

Financial Statements of  
**ALBERTA SCHOOL BOARDS ASSOCIATION**  
August 31, 2011

**INDEPENDENT AUDITORS' REPORT**

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**To the Members of Alberta School Boards Association**

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We have audited the accompanying financial statements of Alberta School Boards Association, which comprise the balance sheet as at August 31, 2011 and the statements of revenues, expenditures and fund balances 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 generally accepted accounting principles, 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.

***Auditor's Responsibility***

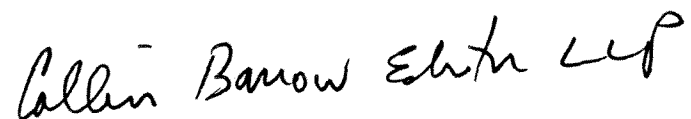
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 auditor's 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 Company'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 the Association as at August 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Edmonton, Alberta  
December 9, 2011

Chartered Accountants

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Financial Statements

Year Ended August 31, 2011

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# ALBERTA SCHOOL BOARDS ASSOCIATION

Balance Sheet  
August 31, 2011

	Operating Fund	Capital Fund	Reserve Fund	2011 Total	2010 Total
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash (Note 2)	\$ 2,038,265	\$ ---	\$ 622,955	\$ 2,661,220	\$ 2,087,546
Accounts receivable	394,089	---	---	394,089	550,007
Prepaid expenses	121,518	---	---	121,518	126,915
Investments (Note 2)	250,574	---	212,924	463,498	387,290
Advances to PICA Electrical Aggregation Program (Note 5)	<u>20,258</u>	<u>---</u>	<u>---</u>	<u>20,258</u>	<u>160,000</u>
	2,824,704	---	835,879	3,660,583	3,311,758
<b>Investments (Note 2)</b>	---	---	387,076	387,076	603,529
<b>Advances to PICA Electrical Aggregation Program (Note 5)</b>	---	---	---	---	20,258
<b>Membership</b>	250	---	---	250	250
<b>Capital assets (Note 6)</b>	<u>---</u>	<u>178,162</u>	<u>---</u>	<u>178,162</u>	<u>216,280</u>
	<u>\$ 2,824,954</u>	<u>\$ 178,162</u>	<u>\$ 1,222,955</u>	<u>\$ 4,226,071</u>	<u>\$ 4,152,075</u>

## LIABILITIES AND FUND BALANCES

### Current Liabilities

Accounts payable and accrued liabilities	\$ 527,002	\$ ---	\$ ---	\$ 527,002	\$ 550,339
<b>Deferred revenue (Note 4)</b>	86,246	---	---	86,246	80,000
<b>Pension obligation (Note 7)</b>	263,400	---	---	263,400	205,300
<b>Fund balances</b>	<u>1,948,306</u>	<u>178,162</u>	<u>1,222,955</u>	<u>3,349,423</u>	<u>3,316,436</u>
	<u>\$ 2,824,954</u>	<u>\$ 178,162</u>	<u>\$ 1,222,955</u>	<u>\$ 4,226,071</u>	<u>\$ 4,152,075</u>

### Commitment (Note 11)

Approved on behalf of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See accompanying notes to the financial statements

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
Statement of Revenues, Expenditures and Fund Balances  
August 31, 2011

	Operating Fund	Capital Fund	Reserve Fund	2011 Total	2010 Total
<b>Operating Revenue</b> (Schedule A)	\$ 4,787,002	\$ ---	\$ ---	\$ 4,787,002	\$ 4,363,166
<b>Expenditures</b>					
Operating (Schedule B)	4,295,912	---	---	4,295,912	3,782,576
Governance and task force	457,120	---	---	457,120	522,971
	<u>4,753,032</u>	<u>---</u>	<u>---</u>	<u>4,753,032</u>	<u>4,305,547</u>
<b>Excess of operating revenues over operating expenses</b>	33,970	---	---	33,970	57,619
<b>Self-Supporting Functions</b>					
General meetings and Seminars:					
Revenue	566,527	---	---	566,527	469,794
Direct expenses	(364,796)	---	---	(364,796)	(309,693)
Salary and benefit allocation (Note 9)	(181,099)	---	---	(181,099)	(129,083)
	20,632	---	---	20,632	31,018
<b>Other Revenue (Expense)</b>					
Investment income (Note 2)	53,528	---	---	53,528	48,346
Amortization of capital assets	---	(75,143)	---	(75,143)	(121,668)
Amortization of deferred tenant allowance	---	---	---	---	11,815
	<u>53,528</u>	<u>(75,143)</u>	<u>---</u>	<u>(21,615)</u>	<u>(61,507)</u>
<b>Excess of revenues over expenditures (expenditures over revenues)</b>	108,130	(75,143)	---	32,987	27,130
<b>Fund balances, beginning of year</b>	1,915,319	216,280	1,184,837	3,316,436	3,289,306
<b>Fund transfers to (from):</b>					
Operating Fund	---	---	---	---	---
Capital Fund	---	37,025	(37,025)	---	---
Reserve Fund	(75,143)	---	75,143	---	---
	<u>(75,143)</u>	<u>37,025</u>	<u>38,118</u>	<u>---</u>	<u>---</u>
<b>Fund balances, end of year</b>	\$ 1,948,306	\$ 178,162	\$ 1,222,955	\$ 3,349,423	\$ 3,316,436

See accompanying notes to the financial statements

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
**Statement of Cash Flows**  
**August 31, 2011**

	2011	2010
<b>Cash Provided by (Used in):</b>		
<b>Operations</b>		
Excess of revenues over expenditures	\$ 32,987	\$ 27,130
Items not involving cash:		
Amortization of capital assets	75,143	121,668
Amortization of deferred tenant allowance	---	(11,815)
Decrease in fair market value of investments	6,334	7,757
Change in non-cash operating working capital:		
Decrease in restricted cash	---	100,000
Decrease (increase) in accounts receivable	155,918	(97,458)
Decrease (increase) in prepaid expenses	5,397	(24,773)
Increase (decrease) in accounts payable and accrued liabilities	(23,337)	8,781
Increase in pension obligation	58,100	82,600
Decrease in due to legal trust account	---	(100,000)
Increase (decrease) in deferred revenue	6,246	(100,343)
Decrease in advance to PICA Electrical Aggregation program	<u>160,000</u>	<u>---</u>
	<u>476,788</u>	<u>13,547</u>
<b>Investments</b>		
Increase (decrease) in investments	133,911	(35,536)
Purchase of capital assets	<u>(37,025)</u>	<u>(41,968)</u>
	<u>96,886</u>	<u>(77,504)</u>
<b>Increase (decrease) in unrestricted cash</b>	<b>573,674</b>	<b>(63,957)</b>
<b>Unrestricted cash, beginning of year</b>	<u>2,087,546</u>	<u>2,151,503</u>
<b>Unrestricted cash, end of year</b>	<u>\$ 2,661,220</u>	<u>\$ 2,087,546</u>

See accompanying notes to the financial statements

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
Notes to the Financial Statements  
August 31, 2011

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Alberta School Boards Association (the "Association") is incorporated under the Alberta School Boards Association Act. Its principal activity is to further the interest of public education within the Province of Alberta. The Association is a non-taxable organization.

**1. Significant Accounting Policies**

**Basis of Accounting**

The Alberta School Boards Association follows the restricted fund method of accounting for contributions and maintains an Operating Fund, a Capital Fund and a Reserve Fund.

The Operating Fund is used to finance the daily operations of the Association. This fund reports unrestricted resources and restricted operating revenue.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Association's capital assets.

The Reserve Fund is used to maintain reserves for contingencies, repairs, maintenance and replacement of equipment and rental expenses as designated by the Board of Directors and consists of the capital asset reserve and the rental offset reserve.

The Alberta School Employee Benefit Plan (the "Plan") is sponsored through a Deed of Trust jointly by the Alberta School Boards Association and the Alberta Teachers' Association. Separate financial statements are prepared for the Plan.

**Financial Assets and Financial Liabilities**

The Association has implemented the recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855 "Financial Instruments – Recognition and Measurement" and Section 3861 "Financial Instruments – Disclosure and Presentation". Under these standards, all financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods is dependent upon the classification of the financial instrument as held-for-trading, held-to-maturity, available-for-sale, loans and receivables, or other financial liabilities. The held-for-trading classification is applied when an entity is "trading" in an instrument or alternatively the standard permits that any financial instrument be irrevocably designated as held-for-trading. The held-for-maturity classification is applied only if the asset has specified characteristics and the entity has the ability and intent to hold the asset until maturity. An asset can be classified as available-for-sale when it has not been classified as held-for-trading or held-to-maturity. Transaction costs are expensed as incurred for financial instruments classified or designated as held-for-trading. For other financial instruments, transaction costs are capitalized on initial recognition.

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
Notes to the Financial Statements  
August 31, 2011

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1. **Significant Accounting Policies** (Continued)

**Financial Assets and Financial Liabilities** (Continued)

Financial assets and financial liabilities classified as held-for-trading are measured at fair value with changes in those fair values recognized in the Statement of Revenues, Expenditures and Fund Balances. Financial assets classified as held-to-maturity, loans and receivables, or other financial liabilities are measured at amortized cost using the effective interest method of amortization.

The Association has classified its significant financial assets and financial liabilities as follows:

- Cash, consolidated cash investment trust fund, bonds and guaranteed investment certificates are classified as held-for-trading;
- Accounts receivable and advances to PICA Electrical Aggregation Program are classified as loans and receivables; and
- Accounts payable and accrued liabilities are classified as other financial liabilities.

The Association has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, liquidity risk and price risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices. The Association does not use derivative financial instruments to alter the effects of these risks. The Association invests surplus funds in guaranteed investment certificates and other similar investments.

The Association's accounts receivable are substantially comprised of amounts due from members of the Association. Funds on deposit are maintained with Schedule 1 financial institutions. Accordingly, the Association is not exposed to significant credit risk. The Association has no long-term debt which eliminates liquidity and price risk.

The CICA Handbook Section 3862 and 3863 on disclosures and presentation of financial statements are optional for not-for-profit organizations. Alternatively, the Association has elected to follow the provisions of Section 3861, "Financial Instruments – Disclosure and Presentation".

**Capital Assets**

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized on the straight-line basis over their estimated useful lives as follows:

Furniture	10 years
Office equipment	5 years
Leasehold improvements	over lease term

1. **Significant Accounting Policies** (Continued)

**Revenue Recognition**

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue of the Operating Fund when earned.

**Employee Future Benefits**

The Association participates in three pension plans. The Association participates in the Local Authorities Pension Plan ("LAPP") and a registered Supplemental Integrated Pension Plan ("SiPP"). These plans are multi-employer defined benefit pension plans that provide pensions for the Association's participating employees, based on years of service, final average earnings and age.

LAPP and registered SiPP contributions are accounted for using defined contribution accounting, wherein contributions for current and past service pension benefits are recorded as expenditures in the year in which they become due.

LAPP and registered SiPP costs included in these financial statements consist of the amount of employer contributions required for its employees during the year, based on rates which are expected to provide for benefits payable under the pension plan. The Association's portion of the pension plans' deficit or surplus is not recorded by the Association.

The Association also has a non-registered Supplementary Executive Retirement Plan ("SERP"), which is a defined benefit pension plan, (effective September 1, 2004). It is designed to provide designated employees with benefits that supplement the Local Authorities Pension Plan.

The actual determination of the accrued benefit obligation for pension benefits uses the projected accrued benefit cost method with proration on service and incorporates management's best estimate of salary escalation, retirement ages of employees and other actuarial factors.

For the purposes of calculating the expected return on plan assets, those assets are valued at fair value. There are currently no plan assets.

Actuarial gains (losses) arise from the difference between actual long-term rate of return on plan assets for a period and the expected long-term rate of return on plan assets for that period or from changes in actuarial assumptions used to determine the accrued benefit obligation. The average remaining service period of the active employees covered by the pension plan is two years.

Past service costs arising from plan initiation are deferred and amortized on a straight-line basis over the remaining service period of employees active at the date of initiation.

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
Notes to the Financial Statements  
August 31, 2011

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1. **Significant Accounting Policies** (Continued)

**Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The more significant estimates used by management include valuation of accounts receivable, accrued pension obligation, useful lives for the amortization of capital assets and fair value of financial instruments.

**Future Accounting Pronouncements**

In March of 2011, the Accounting Standards Board (AcSB) issued amendments to standards for not-for-profit organizations in Part III of the CICA Handbook. Under the amendments first-time adoption of Part III of the CICA Handbook is mandatory for annual financial statements relating to fiscal years beginning on or after January 1, 2012, however, adoption of Part III for earlier fiscal years is permitted. When the end of a not-for-profit organization's annual reporting period does not coincide with the end of a calendar year, the mandatory date for first-time adoption of Part III of the CICA Handbook is the beginning of the annual reporting period that commences on or after December 21, 2011. Therefore, the Association is required to adopt Part III of the CICA Handbook on September 1, 2012. The mandatory date for adoption does not apply to not-for-profit organizations that initially apply the International Financial Reporting Standards in Part I of the CICA Handbook. The Association has not yet determined the impact of the adoption of Part III of the CICA Handbook on their financial statements.

2. **Cash and Investments**

	<u>2011</u>	<u>2010</u>
Operating account	\$ 249,149	\$ 145,533
Investment account	156,992	772
Consolidated Cash Investment Trust Fund	<u>2,255,079</u>	<u>1,941,241</u>
	<u>\$ 2,661,220</u>	<u>\$ 2,087,546</u>

The Consolidated Cash Investment Trust Fund of the Province of Alberta is a demand account managed by Alberta Treasury with the objective of providing competitive interest income to depositors while maintaining security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term fixed income securities with a maximum term of maturity of five years. Interest is earned on the daily cash balance and the average rate of earnings of the Fund varies depending on prevailing market interest rates.

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
Notes to the Financial Statements  
August 31, 2011

2. **Cash and Investments** (Continued)

	<u>2011</u>	<u>2010</u>
Guaranteed Investment Certificates bearing interest of 1.000% to 3.050%, maturing September 2011 to October 2015	\$ 595,053	\$ 733,484
Bonds:		
Provincial government backed bonds, bearing yield rates of 3.669% to 4.75%, due October 2011 to June 2013	<u>255,521</u>	<u>257,335</u>
	850,574	990,819
Less: current portion	<u>(463,498)</u>	<u>(387,290)</u>
	<u>\$ 387,076</u>	<u>\$ 603,529</u>

Investment income is comprised of the following:

	<u>2011</u>	<u>2010</u>
Decrease of fair market value of investments	\$ (6,334)	\$ (7,757)
Interest	<u>59,862</u>	<u>56,103</u>
	<u>\$ 53,528</u>	<u>\$ 48,346</u>

The Association does not use derivative instruments to alter the effects of interest or market risks.

3. **Available Credit Facilities**

The Association has a demand operating loan available for use, up to a maximum of \$150,000, bearing interest at prime plus 0.8% and is unsecured. As at August 31, 2011 no amounts have been drawn against the available operating loan (2010 - \$nil).

4. **Deferred Revenue**

	<u>2011</u>	<u>2010</u>
Education Support Grant	\$ 85,000	\$ 80,000
Self-supporting functions	1,000	---
Fee for service	<u>246</u>	<u>---</u>
	<u>\$ 86,246</u>	<u>\$ 80,000</u>

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
Notes to the Financial Statements  
August 31, 2011

**5. Advances to PICA Electrical Aggregation Program**

The Association has entered into a consortium (the Public Institutional Consumers Association – “PICA”) with the Provincial Healthcare Association and the Public Colleges and Technical Institutes of Alberta to advance the interest of their members with regard to energy utility matters. PICA makes representations at hearings of the Energy Utilities Board (“EUB”). Typically, these representations incur costs and the EUB has the discretion to order the applicant to reimburse the consortium for these costs if the intervention is in the public interest. Since its inception, PICA has had all costs of its interventions reimbursed.

During the year, the Association received \$160,000 and expects to receive the remaining balance of \$20,258 in fiscal 2012.

**6. Capital Assets**

	2011			2010
	Cost	Accumulated Amortization	Net	Net
Furniture	\$ 314,120	\$ 236,326	\$ 77,794	\$ 85,075
Office equipment	544,582	446,970	97,612	127,702
Leasehold improvements	<u>365,138</u>	<u>362,382</u>	<u>2,756</u>	<u>3,503</u>
	<u>\$ 1,223,840</u>	<u>\$ 1,045,678</u>	<u>\$ 178,162</u>	<u>\$ 216,280</u>

**7. Employee Future Benefits**

- (i) The Association participates in the Local Authorities Pension Plan (“LAPP”) which is a multi-employer defined benefit plan. The pension expense recorded in these financial statements is equal to the annual contributions of \$201,039 for the year ended August 31, 2011 (2010 - \$168,716). At December 31, 2009, LAPP reported a deficit of \$4,635,250 (2010 - \$3,998,614).

The Association participates in a registered Supplementary Integrated Pension Plan (“SiPP”) which is also a multi-employer defined benefit plan. The pension expense recorded in these financial statements is equal to the annual contributions of \$6,332 for the year ended August 31, 2011 (2010 - \$6,111).

- (ii) The Association also has a non-registered Supplementary Executive Retirement Plan (“SERP”), which is a defined benefit plan for designated employees. The benefits are based on years of service and the employee’s final average earnings. The cost of this program is not currently being funded.

The Association accrues its obligations under employee defined benefit plans as the employees render the services necessary to earn the pension.

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
Notes to the Financial Statements  
August 31, 2011

7. **Employee Future Benefits** (Continued)

The Association measures its accrued benefit obligations and fair value of plan assets, if any, for accounting purposes as at August 31 each year. The actuarial valuation of the plan was done at December 31, 2010.

Defined benefit plan obligations are as follows:

	<u>2011</u>	<u>2010</u>
Accrued benefit obligation:		
Balance, beginning of year	\$ 205,300	\$ 122,700
Current service cost	15,500	11,800
Interest cost	15,900	14,200
Net actuarial loss on accrued benefit obligation	<u>26,700</u>	<u>56,600</u>
	<u>\$ 263,400</u>	<u>\$ 205,300</u>

There are no defined benefit plan assets.

Reconciliation of the funded status of the benefit plans to the amounts recorded in the financial statements:

	<u>2011</u>	<u>2010</u>
Pension obligation	\$ <u>284,200</u>	\$ <u>257,800</u>
Plan deficit	(284,200)	(257,800)
Experience losses	<u>20,800</u>	<u>52,500</u>
Accrued benefit obligation	<u>\$ 263,400</u>	<u>\$ 205,300</u>

The significant actuarial assumptions adopted in measuring the Association's accrued benefit obligations are as follows:

	<u>2011</u>	<u>2010</u>
Accrued benefit obligation as of August 31:		
Discount rate	5.50%	6.00%
Rate of compensation increase	4.00%	4.00%

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
Notes to the Financial Statements  
August 31, 2011

**8. Alberta School Boards Insurance Exchange**

The Association exercises control over Alberta School Boards Insurance Exchange ("ASBIE") by virtue of its ability to appoint the members of ASBIE's Board of Directors. ASBIE was formed under the Reciprocal Insurance Exchange Agreement for Municipalities in the Province of Alberta by way of various municipalities subscribing to the agreement. ASBIE commenced operations on January 1, 2003.

There were no related party transactions between the Association and ASBIE during the year.

The net assets and results from operations of ASBIE are not included in the statements of the Association. A financial summary of ASBIE for the periods ended August 31 is as follows:

	<u>2011</u> (Unaudited)	<u>2010</u> (Unaudited)
Assets	\$ 5,693,338	\$ 5,845,871
Liabilities	<u>(4,538,229)</u>	<u>(4,101,696)</u>
Net assets	<u>\$ 1,155,109</u>	<u>\$ 1,744,175</u>
Revenue	\$ 1,840,187	\$ 2,490,173
Expenditures	<u>(1,779,683)</u>	<u>(2,279,090)</u>
Excess of revenue over expenses	<u>\$ 60,504</u>	<u>\$ 211,083</u>

**9. Salary and Benefit Internal Allocation**

Direct salary and benefit costs have been allocated from the various departments to self-supporting functions expense based on an estimate of time incurred by the departments' areas, at the following proportion of the total salary and benefits costs of each department:

Corporate Services	11.2%
Finance	6.9%
Communications	38.9%
Executive Office	2.0%
Association Affairs	15.0%
Member Services	1.9%

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
Notes to the Financial Statements  
August 31, 2011

**10. Supplementary Integrated Pension Plan**

The Association exercises control over the Registered Supplementary Integrated Pension Plan ("SiPP") by virtue of its ability to appoint the members of SiPP's Governance Board. SiPP is a registered pension plan subject to pension legislation and is registered with Alberta Finance and the Canada Revenue Agency. SiPP commenced operations on January 1, 2004. The fiscal year for SiPP is January 1 to December 31.

The Association pays expenses on behalf of SiPP and invoices the plan to recover these expenses.

The net assets and results from operations of SiPP are not included in the statements of the Association. A financial summary of SiPP for the periods ended August 31 is as follows:

	<u>2011</u> (Unaudited)	<u>2010</u> (Unaudited)
Assets	\$ 3,569,318	\$ 2,758,588
Liabilities	<u>(3,047,794)</u>	<u>(2,370,108)</u>
Net assets	<u>\$ 521,524</u>	<u>\$ 388,480</u>
Revenue	\$ 93,828	\$ 99,075
Expenditures	<u>(93,828)</u>	<u>(99,075)</u>
Net income	<u>\$ ---</u>	<u>\$ ---</u>

**11. Commitment**

The Association leases its office premises under a long-term operating lease. The minimum annual lease commitments for the next five years are as follows:

2012	\$ 315,180
2013	315,180
2014	315,180
2015	315,180
2016	<u>346,698</u>
	<u>\$ 1,607,418</u>

Under the terms of the premises lease that expires April 2020, the Association is also responsible for its proportionate share of operating costs.

**12. Capital Disclosures**

Capital Disclosures establishes standards for the disclosure of information related to an entity's objectives, policies and processes for managing capital.

The organization's capital is comprised of its operating fund, capital fund and reserve fund. As at August 31, 2011 the organization's net assets totaled \$3,349,423 (2010 - \$3,316,436) as presented on the balance sheet.

The organization is not subject to externally imposed requirements on its capital.

The organization's objectives when managing its capital are to maintain flexibility between:

- enabling it to operate efficiently;
- providing liquidity for growth opportunities;
- generating predictable cash flows for continuing operations;
- having funds available to internally finance major capital expenditures and replacements thereby not requiring financing from outside parties;
- having funds available for cyclical expenditures (i.e. expenditures not recurring annually);
- having funds available for unexpected increases in expenditures or decreases in revenues;
- and
- providing a constant and predictable membership fee structure.

**13. Comparative Figures**

Certain of the comparative figures have been restated to conform with the presentation adopted for the current year.

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Schedule A – Operating Fund Revenues

Year Ended August 31, 2011

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	<u>2011</u>	<u>2010</u>
Memberships	\$ 2,863,452	\$ 2,863,445
Fee for service	1,577,504	1,204,110
Governance framework grant	150,000	---
Trustee development grant	80,000	80,000
Rental income	61,159	47,530
Alberta School Employee Benefit Plan service fee	38,095	38,095
Newsletter	16,260	---
Miscellaneous	532	4,986
Emergency planning grant	---	125,000
	<u>\$ 4,787,002</u>	<u>\$ 4,363,166</u>

## Schedule B – Operating Fund Expenditures

Year Ended August 31, 2011

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	<u>2011</u>	<u>2010</u>
Member services	\$ 2,063,578	\$ 1,764,901
Association affairs	692,321	467,530
Executive office	555,243	590,806
Finance and administration	485,470	485,433
Communications	283,493	262,242
Corporate services	215,807	211,664
	<u>\$ 4,295,912</u>	<u>\$ 3,782,576</u>