

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Financial Statements

For The Year Ended June 30, 2022

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, 2022, 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, 2022, 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 24, 2022

ALBERTA SCHOOL COUNCILS' ASSOCIATION**Statement of Financial Position****As At June 30, 2022**

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT		
Cash and cash equivalents (Note 2)	\$ 286,681	\$ 422,309
Receivables (Note 3)	17,561	22,094
Prepaid expenses	5,881	12,973
	<u>310,123</u>	457,376
TANGIBLE CAPITAL ASSETS (Note 4)	<u>1,129</u>	1,601
	<u>\$ 311,252</u>	<u>\$ 458,977</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 37,777	\$ 44,625
Deferred fees	90,533	59,400
Deferred contributions (Note 5)	5,207	-
	<u>133,517</u>	104,025
CALLABLE DEBT (Note 6)	<u>40,000</u>	40,000
	<u>173,517</u>	144,025
NET ASSETS		
Unrestricted net assets	136,606	163,351
Internally restricted net assets (Note 7)	-	150,000
Invested in tangible capital assets	1,129	1,601
	<u>137,735</u>	314,952
	<u>\$ 311,252</u>	<u>\$ 458,977</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, 2022**

	2022	2021
REVENUE		
Membership fees	\$ 127,425	\$ 85,670
Sponsorships and donations	53,597	1,824
Fees for service	42,417	3,312
Parent Conference fees	32,994	44,665
Government of Alberta grant (Note 5)	9,793	203,007
Government of Canada - Canada Summer Jobs grant	5,574	-
Other	4,758	1,078
Interest	4,035	2,786
Annual General Meeting	1,990	2,820
	<u>282,583</u>	<u>345,162</u>
EXPENSES		
Salaries, wages and benefits	274,168	422,157
General and administrative expenses (Schedule 1)	101,473	70,162
Services	49,074	78,553
Parent conference	20,085	20,103
Communications and marketing	10,961	6,476
Annual General Meeting	8,742	10,134
Advocacy and representation	5,521	1,280
Board expenses (Schedule 2)	1,850	7,560
Amortization	472	495
	<u>472,346</u>	<u>616,920</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER INCOME	(189,763)	(271,758)
OTHER INCOME		
Government assistance (Note 8)	12,546	135,049
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (177,217)	\$ (136,709)

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, 2022

	Unrestricted Net Assets	Internally Restricted Net Assets (Note 6)	Invested in Tangible Capital Assets	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 163,351	\$ 150,000	\$ 1,601	\$ 314,952	\$ 451,661
Excess (deficiency) of revenue over expenses	(177,217)	-	-	(177,217)	(136,709)
Amortization of tangible capital assets	472	-	(472)	-	-
Transfers	150,000	(150,000)	-	-	-
NET ASSETS - END OF YEAR	\$ 136,606	\$ -	\$ 1,129	\$ 137,735	\$ 314,952

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, 2022**

	2022	2021
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (177,217)	\$ (136,709)
Items not affecting cash:		
Amortization of tangible capital assets	472	495
Government assistance (Note 8)	-	(20,000)
	<u>(176,745)</u>	<u>(156,214)</u>
Changes in non-cash working capital:		
Receivables	4,533	(10,462)
Accounts payable and accrued liabilities	(6,848)	(24,794)
Deferred membership fees revenue	31,133	45,878
Deferred contributions	5,207	(33,380)
Prepaid expenses	7,092	6,504
	<u>41,117</u>	<u>(16,254)</u>
	<u>(135,628)</u>	<u>(172,468)</u>
INVESTING ACTIVITY		
Investments redeemed	-	100,000
FINANCING ACTIVITY		
Proceeds from callable debt	-	60,000
DECREASE IN CASH FLOW	(135,628)	(12,468)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>422,309</u>	<u>434,777</u>
CASH AND CASH EQUIVALENTS - END OF YEAR (Note 2)	\$ 286,681	\$ 422,309

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, 2022

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 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.

(continues)

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Notes to Financial Statements

For the Year Ended June 30, 2022

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>2022</u>	<u>2021</u>
Savings account	\$ 150,188	\$ 200,035
Operating account	86,230	72,089
Guaranteed Investment Certificate	50,118	150,040
Petty cash	145	145
	<u>\$ 286,681</u>	<u>\$ 422,309</u>

Guaranteed Investment Certificate bearing interest at 0.50% maturing in December 2022.

ALBERTA SCHOOL COUNCILS' ASSOCIATION**Notes to Financial Statements****For the Year Ended June 30, 2022**

3. RECEIVABLES

	<u>2022</u>	<u>2021</u>
Trade and other	\$ 13,129	\$ 13,604
Goods and Services Tax	4,301	2,638
Accrued interest	131	5,852
	<u>\$ 17,561</u>	<u>\$ 22,094</u>

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 46,780	\$ 46,020	\$ 760	\$ 1,140
Computer software	2,745	2,376	369	461
Furniture and fixtures	3,028	3,028	-	-
	<u>\$ 52,553</u>	<u>\$ 51,424</u>	<u>\$ 1,129</u>	<u>\$ 1,601</u>

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Notes to Financial Statements

For the Year Ended June 30, 2022

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:

	<u>2022</u>	<u>2021</u>
Balance, Beginning of Year	\$ -	\$ 33,380
Add:		
Government of Alberta grant - COVID survey grant	15,000	-
Government of Alberta grant - Operating grant	-	170,000
Less:		
Government of Alberta grant revenues recognized to fund expenses during the year	(9,793)	(203,007)
Xerox Canada - shining student award donated	-	(373)
	<u>\$ 5,207</u>	<u>\$ -</u>

Deferred contributions are comprised of the following:

Government of Alberta grant - COVID survey grant	<u>\$ 5,207</u>	<u>\$ -</u>
--	-----------------	-------------

6. CALLABLE DEBT

	<u>2022</u>	<u>2021</u>
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>

7. INTERNALLY RESTRICTED NET ASSETS

	2021	Additions	Deletions	2022
Operations reserve	\$ 150,000	\$ -	\$ 150,000	\$ -
	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>

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

ALBERTA SCHOOL COUNCILS' ASSOCIATION

Notes to Financial Statements

For the Year Ended June 30, 2022

8. 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 2022 and 2021 fiscal years. The Association also accessed the Canada Emergency Business Account and recognized the \$20,000 forgivable portion of the loan in government assistance revenue (Note 6).

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, 2022.

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.

ALBERTA SCHOOL COUNCILS' ASSOCIATION
Schedule of General and Administrative Expenses
For The Year Ended June 30, 2022

(Schedule 1)

	2022	2021
Consulting fees	\$ 61,464	\$ -
Contract bookkeeping	8,774	8,945
Computer technical support	8,451	12,463
Professional fees	7,215	11,089
Insurance	7,153	4,988
Telephone	2,696	2,759
Information technology	2,279	856
Memberships	1,317	310
Administrative fees	1,043	1,327
Optimal fees and other	457	1,260
Office supplies	384	3,625
Bank charges	210	174
Postage	30	463
Printing	-	369
Office lease	-	20,056
Staff development	-	1,012
Computer maintenance	-	466
	\$ 101,473	\$ 70,162

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, 2022**

	2022	2021
Virtual venue	\$ 1,491	\$ 1,707
Professional fees and development	359	2,685
Meals	-	925
Miscellaneous	-	246
Board recognition	-	834
Travel	-	82
Awards	-	1,081
	\$ 1,850	\$ 7,560

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