

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Financial Statements

For The Year Ended June 30, 2023

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, 2023, 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, 2023, 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.

(continues)



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
August 31, 2023

ALBERTA SCHOOL COUNCILS' ASSOCIATION**Statement of Financial Position****As At June 30, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 162,188	\$ 236,563
Temporary investments (Note 2)	50,369	50,118
Receivables (Note 3)	6,456	13,260
Goods and services tax recoverable	-	4,301
Prepaid expenses	9,249	5,881
	<u>228,262</u>	310,123
TANGIBLE CAPITAL ASSETS (Note 4)	<u>675</u>	1,129
	<u>\$ 228,937</u>	<u>\$ 311,252</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 31,042	\$ 37,777
Goods and services tax payable	3,961	-
Deferred fees revenue	32,505	90,533
Deferred contributions (Note 5)	-	5,207
	<u>67,508</u>	133,517
CALLABLE DEBT (Note 6)	<u>40,000</u>	40,000
	<u>107,508</u>	173,517
NET ASSETS		
Unrestricted net assets	120,754	136,606
Internally restricted net assets	675	1,129
	<u>121,429</u>	137,735
	<u>\$ 228,937</u>	<u>\$ 311,252</u>

ON BEHALF OF THE BOARD:

Brandi Rai Board President

Wendy Keiver 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, 2023**

	2023	2022
REVENUE		
Grants	\$ 121,452	\$ 15,367
Membership fees	118,250	127,425
Parent Conference fees	112,273	32,994
Fees for service	84,140	42,417
Sponsorships and donations	17,761	53,597
Annual General Meeting	5,590	1,990
Other	5,254	4,758
Interest	4,245	4,035
	468,965	282,583
EXPENSES		
Salaries, wages and benefits	203,899	274,168
Services	105,742	49,074
Parent conference	83,877	20,085
General and administrative expenses (<i>Schedule 1</i>)	37,791	101,473
Annual General Meeting	27,712	8,742
Communications and marketing	9,584	10,961
Board expenses (<i>Schedule 2</i>)	8,482	1,850
Advocacy and representation	7,730	5,521
Amortization	454	472
	485,271	472,346
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER INCOME	(16,306)	(189,763)
OTHER INCOME		
Government assistance	-	12,546
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (16,306)	\$ (177,217)

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, 2023**

	Unrestricted Net Assets	Invested in Tangible Capital Assets	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 136,606	\$ 1,129	\$ 137,735	\$ 314,952
Excess (deficiency) of revenue over expenses	(16,306)	-	(16,306)	(177,217)
Amortization of tangible capital assets	454	(454)	-	-
NET ASSETS - END OF YEAR	\$ 120,754	\$ 675	\$ 121,429	\$ 137,735

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, 2023**

	2023	2022
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (16,306)	\$ (177,217)
Item not affecting cash:		
Amortization of tangible capital assets	<u>454</u>	<u>472</u>
	<u>(15,852)</u>	<u>(176,745)</u>
Changes in non-cash working capital:		
Receivables	6,804	6,196
Accounts payable and accrued liabilities	(6,735)	(6,848)
Deferred fees revenue	(58,028)	31,133
Deferred contributions	(5,207)	5,207
Prepaid expenses	(3,368)	7,092
Goods and services tax payable (receivable)	<u>8,262</u>	<u>(1,663)</u>
	<u>(58,272)</u>	<u>41,117</u>
	<u>(74,124)</u>	<u>(135,628)</u>
INVESTING ACTIVITIES		
Purchase of temporary investments	(50,369)	(50,118)
Proceeds on sale of temporary investments	<u>50,118</u>	<u>100,000</u>
Cash flow from (used by) investing activities	<u>(251)</u>	<u>49,882</u>
DECREASE IN CASH FLOW	(74,375)	(85,746)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>236,563</u>	<u>322,309</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 162,188	\$ 236,563

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, 2023

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 are 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 90 days 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.

(continues)

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Notes to Financial Statements

For the Year Ended June 30, 2023

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. TEMPORARY INVESTMENTS

Temporary investments consist of a Guaranteed Investment Certificate bearing interest at 4.05% (2022 - 0.50%) maturing December 2023 (2022 - December 2022).

3. RECEIVABLES

	<u>2023</u>	<u>2022</u>
Trade and other	\$ 5,394	\$ 13,129
Accrued interest	1,062	131
	<u>\$ 6,456</u>	<u>\$ 13,260</u>

ALBERTA SCHOOL COUNCILS' ASSOCIATION**Notes to Financial Statements****For the Year Ended June 30, 2023****4. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 46,780	\$ 46,400	\$ 380	\$ 760
Computer software	2,745	2,450	295	369
Furniture and fixtures	3,028	3,028	-	-
	<u>\$ 52,553</u>	<u>\$ 51,878</u>	<u>\$ 675</u>	<u>\$ 1,129</u>

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for operating expenses that are related to the subsequent period. Changes in the deferred contributions balance are as follows:

	2023	2022
Balance, Beginning of Year	\$ 5,207	\$ -
Add:		
Government of Alberta - COVID survey grant	-	15,000
Less:		
	<u>\$ 5,207</u>	<u>\$ 15,000</u>
Deferred contributions are comprised of the following:		
Government of Alberta - COVID survey grant	<u>\$ -</u>	<u>\$ 5,207</u>

6. CALLABLE DEBT

	2023	2022
Canadian Emergency Business Account interest-free loan. Interest only payments are required monthly commencing January 31, 2024 at a rate of 5% if the loan is not repaid by December 31, 2023. The principal amount of the loan must be repaid by December 31, 2026. A portion of the \$60,000 loan, up to \$20,000, will be forgiven if the Association meets certain terms of the loan and the loan is repaid by December 31, 2023.	\$ 40,000	\$ 40,000
Amounts payable within one year	-	-
	<u>\$ 40,000</u>	<u>\$ 40,000</u>

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Notes to Financial Statements

For the Year Ended June 30, 2023

7. 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, 2023.

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.

8. 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, 2023

(Schedule 1)

	2023	2022
Contract bookkeeping	\$ 9,134	\$ 8,774
Insurance	7,678	7,153
Professional fees	7,671	7,215
Computer technical support	3,073	8,451
Information technology	1,999	2,279
Travel and accommodation	1,704	-
Telephone	1,429	2,696
Optimal fees and other	1,345	457
Memberships	1,148	1,317
Staff development	1,145	-
Administrative fees	1,007	1,043
Meals	311	-
Bank charges	136	210
Postage	11	30
Consulting fees	-	61,464
Office supplies	-	384
	\$ 37,791	\$ 101,473

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, 2023**

	2023	2022
Board Development	\$ 3,119	\$ 359
Virtual venue	1,762	1,491
Staff recognition	1,200	-
Internal committees	1,171	-
Telephone	965	-
Travel	149	-
Miscellaneous	77	-
Meals	39	-
	\$ 8,482	\$ 1,850

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