

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Financial Statements

For The Year Ended June 30, 2020

INDEPENDENT AUDITORS' REPORT

To the Directors of Alberta School Councils' Association

Opinion

We have audited the financial statements of Alberta School Councils' Association (the Association), which comprise the statement of financial position as at June 30, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

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

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
September 19, 2020

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Statement of Financial Position

As At June 30, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Cash and cash equivalents (Note 2)	\$ 434,777	\$ 405,744
Receivables (Note 4)	11,632	11,882
Prepaid expenses	19,477	7,608
	<u>465,886</u>	425,234
LONG TERM INVESTMENTS (Note 3)	100,000	100,000
TANGIBLE CAPITAL ASSETS (Note 5)	2,096	720
	<u>\$ 567,982</u>	<u>\$ 525,954</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 69,419	\$ 86,919
Deferred membership fees revenue	13,522	41,277
Deferred contributions (Note 6)	33,380	373
	<u>116,321</u>	128,569
NET ASSETS		
Unrestricted net assets	119,565	81,665
Internally restricted net assets (Note 7)	330,000	315,000
Invested in tangible capital assets	2,096	720
	<u>451,661</u>	397,385
	<u>\$ 567,982</u>	<u>\$ 525,954</u>

ON BEHALF OF THE BOARD:

Brandi Rai _____ Board President

Wendy Keiser _____ 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, 2020**

	2020	2019
REVENUE		
Government of Alberta grant (<i>Note 6</i>)	\$ 616,993	\$ 654,750
Membership fees	88,645	87,375
Interest	8,565	6,587
Parent Conference fees	1,846	131,220
Fees for service	1,357	3,002
Sponsorships and donations	403	4,823
Other	281	245
Annual General Meeting	75	3,900
	718,165	891,902
EXPENSES		
Salaries, wages and benefits	372,797	454,081
Services	129,067	138,298
General and administrative expenses (<i>Schedule 1</i>)	68,218	84,834
Board expenses (<i>Schedule 2</i>)	46,896	77,087
Communications and marketing	18,715	7,824
Annual General Meeting	13,951	33,744
Advocacy and representation	13,672	9,315
Amortization	524	292
Parent conference	49	99,886
Donations	-	580
	663,889	905,941
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 54,276	\$ (14,039)

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, 2020

	Unrestricted Net Assets	Internally Restricted Net Assets (Note 6)	Invested in Tangible Capital Assets	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 81,665	\$ 315,000	\$ 720	\$ 397,385	\$ 411,424
Excess (deficiency) of revenue over expenses	54,276	-	-	54,276	(14,039)
Amortization of tangible capital assets	524	-	(524)	-	-
Purchase of capital assets	(1,900)	-	1,900	-	-
Transfers	(15,000)	15,000	-	-	-
NET ASSETS - END OF YEAR	\$ 119,565	\$ 330,000	\$ 2,096	\$ 451,661	\$ 397,385

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, 2020**

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 54,276	\$ (14,039)
Item not affecting cash:		
Amortization of tangible capital assets	<u>524</u>	<u>292</u>
	54,800	(13,747)
Changes in non-cash working capital:		
Receivables	250	(513)
Accounts payable and accrued liabilities	(17,500)	17,818
Deferred membership fees revenue	(27,755)	(7,603)
Deferred contributions	33,007	-
Prepaid expenses	(11,869)	1,893
	<u>(23,867)</u>	<u>11,595</u>
	30,933	(2,152)
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(1,900)	-
Purchase of investments (net)	<u>-</u>	<u>(100,000)</u>
Cash flow used by investing activities	<u>(1,900)</u>	<u>(100,000)</u>
INCREASE (DECREASE) IN CASH FLOW	29,033	(102,152)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>405,744</u>	<u>507,896</u>
CASH AND CASH EQUIVALENTS - END OF YEAR (Note 2)	\$ 434,777	\$ 405,744

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, 2020

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*.

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 six months 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, 2020

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.

2. CASH AND CASH EQUIVALENTS

	<u>2020</u>	<u>2019</u>
Savings account	\$ 150,787	\$ 286,030
Guaranteed Investment Certificates	245,000	115,000
Operating account	38,645	4,369
Petty cash	345	345
	<u>\$ 434,777</u>	<u>\$ 405,744</u>

Guaranteed Investment Certificates bear interest at rates between 1.46% and 2.02% maturing in November and December 2020.

ALBERTA SCHOOL COUNCILS' ASSOCIATION**Notes to Financial Statements****For the Year Ended June 30, 2020**

3. LONG TERM INVESTMENTS

	<u>2020</u>	<u>2019</u>
Guaranteed Investment Certificates	\$ 100,000	\$ 100,000

Guaranteed Investment Certificates bear interest at 3.05% and mature in October 2021.

4. RECEIVABLES

	<u>2020</u>	<u>2019</u>
Accrued interest	\$ 7,126	\$ 3,441
Goods and Services Tax	4,506	8,441
	<u>\$ 11,632</u>	<u>\$ 11,882</u>

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment	\$ 46,780	\$ 45,260	\$ 1,520	\$ -
Computer software	2,745	2,169	576	720
Furniture and fixtures	3,028	3,028	-	-
	<u>\$ 52,553</u>	<u>\$ 50,457</u>	<u>\$ 2,096</u>	<u>\$ 720</u>

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Notes to Financial Statements

For the Year Ended June 30, 2020

6. 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, 2020.

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>2020</u>	<u>2019</u>
Balance, Beginning of Year	\$ 373	\$ 373
Add:		
Government of Alberta grant	650,000	654,750
Less:		
Government of Alberta grant revenues recognized to fund expenses during the year	<u>(616,993)</u>	<u>(654,750)</u>
	<u>\$ 33,380</u>	<u>\$ 373</u>

Deferred contributions are comprised of the following:

Government of Alberta grant	\$ 33,007	\$ -
Xerox Canada - shining student award	<u>373</u>	<u>373</u>
	<u>\$ 33,380</u>	<u>\$ 373</u>

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Notes to Financial Statements

For the Year Ended June 30, 2020

7. INTERNALLY RESTRICTED NET ASSETS

	2019	Additions	Deletions	2020
Operations reserve	\$ 250,000	\$ 15,000	\$ -	\$ 265,000
Capital reserve	18,000	-	-	18,000
Computer technology reserve	18,000	-	-	18,000
Legal reserve	15,000	-	-	15,000
Research and development reserve	14,000	-	-	14,000
	<u>\$ 315,000</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 330,000</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.

The Legal Reserve consists of funds designated for the Association's potential legal costs.

8. 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.

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, 2020.

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.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

ALBERTA SCHOOL COUNCILS' ASSOCIATION
Schedule of General and Administrative Expenses
For The Year Ended June 30, 2020

(Schedule 1)

	2020	2019
Office lease	\$ 37,446	\$ 36,300
Professional fees	9,317	9,240
Insurance	4,419	3,698
Telephone	3,197	2,688
Computer technical support	3,103	7,489
Office supplies	2,458	4,871
Staff Development	1,859	721
Administrative fees	1,672	938
Information technology	1,616	64
Printing	1,265	1,991
Miscellaneous	825	302
Meals	298	1,567
Postage	293	330
Bank charges	211	234
Optimal fees and other	182	9,408
Computer maintenance	42	358
Travel and accommodation	15	3,568
Memberships	-	215
Contracts/Fee for Service	-	852
	\$ 68,218	\$ 84,834

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, 2020**

	2020	2019
Travel	\$ 30,948	\$ 54,143
Meals	5,615	6,585
Professional fees and development	5,877	12,374
Virtual Venue	1,721	-
Staff Recognition	1,419	-
Awards	836	1,815
Internal committees	309	1,266
Miscellaneous	171	904
	\$ 46,896	\$ 77,087

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