

**ALBERTA SCHOOL COUNCILS' ASSOCIATION**

**Financial Statements**

**For The Year Ended June 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

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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, 2021, 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, 2021, 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  
August 25, 2021

**ALBERTA SCHOOL COUNCILS' ASSOCIATION****Statement of Financial Position****As At June 30, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents (Note 2)	\$ 422,309	\$ 434,777
Receivables (Note 4)	22,094	11,632
Prepaid expenses	12,973	19,477
	<u>457,376</u>	465,886
INVESTMENTS (Note 3)	-	100,000
TANGIBLE CAPITAL ASSETS (Note 5)	1,601	2,096
	<u>\$ 458,977</u>	<u>\$ 567,982</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 44,625	\$ 69,419
Deferred membership fees	59,400	13,522
Deferred contributions (Note 6)	-	33,380
	<u>104,025</u>	116,321
CALLABLE DEBT (Note 7)	40,000	-
	<u>144,025</u>	116,321
<b>NET ASSETS</b>		
Unrestricted net assets	163,351	119,565
Internally restricted net assets (Note 8)	150,000	330,000
Invested in tangible capital assets	1,601	2,096
	<u>314,952</u>	451,661
	<u>\$ 458,977</u>	<u>\$ 567,982</u>

**ON BEHALF OF THE BOARD:**

 \_\_\_\_\_ 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, 2021**

	2021	2020
<b>REVENUE</b>		
Government of Alberta grant <i>(Note 6)</i>	\$ 203,007	\$ 616,993
Membership fees	85,670	88,645
Parent Conference fees	44,665	1,846
Fees for service	3,312	1,357
Annual General Meeting	2,820	75
Interest	2,786	8,565
Sponsorships and donations	1,824	403
Other	1,078	281
	<u>345,162</u>	<u>718,165</u>
<b>EXPENSES</b>		
Salaries, wages and benefits	422,157	372,797
Services	78,553	129,067
General and administrative expenses <i>(Schedule 1)</i>	70,162	68,218
Parent conference	20,103	49
Annual General Meeting	10,134	13,951
Board expenses <i>(Schedule 2)</i>	7,560	46,896
Communications and marketing	6,476	18,715
Advocacy and representation	1,280	13,672
Amortization	495	524
	<u>616,920</u>	<u>663,889</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER INCOME</b>	<b>(271,758)</b>	<b>54,276</b>
<b>OTHER INCOME</b>		
Government assistance <i>(Note 9)</i>	135,049	-
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ (136,709)</b>	<b>\$ 54,276</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, 2021**

	Unrestricted Net Assets	Internally Restricted Net Assets (Note 6)	Invested in Tangible Capital Assets	<b>2021</b>	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 119,565	\$ 330,000	\$ 2,096	<b>\$ 451,661</b>	\$ 397,385
Excess (deficiency) of revenue over expenses	(136,709)	-	-	<b>(136,709)</b>	54,276
Amortization of tangible capital assets	495	-	(495)	-	-
Transfers	180,000	(180,000)	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 163,351</b>	<b>\$ 150,000</b>	<b>\$ 1,601</b>	<b>\$ 314,952</b>	<b>\$ 451,661</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, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ (136,709)	\$ 54,276
Items not affecting cash:		
Amortization of tangible capital assets	495	524
Government assistance (Note 9)	(20,000)	-
	<u>(156,214)</u>	<u>54,800</u>
Changes in non-cash working capital:		
Receivables	(10,462)	250
Accounts payable and accrued liabilities	(24,794)	(17,500)
Deferred membership fees revenue	45,878	(27,755)
Deferred contributions	(33,380)	33,007
Prepaid expenses	6,504	(11,869)
	<u>(16,254)</u>	<u>(23,867)</u>
	<u>(172,468)</u>	<u>30,933</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	-	(1,900)
Investments redeemed	100,000	-
	<u>100,000</u>	<u>(1,900)</u>
Cash flow from (used by) investing activities	<u>100,000</u>	<u>(1,900)</u>
<b>FINANCING ACTIVITY</b>		
Proceeds from callable debt	60,000	-
	<u>60,000</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(12,468)</b>	<b>29,033</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>434,777</u>	<u>405,744</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR (Note 2)</b>	<b>\$ 422,309</b>	<b>\$ 434,777</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, 2021

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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 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 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, 2021

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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>2021</u>	<u>2020</u>
Savings account	\$ 200,035	\$ 150,787
Guaranteed Investment Certificates	150,040	245,000
Operating account	72,089	38,645
Petty cash	145	345
	<u>\$ 422,309</u>	<u>\$ 434,777</u>

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

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**ALBERTA SCHOOL COUNCILS' ASSOCIATION****Notes to Financial Statements****For the Year Ended June 30, 2021**

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**3. INVESTMENTS**

	<u>2021</u>	<u>2020</u>
Guaranteed Investment Certificates	\$ -	\$ 100,000

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**4. RECEIVABLES**

	<u>2021</u>	<u>2020</u>
Trade and other	\$ 13,604	\$ -
Accrued interest	5,852	7,126
Goods and Services Tax	2,638	4,506
	<u>\$ 22,094</u>	<u>\$ 11,632</u>

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**5. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2021 Net book value</b>	2020 Net book value
Computer equipment	\$ 46,780	\$ 45,640	\$ 1,140	\$ 1,520
Computer software	2,745	2,284	461	576
Furniture and fixtures	3,028	3,028	-	-
	<u>\$ 52,553</u>	<u>\$ 50,952</u>	<u>\$ 1,601</u>	<u>\$ 2,096</u>

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# ALBERTA SCHOOL COUNCILS' ASSOCIATION

## Notes to Financial Statements

For the Year Ended June 30, 2021

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### 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, 2021.

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>2021</u>	<u>2020</u>
Balance, Beginning of Year	\$ 33,380	\$ 373
Add:		
Government of Alberta grant	170,000	650,000
Less:		
Government of Alberta grant revenues recognized to fund expenses during the year	(203,007)	(616,993)
Xerox Canada - shining student award donated	(373)	-
	<u>\$ -</u>	<u>\$ 33,380</u>

Deferred contributions are comprised of the following:

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

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### 7. CALLABLE DEBT

ATB Financial Canadian Emergency Business Account interest-free loan. Interest only payments are required monthly commencing January 31, 2023 at a rate of 5% if the loan is not repaid by December 31, 2022. The principal amount of the loan must be repaid by December 31, 2025. 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, 2022.

Amounts payable within one year

	<u>2021</u>	<u>2020</u>
	\$ 40,000	\$ -
	-	-
	<u>\$ 40,000</u>	<u>\$ -</u>

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# ALBERTA SCHOOL COUNCILS' ASSOCIATION

## Notes to Financial Statements

For the Year Ended June 30, 2021

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### 8. INTERNALLY RESTRICTED NET ASSETS

	2020	Additions	Deletions	2021
Operations reserve	\$ 265,000	\$ -	\$ 115,000	\$ 150,000
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>\$ 330,000</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ 150,000</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.

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### 9. GOVERNMENT ASSISTANCE

Due to a decrease in revenue as a result of COVID-19, the Association received the Canada Emergency Wage Subsidy (CEWS) during the 2021 fiscal year. The Association also accessed the Canada Emergency Business Account and recognized the \$20,000 forgivable portion of the loan in government assistance revenue (Note 7).

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### 10. 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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### 11. 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, 2021.

#### 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

## Notes to Financial Statements

For the Year Ended June 30, 2021

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### 12. UNCERTAINTY DUE TO COVID 19

On March 11, 2020, the World Health Organization declared a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused significant disruptions to businesses, governments, and other organizations resulting in an economic slow-down and increased volatility. Governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

While COVID-19 has not significantly impacted the Association's operations or financial condition to date, the rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may have a financial impact on the Association's activities, operations and financial condition in the future.

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**ALBERTA SCHOOL COUNCILS' ASSOCIATION**  
**Schedule of General and Administrative Expenses**  
**For The Year Ended June 30, 2021**

**(Schedule 1)**

	<b>2021</b>	<b>2020</b>
Office lease	\$ 20,056	\$ 37,446
Computer technical support	12,463	3,103
Professional fees	11,089	9,317
Contracted Services	8,945	-
Insurance	4,988	4,419
Office supplies	3,625	2,458
Telephone	2,759	3,197
Administrative fees	1,327	1,672
Optimal fees and other	1,260	182
Staff development	1,012	1,859
Information technology	856	1,616
Computer maintenance	466	42
Postage	463	293
Printing	369	1,265
Memberships	310	-
Bank charges	174	211
Meals	-	298
Travel and accommodation	-	15
Miscellaneous	-	825
	<b>\$ 70,162</b>	<b>\$ 68,218</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, 2021**

	<b>2021</b>	2020
Professional fees and development	<b>\$ 2,685</b>	\$ 5,877
Virtual venue	<b>1,707</b>	1,721
Awards	<b>1,081</b>	836
Meals	<b>925</b>	5,615
Board recognition	<b>834</b>	-
Miscellaneous	<b>246</b>	171
Travel	<b>82</b>	30,948
Internal committees	-	309
Staff recognition	-	1,419
	<b>\$ 7,560</b>	<b>\$ 46,896</b>

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