

Financial Statements of  
**ALBERTA SCHOOL BOARDS ASSOCIATION**  
August 31, 2013, August 31, 2012 and  
September 1, 2011

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of Alberta School Boards Association, which comprise the statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011 and the statements of revenues, expenditures and fund balances and cash flows for the years ended August 31, 2013 and August 31, 2012, 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 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 entity'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 in our audits 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, 2013, August 31, 2012 and September 1, 2011 and the results of its operations and its cash flows for the years ended August 31, 2013 and August 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Financial Statements

Years Ended August 31, 2013 and August 31, 2012

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# ALBERTA SCHOOL BOARDS ASSOCIATION

## Statements of Financial Position

August 31, 2013, August 31, 2012 and September 1, 2011

	<b>August 31, 2013</b>	August 31, 2012	September 1, 2011
	(Schedule 1)	(Schedule 2)	(Schedule 3)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents (Note 3)	\$ 2,974,663	\$ 2,721,798	\$ 2,661,220
Accounts receivable	650,899	681,268	394,089
Goods and Services Tax receivable	11,681	9,192	8,196
Prepaid expenses	133,225	124,598	121,518
Investments (Note 3)	555,572	480,883	463,498
Advances to PICA Electrical Aggregation Program (Note 6)	---	54,594	20,258
	<u>4,326,040</u>	4,072,333	3,668,779
<b>Investments</b> (Note 3)	487,027	485,736	387,076
<b>Membership</b>	250	250	250
<b>Capital assets</b> (Note 7)	<u>159,587</u>	<u>147,785</u>	<u>178,162</u>
	<u>\$ 4,972,904</u>	<u>\$ 4,706,104</u>	<u>\$ 4,234,267</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	\$ 684,411	\$ 683,165	\$ 535,198
Deferred revenue (Note 5)	<u>249,365</u>	<u>270,924</u>	<u>86,246</u>
	933,776	954,089	621,444
<b>Pension obligation</b> (Note 8)	<u>456,100</u>	<u>366,650</u>	<u>263,400</u>
	1,389,876	1,320,739	884,844
<b>Fund balances</b>	<u>3,583,028</u>	<u>3,385,365</u>	<u>3,349,423</u>
	<u>\$ 4,972,904</u>	<u>\$ 4,706,104</u>	<u>\$ 4,234,267</u>

**Commitment** (Note 12)

Approved on behalf of the Board

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

*See accompanying notes to the financial statements*

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Statements of Revenues, Expenditures and Fund Balances

August 31, 2013 and August 31, 2012

	Operating Fund	Capital Fund	Reserve Fund	2013 Total	2012 Total (Schedule 4)
<b>Operating Revenue</b> (Schedule 5)	\$ 5,501,424	\$ ---	\$ ---	<b>\$ 5,501,424</b>	\$ 5,109,030
<b>Expenditures</b>					
Operating (Schedule 6)	4,796,859	---	---	<b>4,796,859</b>	4,658,625
Governance and task force	445,590	---	---	<b>445,590</b>	441,093
	<u>5,242,449</u>	<u>---</u>	<u>---</u>	<b><u>5,242,449</u></b>	<u>5,099,718</u>
<b>Excess of operating revenues over operating expenses</b>	258,975	---	---	<b>258,975</b>	9,312
<b>Self-Supporting Functions</b>					
General meetings and Seminars:					
Revenue	788,308	---	---	<b>788,308</b>	681,215
Direct expenses	(593,120)	---	---	<b>(593,120)</b>	(393,008)
Salary and benefit allocation (Note 10)	<u>(256,968)</u>	<u>---</u>	<u>---</u>	<b><u>(256,968)</u></b>	<u>(284,917)</u>
	(61,780)	---	---	<b>(61,780)</b>	3,290
<b>Other Revenue (Expense)</b>					
Investment income (Note 3)	57,025	---	---	<b>57,025</b>	86,686
Amortization of capital assets	<u>---</u>	<u>(56,557)</u>	<u>---</u>	<b><u>(56,557)</u></b>	<u>(63,346)</u>
	<u>57,025</u>	<u>(56,557)</u>	<u>---</u>	<b><u>468</u></b>	<u>23,340</u>
<b>Excess of revenues over expenditures (expenditures over revenues)</b>	254,220	(56,557)	---	<b>197,663</b>	35,942
<b>Fund balances, beginning of year</b>	1,984,248	147,785	1,253,332	<b>3,385,365</b>	3,349,423
<b>Fund transfers to (from):</b>					
Operating Fund	---	---	---	---	---
Capital Fund	---	68,359	(68,359)	---	---
Reserve Fund	<u>(63,372)</u>	<u>---</u>	<u>63,372</u>	<u>---</u>	<u>---</u>
	<u>(63,372)</u>	<u>68,359</u>	<u>(4,987)</u>	<u>---</u>	<u>---</u>
<b>Fund balances, end of year</b>	<b><u>\$ 2,175,096</u></b>	<b><u>\$ 159,587</u></b>	<b><u>\$ 1,248,345</u></b>	<b><u>\$ 3,583,028</u></b>	<b><u>\$ 3,385,365</u></b>

See accompanying notes to the financial statements

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Statements of Cash Flows

August 31, 2013 and August 31, 2012

	2013	2012
<b>Cash Provided by (Used in):</b>		
<b>Operations</b>		
Excess of revenues over expenditures	\$ 197,663	\$ 35,942
Items not involving cash:		
Amortization of capital assets	56,557	63,346
Decrease (increase) in fair market value of investments (Note 3)	(369)	6,201
Increase in pension obligation	89,450	103,250
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	30,369	(287,179)
Increase in Goods and Services Tax receivable	(2,489)	(996)
Increase in prepaid expenses	(8,627)	(3,080)
Increase in accounts payable and accrued liabilities	1,246	147,967
Increase (decrease) in deferred revenue	(21,559)	184,678
Decrease (increase) in advance to PICA Electrical Aggregation program	<u>54,594</u>	<u>(34,336)</u>
	<u>396,835</u>	<u>215,793</u>
<b>Investments</b>		
Purchase of investments	(75,611)	(122,246)
Purchase of capital assets	<u>(68,359)</u>	<u>(32,969)</u>
	<u>(143,970)</u>	<u>(155,215)</u>
<b>Increase in cash</b>	<b>252,865</b>	<b>60,578</b>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>2,721,798</b></u>	<u><b>2,661,220</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 2,974,663</b></u>	<u><b>\$ 2,721,798</b></u>

See accompanying notes to the financial statements

# **ALBERTA SCHOOL BOARDS ASSOCIATION**

## Notes to the Financial Statements

August 31, 2013, August 31, 2012 and September 1, 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 Presentation**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada.

#### **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.

#### **Cash and Cash Equivalents**

Cash and cash equivalents consists of cash on hand, current accounts with regulated financial institutions and highly liquid demand investments with maturities of three months or less at the date of acquisition.

#### **Financial Instruments**

##### Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

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 and financial instruments designated to be measured at fair value, which are measured at fair value. Changes in fair value are recognized in the statement of revenues, expenditures and fund balances.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Notes to the Financial Statements

August 31, 2013, August 31, 2012 and September 1, 2011

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### 1. Significant Accounting Policies (Continued)

#### Financial Instruments (Continued)

##### 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 the statement of revenues, expenditures and fund balances. A 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 the statement of revenues, expenditures and fund balances.

##### Allocation of Expenses

The Association provides for certain allocation of general operating costs. The percentage allocated is based on an estimate of time incurred by the department's areas. See note 10 for specific details of allocation of expenses.

##### 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

##### 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.

The Association recognizes rental revenue when earned as specified in the rental agreements on a straight-line basis over the term of the related agreement. Recoveries from tenants for taxes, insurance and other operating expense are recognized as revenues in the period the costs are incurred.

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.

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Notes to the Financial Statements

August 31, 2013, August 31, 2012 and September 1, 2011

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

#### **Employee Future Benefits** (Continued)

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.

#### **Use of Estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 and useful lives for the amortization of capital assets.

### 2. **Transition to Canadian Accounting Standards for Not-For-Profit Organizations**

These financial statements are for the period covered by the Association's first annual financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The accounting policies have been applied in preparing the annual financial statements for the years ended August 31, 2013 and 2012, and the opening statement of financial position on September 1, 2011, the transition date.

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Notes to the Financial Statements

August 31, 2013, August 31, 2012 and September 1, 2011

### 2. Transition to Canadian Accounting Standards for Not-For-Profit Organizations (Continued)

In preparing the opening statement of financial position and the financial statements for the year ended August 31, 2012, no adjustments were required to amounts previously reported in financial statements that were prepared in accordance with Canadian generally accepted accounting principles. The transition to Canadian accounting standards for not-for-profit organizations provides for certain elections on first time adoption. The Association has not elected to take any exemptions available for first time adoption of ASNPO. There has been no impact on the Association's financial position, operations or cash flows as a result of transition to ASNPO.

### 3. Cash, Cash Equivalents and Investments

	<u>August 31, 2013</u>	<u>August 31, 2012</u>	<u>September 1, 2011</u>
Operating account	\$ 179,633	\$ 185,115	\$ 249,149
Investment account	37	57,331	156,992
Consolidated Cash Investment Trust Fund	<u>2,794,993</u>	<u>2,479,352</u>	<u>2,255,079</u>
	<u>\$ 2,974,663</u>	<u>\$ 2,721,798</u>	<u>\$ 2,661,220</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.

	<u>August 31, 2013</u>	<u>August 31, 2012</u>	<u>September 1, 2011</u>
Guaranteed Investment Certificates bearing interest of 1.000% to 3.050%, maturing September 2013 to October 2016	\$ 1,042,599	\$ 966,619	\$ 595,053
Bonds:			
Provincial government backed bonds, bearing yield rates of 3.669% to 4.750%, maturing October 2011 to June 2012	---	---	255,521
	1,042,599	966,619	850,574
Less: current portion	<u>(555,572)</u>	<u>(480,883)</u>	<u>(463,498)</u>
	<u>\$ 487,027</u>	<u>\$ 485,736</u>	<u>\$ 387,076</u>

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Notes to the Financial Statements

August 31, 2013, August 31, 2012 and September 1, 2011

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### 3. Cash, Cash Equivalents and Investments (Continued)

Investment income is comprised of the following:

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Increase (decrease) of fair market value of investments	\$ 369	\$ (6,201)
Interest	<u>56,656</u>	<u>92,887</u>
	<u>\$ 57,025</u>	<u>\$ 86,686</u>

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

### 4. 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 1.0% and is unsecured. As at August 31, 2013 no amounts have been drawn against the available operating loan (2012 - \$nil; September 1, 2011 - \$nil).

### 5. Deferred Revenue

	<u>August 31, 2013</u>	<u>August 31, 2012</u>	<u>September 1, 2011</u>
Education Support Grant	\$ 234,592	\$ 215,000	\$ 85,000
Self-supporting functions	---	55,924	1,000
Fee for service	<u>14,773</u>	<u>---</u>	<u>246</u>
	<u>\$ 249,365</u>	<u>\$ 270,924</u>	<u>\$ 86,246</u>

### 6. 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 the remaining balance of \$54,594.

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Notes to the Financial Statements

August 31, 2013, August 31, 2012 and September 1, 2011

### 7. Capital Assets

	<u>August 31, 2013</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Furniture	\$ 314,120	\$ 268,277	\$ 45,843
Office equipment	512,144	399,663	112,481
Leasehold improvements	<u>365,138</u>	<u>363,875</u>	<u>1,263</u>
	<u>\$ 1,191,402</u>	<u>\$ 1,031,815</u>	<u>\$ 159,587</u>
	<u>August 31, 2012</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Furniture	\$ 314,120	\$ 254,045	\$ 60,075
Office equipment	443,785	358,085	85,700
Leasehold improvements	<u>365,138</u>	<u>363,128</u>	<u>2,010</u>
	<u>\$ 1,123,043</u>	<u>\$ 975,258</u>	<u>\$ 147,785</u>
	<u>September 1, 2011</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Furniture	\$ 314,120	\$ 236,326	\$ 77,794
Office equipment	544,582	446,970	97,612
Leasehold improvements	<u>365,138</u>	<u>362,382</u>	<u>2,756</u>
	<u>\$ 1,223,840</u>	<u>\$ 1,045,678</u>	<u>\$ 178,162</u>

### 8. 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 \$222,141 for the year ended August 31, 2013 (August 31, 2012 - \$221,854; September 1, 2011 - \$201,039). At December 31, 2012, LAPP reported a deficit of \$4,977,303 (August 31, 2012 - \$4,639,390; September 1, 2011 - \$4,635,250).

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 \$6,700 for the year ended August 31, 2013 (August 31, 2012 - \$6,249; September 1, 2011 - \$6,332).

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Notes to the Financial Statements

August 31, 2013, August 31, 2012 and September 1, 2011

### 8. Employee Future Benefits (Continued)

- (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.

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, 2011.

Defined benefit plan obligations are as follows:

	<b>August 31, 2013</b>	August 31, 2012
Accrued benefit obligation:		
Balance, beginning of year	\$ 366,650	\$ 263,400
Current service cost	26,400	18,100
Interest cost	18,800	16,100
Net actuarial loss on accrued benefit obligation	<u>44,250</u>	<u>69,050</u>
	<b><u>\$ 456,100</u></b>	<b><u>\$ 366,650</u></b>

There are no defined benefit plan assets.

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

	<b>August 31, 2013</b>	August 31, 2012	September 1, 2011
Pension obligation	<b><u>\$ 459,700</u></b>	<u>\$ 456,500</u>	<u>\$ 284,200</u>
Plan deficit	<b>(459,700)</b>	(456,500)	(284,200)
Experience losses	<u>3,600</u>	<u>89,850</u>	<u>20,800</u>
Accrued benefit obligation	<b><u>\$ 456,100</u></b>	<u>\$ 366,650</u>	<u>\$ 263,400</u>

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

	<b>August 31, 2013</b>	August 31, 2012	September 1, 2011
Accrued benefit obligation as of August 31:			
Discount rate	<b>4.60%</b>	4.00%	5.50%
Rate of compensation increase	<b>3.50%</b>	3.50%	4.00%

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Notes to the Financial Statements

August 31, 2013, August 31, 2012 and September 1, 2011

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### 9. 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 financial statements of the Association. A financial summary of ASBIE for the periods ended August 31 is as follows:

	<u>August 31, 2013</u> (Unaudited)	<u>August 31, 2012</u> (Unaudited)	<u>September 1, 2011</u> (Unaudited)
Assets	\$ 7,405,962	\$ 6,045,681	\$ 5,693,338
Liabilities	<u>(4,424,679)</u>	<u>(4,043,360)</u>	<u>(4,538,229)</u>
Net assets	<u>\$ 2,981,283</u>	<u>\$ 2,002,321</u>	<u>\$ 1,155,109</u>
		<u>August 31, 2013</u> (Unaudited)	<u>August 31, 2012</u> (Unaudited)
Revenue		\$ 3,068,627	\$ 2,172,450
Expenditures		<u>(2,089,665)</u>	<u>(2,209,224)</u>
Excess (deficiency) of revenue over expenses		<u>\$ 978,962</u>	<u>\$ (36,774)</u>

### 10. Allocation of Expenses

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	15.1%
Finance	8.7%
Communications	58.1%
Executive Office	1.9%
Association Affairs	14.1%
Member Services	2.1%

# ALBERTA SCHOOL BOARDS ASSOCIATION

## Notes to the Financial Statements

August 31, 2013, August 31, 2012 and September 1, 2011

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### 11. 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 financial statements of the Association. A financial summary of SiPP for the periods ended August 31 is as follows:

	<u>2013</u> (Unaudited)	<u>2012</u> (Unaudited)
Assets	\$ 4,747,540	\$ 4,183,624
Liabilities	<u>(4,387,721)</u>	<u>(4,108,566)</u>
Net assets	<u>\$ 359,819</u>	<u>\$ 75,058</u>
Revenue	\$ 136,378	\$ 136,865
Expenditures	<u>(136,378)</u>	<u>(136,865)</u>
Net income	<u>\$ ---</u>	<u>\$ ---</u>

### 12. Commitment

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

2014	\$ 315,180
2015	315,180
2016	346,698
2017	346,698
2018 and subsequent	<u>910,082</u>
	<u>\$ 2,233,838</u>

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

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
**Schedule 1 – Statement of Financial Position**  
August 31, 2013

	Operating Fund	Capital Fund	Reserve Fund	2013 Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (Note 3)	\$ 2,321,331	\$ ---	\$ 653,332	\$ 2,974,663
Accounts receivable	650,899	---	---	650,899
Goods and Services Tax receivable	11,681	---	---	11,681
Prepaid expenses	133,225	---	---	133,225
Investments (Note 3)	447,586	---	107,986	555,572
Advances to PICA Electrical Aggregation Program (Note 6)	---	---	---	---
	<u>3,564,722</u>	<u>---</u>	<u>761,318</u>	<u>4,326,040</u>
<b>Investments</b> (Note 3)	---	---	487,027	487,027
<b>Membership</b>	250	---	---	250
<b>Capital assets</b> (Note 7)	---	159,587	---	159,587
	<u>\$ 3,564,972</u>	<u>\$ 159,587</u>	<u>\$ 1,248,345</u>	<u>\$ 4,972,904</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 684,411	\$ ---	\$ ---	\$ 684,411
Deferred revenue (Note 5)	249,365	---	---	249,365
	<u>933,776</u>	<u>---</u>	<u>---</u>	<u>933,776</u>
<b>Pension obligation</b> (Note 8)	<u>456,100</u>	<u>---</u>	<u>---</u>	<u>456,100</u>
	1,389,876	---	---	1,389,876
<b>Fund balances</b>	<u>2,175,096</u>	<u>159,587</u>	<u>1,248,345</u>	<u>3,583,028</u>
	<u>\$ 3,564,972</u>	<u>\$ 159,587</u>	<u>\$ 1,248,345</u>	<u>\$ 4,972,904</u>

See accompanying notes to the financial statements

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
**Schedule 2 – Statement of Financial Position**  
August 31, 2012

	Operating Fund	Capital Fund	Reserve Fund	2012 Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (Note 3)	\$ 2,068,466	\$ ---	\$ 653,332	\$ 2,721,798
Accounts receivable	681,268	---	---	681,268
Good and Services Tax receivable	9,192	---	---	9,192
Prepaid expenses	124,598	---	---	124,598
Investments (Note 3)	366,619	---	114,264	480,883
Advances to PICA Electrical Aggregation Program (Note 6)	<u>54,594</u>	<u>---</u>	<u>---</u>	<u>54,594</u>
	3,304,737	---	767,596	4,072,333
<b>Investments</b> (Note 3)	---	---	485,736	485,736
<b>Membership</b>	250	---	---	250
<b>Capital assets</b> (Note 7)	<u>---</u>	<u>147,785</u>	<u>---</u>	<u>147,785</u>
	<u>\$ 3,304,987</u>	<u>\$ 147,785</u>	<u>\$ 1,253,332</u>	<u>\$ 4,706,104</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 683,165	\$ ---	\$ ---	\$ 683,165
Deferred revenue (Note 5)	<u>270,924</u>	<u>---</u>	<u>---</u>	<u>270,924</u>
	954,089	---	---	954,089
<b>Pension obligation</b> (Note 8)	<u>366,650</u>	<u>---</u>	<u>---</u>	<u>366,650</u>
	1,320,739	---	---	1,320,739
<b>Fund balances</b>	<u>1,984,248</u>	<u>147,785</u>	<u>1,253,332</u>	<u>3,385,365</u>
	<u>\$ 3,304,987</u>	<u>\$ 147,785</u>	<u>\$ 1,253,332</u>	<u>\$ 4,706,104</u>

See accompanying notes to the financial statements

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
**Schedule 3 – Statement of Financial Position**  
August 31, 2011

	Operating Fund	Capital Fund	Reserve Fund	2011 Total
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash (Note 3)	\$ 2,038,265	\$ ---	\$ 622,955	\$ 2,661,220
Accounts receivable	394,089	---	---	394,089
Goods and Services Tax receivable	8,196	---	---	8,196
Prepaid expenses	121,518	---	---	121,518
Investments (Note 3)	250,574	---	212,924	463,498
Advances to PICA Electrical Aggregation Program (Note 6)	<u>20,258</u>	<u>---</u>	<u>---</u>	<u>20,258</u>
	2,832,900	---	835,879	3,668,779
<b>Investments</b> (Note 3)	---	---	387,076	387,076
<b>Advances to PICA Electrical Aggregation Program</b> (Note 6)	---	---	---	---
<b>Membership</b>	250	---	---	250
<b>Capital assets</b> (Note 7)	<u>---</u>	<u>178,162</u>	<u>---</u>	<u>178,162</u>
	<u>\$ 2,833,150</u>	<u>\$ 178,162</u>	<u>\$ 1,222,955</u>	<u>\$ 4,234,267</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 535,198	\$ ---	\$ ---	\$ 535,198
Deferred revenue (Note 5)	<u>86,246</u>	<u>---</u>	<u>---</u>	<u>86,246</u>
	621,444	---	---	621,444
<b>Pension obligation</b> (Note 8)	<u>263,400</u>	<u>---</u>	<u>---</u>	<u>263,400</u>
	884,844	---	---	884,844
<b>Fund balances</b>	<u>1,948,306</u>	<u>178,162</u>	<u>1,222,955</u>	<u>3,349,423</u>
	<u>\$ 2,833,150</u>	<u>\$ 178,162</u>	<u>\$ 1,222,955</u>	<u>\$ 4,234,267</u>

See accompanying notes to the financial statements

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
**Schedule 4 – Statement of Revenues, Expenditures and Fund Balances**  
August 31, 2012

	Operating Fund	Capital Fund	Reserve Fund	2012 Total
<b>Operating Revenue</b> (Schedule 5)	\$ 5,109,030	\$ ---	\$ ---	\$ 5,109,030
<b>Expenditures</b>				
Operating (Schedule 6)	4,658,625	---	---	4,658,625
Governance and task force	441,093	---	---	441,093
	<u>5,099,718</u>	<u>---</u>	<u>---</u>	<u>5,099,718</u>
<b>Excess of operating revenues over operating expenses</b>	9,312	---	---	9,312
<b>Self-Supporting Functions</b>				
General meetings and Seminars:				
Revenue	681,215	---	---	681,215
Direct expenses	(393,008)	---	---	(393,008)
Salary and benefit allocation (Note 10)	<u>(284,917)</u>	<u>---</u>	<u>---</u>	<u>(284,917)</u>
	3,290	---	---	3,290
<b>Other Revenue (Expense)</b>				
Investment income (Note 3)	86,686	---	---	86,686
Amortization of capital assets	<u>---</u>	<u>(63,346)</u>	<u>---</u>	<u>(63,346)</u>
	<u>86,686</u>	<u>(63,346)</u>	<u>---</u>	<u>23,340</u>
<b>Excess of revenues over expenditures (expenditures over revenues)</b>	99,288	(63,346)	---	35,942
<b>Fund balances, beginning of year</b>	1,948,306	178,162	1,222,955	3,349,423
<b>Fund transfers to (from):</b>				
Operating Fund	---	---	---	---
Capital Fund	---	32,969	(32,969)	---
Reserve Fund	<u>(63,346)</u>	<u>---</u>	<u>63,346</u>	<u>---</u>
	<u>(63,346)</u>	<u>32,969</u>	<u>30,377</u>	<u>---</u>
<b>Fund balances, end of year</b>	<u>\$ 1,984,248</u>	<u>\$ 147,785</u>	<u>\$ 1,253,332</u>	<u>\$ 3,385,365</u>

See accompanying notes to the financial statements

**ALBERTA SCHOOL BOARDS ASSOCIATION**  
**Schedule 5 – Operating Fund Revenues**  
Years Ended August 31, 2013 and August 31, 2012

	<u>2013</u>	<u>2012</u>
Memberships	\$ 2,993,300	\$ 2,892,079
Fee for service	2,087,882	1,801,975
Collaborative Practices in Action	142,985	128,000
Trustee development grant	85,000	85,000
Rental income	63,840	62,658
Regional Collaborative Service Delivery Model	47,145	---
Alberta School Employee Benefit Plan service fee	38,095	38,095
Newsletter	19,130	3,800
Technology Governance	15,000	---
Sponsorships	7,500	57,500
Miscellaneous	1,547	1,923
Safe learning environments grant	---	38,000
	<u>\$ 5,501,424</u>	<u>\$ 5,109,030</u>

**Schedule 6 – Operating Fund Expenditures**  
Years Ended August 31, 2013 and August 31, 2012

	<u>2013</u>	<u>2012</u>
Member services	\$ 2,279,445	\$ 2,248,042
Educational services	953,613	772,865
Executive office	638,907	659,522
Finance and administration	503,131	530,868
Corporate services	215,252	220,737
Communications	206,511	226,591
	<u>\$ 4,796,859</u>	<u>\$ 4,658,625</u>

*See accompanying notes to the financial statements*