$ 529,779</u>	<u>\$ 512,185</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 69,102	\$ 80,411
Deferred membership fees revenue	48,880	64,010
Deferred contributions (Note 5)	373	373
	<u>118,355</u>	144,794
<b>NET ASSETS</b>		
Unrestricted net assets	167,367	114,036
Internally restricted net assets (Note 6)	243,045	243,045
Invested in tangible capital assets	1,012	10,310
	<u>411,424</u>	367,391
	<u>\$ 529,779</u>	<u>\$ 512,185</u>
CONTINGENT LIABILITY (Note 8)		

**ON BEHALF OF THE BOARD:**

  
\_\_\_\_\_  
*President*

  
\_\_\_\_\_  
*Executive Director*

The accompanying notes are an integral part of these financial statements.

**ALBERTA SCHOOL COUNCILS' ASSOCIATION****Statement of Operations****For The Year Ended June 30, 2018**

	2018	2017
<b>REVENUE</b>		
Government of Alberta grant ( <i>Note 5</i> )	\$ 704,750	\$ 727,500
Annual General Meeting and Parent Conference fees	121,907	91,535
Membership fees	79,180	65,928
Interest	2,793	2,523
Sponsorships and donations	2,768	3,469
Fees for service	600	332
Other	192	5,573
	<u>912,190</u>	<u>896,860</u>
<b>EXPENSES</b>		
Salaries, wages and benefits	408,746	494,607
Services	151,762	149,542
Parent conference	114,153	86,911
General and administrative expenses ( <i>Schedule 1</i> )	104,273	124,552
Board expenses ( <i>Schedule 2</i> )	77,218	77,064
Amortization	9,296	9,535
Communications and marketing	2,709	9,097
	<u>868,157</u>	<u>951,308</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 44,033</b>	<b>\$ (54,448)</b>

The accompanying notes are an integral part of these financial statements.

**ALBERTA SCHOOL COUNCILS' ASSOCIATION**

**Statement of Changes in Net Assets**

**For The Year Ended June 30, 2018**

	Unrestricted Net Assets	Internally Restricted Net Assets (Note 6)	Invested in Tangible Capital Assets	<b>2018</b>	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 114,036	\$ 243,045	\$ 10,310	<b>\$ 367,391</b>	\$ 421,839
Excess (deficiency) of revenue over expenses	44,033	-	-	<b>44,033</b>	(54,448)
Amortization of tangible capital assets	9,298	-	(9,298)	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 167,367</b>	<b>\$ 243,045</b>	<b>\$ 1,012</b>	<b>\$ 411,424</b>	<b>\$ 367,391</b>

The accompanying notes are an integral part of these financial statements.

**ALBERTA SCHOOL COUNCILS' ASSOCIATION****Statement of Cash Flows****For The Year Ended June 30, 2018**

	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 44,033	\$ (54,448)
Item not affecting cash:		
Amortization of tangible capital assets	9,296	9,535
	<u>53,329</u>	<u>(44,913)</u>
Changes in non-cash working capital:		
Receivables	(1,529)	8,576
Accounts payable and accrued liabilities	(11,308)	4,292
Deferred membership fees revenue	(15,130)	54,110
Deferred contributions	-	(4,377)
Prepaid expenses	(4,946)	14,369
	<u>(32,913)</u>	<u>76,970</u>
<b>INCREASE IN CASH FLOW</b>	<b>20,416</b>	<b>32,057</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>487,480</u>	<u>455,423</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b> <i>(Note 2)</i>	<b>\$ 507,896</b>	<b>\$ 487,480</b>

The accompanying notes are an integral part of these financial statements.

# ALBERTA SCHOOL COUNCILS' ASSOCIATION

## Notes to Financial Statements

For the Year Ended June 30, 2018

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### PURPOSE OF THE ASSOCIATION

The Alberta School Councils' Association (the "Association") is a not-for-profit organization incorporated under the *Societies Act* of the Province of Alberta. The Association's mission is to serve as a voice for parents and families committed to publicly funded education. The organization received registered charity status effective July 20, 2004. As a registered charity the Association is exempt from the payment of income tax under Section 149(1) of the *Income Tax Act*.

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Revenue recognition

The Association follows the deferral method of accounting for contributions, which include donations and government grants. Restricted contributions are recognized as revenue during the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership and parent conference fee revenue is recognized in the period it relates to. Memberships are for a one-year period.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred.

#### Cash and cash equivalents

Cash and cash equivalent investments include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, have a maturity of one year or less at acquisition, and are held for the purpose of meeting short-term cash commitments rather than for investing.

#### Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution. When a tangible capital asset no longer contributes to the Association's ability to provide services or the value of future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect the decline in the asset's value.

Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	5 years	straight-line method
Computer software	5 years	straight-line method
Furniture and fixtures	5 years	straight-line method

The Association regularly reviews its tangible capital assets to eliminate obsolete items.

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# ALBERTA SCHOOL COUNCILS' ASSOCIATION

## Notes to Financial Statements

For the Year Ended June 30, 2018

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Financial instruments

##### *Measurement of financial instruments*

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents and receivables

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

The Association has no financial assets or liabilities measured at fair value.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

#### Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities, the disclosure of contingent 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's estimates include the useful lives of tangible capital assets and the corresponding rates of amortization and the amount of accrued liabilities. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

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### 2. CASH AND CASH EQUIVALENTS

	<u>2018</u>	<u>2017</u>
Savings account	\$ 237,367	\$ 200,512
Guaranteed Investment Certificates	196,000	196,000
Operating account	74,429	90,868
Petty cash	100	100
	<u>\$ 507,896</u>	<u>\$ 487,480</u>

Guaranteed Investment Certificates bear interest at a fixed interest rate of 1.15% and mature between October 16, 2018 and November 9, 2018.

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**ALBERTA SCHOOL COUNCILS' ASSOCIATION****Notes to Financial Statements****For the Year Ended June 30, 2018**

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**3. RECEIVABLES**

	<u>2018</u>	<u>2017</u>
Goods and Services Tax	\$ 9,294	\$ 8,936
Accrued interest	1,551	904
Trade and other	525	-
	<u>\$ 11,370</u>	<u>\$ 9,840</u>

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**4. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2018 Net book value</b>	2017 Net book value
Computer equipment	\$ 60,266	\$ 60,154	\$ 112	\$ 9,156
Computer software	2,745	1,845	900	1,154
Furniture and fixtures	3,028	3,028	-	-
	<u>\$ 66,039</u>	<u>\$ 65,027</u>	<u>\$ 1,012</u>	<u>\$ 10,310</u>

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# ALBERTA SCHOOL COUNCILS' ASSOCIATION

## Notes to Financial Statements

For the Year Ended June 30, 2018

### 5. DEFERRED CONTRIBUTIONS

The purpose of the Government of Alberta grant is to provide funding in support of the Association's objectives as detailed in nature of operations. The remaining grant funding along with future funds are intended to assist the Association's operations until June 30, 2018.

The *Government Organization Act*, under which the grants have been provided, specifies that the grants must either be used for the purposes specified in the grant agreement, be used for different purposes if such different purposes are agreed to by the applicant and the respective Minister, or be returned to the Province of Alberta. Accordingly, in the event the Association does not utilize the funds in pursuit of its objectives, any unexpended grant monies remaining may have to be repaid to the Minister of Finance. The changes in deferred contributions for the year are as follows:

	<u>2018</u>	<u>2017</u>
Balance, Beginning of Year	\$ 373	\$ 4,750
Add:		
Government of Alberta grant	704,750	727,500
Less:		
Government of Alberta grant revenues recognized to pay for expenses during the year	(704,750)	(727,500)
Repayment of funding	-	(4,377)
	<u>\$ 373</u>	<u>\$ 373</u>

Deferred contributions are comprised of the following:

Xerox Canada - shining student award	<u>\$ 373</u>	<u>\$ 373</u>
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### 6. INTERNALLY RESTRICTED NET ASSETS

	Balance, Beginning of Year	Additions	Deletions	Balance, End of Year
Operations reserve	\$ 200,000	\$ -	\$ -	\$ 200,000
Capital reserve	15,827	-	-	15,827
Computer technology reserve	15,593	-	-	15,593
Research and development reserve	11,625	-	-	11,625
	<u>\$ 243,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,045</u>

The Operations Reserve consists of funds designated for the Association's future general operations.

The Capital Reserve consists of funds designated for providing funding for future capital projects.

The Computer Technology Reserve consists of funds designated for the Association's computer technology upgrades.

The Research and Development Reserve consists of funds designated for the Association's research and development activities.

# ALBERTA SCHOOL COUNCILS' ASSOCIATION

## Notes to Financial Statements

For the Year Ended June 30, 2018

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### 7. ECONOMIC DEPENDENCE

The Association's primary source of revenue is grant funding from the Ministry of Education, Government of Alberta. The Association's ability to continue viable operations is dependent on this funding.

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### 8. CONTINGENT LIABILITY

In a claim brought against the Association, a former employee is seeking damages for wrongful termination in the amount of \$136,435. The outcome is not determinable at this time therefore no amount has been recognized as a liability in these financial statements.

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### 9. FINANCIAL INSTRUMENTS

The Association is not exposed to significant interest, credit, market, currency or other price risk through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of June 30, 2018.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from the Ministry of Education, Government of Alberta and other related sources, and accounts payable and accrued liabilities.

The Association mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

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**ALBERTA SCHOOL COUNCILS' ASSOCIATION**  
**Schedule of General and Administrative Expenses**  
**For The Year Ended June 30, 2018**

**(Schedule 1)**

	<b>2018</b>	<b>2017</b>
Office lease	\$ 46,965	\$ 44,844
Professional fees	17,207	8,959
Optimal fees and other	9,521	2,055
Computer technical support	9,110	35,783
Travel and accommodation	5,179	5,963
Office supplies	4,192	1,981
Telephone	4,165	3,895
Insurance	3,004	2,953
Administrative fees	1,586	1,435
Website	1,067	11,086
Printing	628	1,324
Meals	410	614
Memberships	374	325
Postage	336	1,269
Miscellaneous	180	-
Staff Development	152	1,212
Bank charges	142	272
Information technology	55	469
Computer maintenance	-	113
	<b>\$ 104,273</b>	<b>\$ 124,552</b>

The accompanying notes are an integral part of these financial statements.

**ALBERTA SCHOOL COUNCILS' ASSOCIATION****Schedule of Board Expenses****(Schedule 2)****For The Year Ended June 30, 2018**

	<b>2018</b>	<b>2017</b>
Travel	<b>\$ 53,875</b>	\$ 60,280
Professional fees and development	<b>15,105</b>	7,970
Meals	<b>7,112</b>	7,870
Awards	<b>1,126</b>	463
Committee Rep. Travel/Accommodation	-	32
Miscellaneous	-	449
	<b>\$ 77,218</b>	<b>\$ 77,064</b>

The accompanying notes are an integral part of these financial statements.