

CANADIAN SCHOOL BOARDS ASSOCIATION

FINANCIAL REPORT 2012-2013

PREPARED BY FULLER LANDAU INC.



**CANADIAN SCHOOL BOARDS ASSOCIATIONS
L'ASSOCIATION CANADIENNE DES COMMISSIONS/
CONSEILS SCOLAIRES**

FINANCIAL STATEMENTS

MARCH 31, 2013

Draft for discussion only

**CANADIAN SCHOOL BOARDS ASSOCIATIONS
L'ASSOCIATION CANADIENNE DES COMMISSIONS/
CONSEILS SCOLAIRES
FINANCIAL STATEMENTS
MARCH 31, 2013**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Canadian School Boards Associations

We have audited the accompanying financial statements of Canadian School Boards Associations / L'Association Canadienne des commissions/conseils scolaires, which comprise the balance sheet as at March 31, 2013, and the statements of operations, changes in net assets 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 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 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 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 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 Canadian School Boards Associations / L'Association Canadienne des commissions/conseils scolaires as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Canadian School Boards Associations / L'Association Canadienne des commissions/conseils scolaires adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at March 31, 2012 and April 1, 2011, and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Montreal, Friday, June 14, 2013

¹ CPA auditor, CA, public accountancy permit No. AI 18902

**CANADIAN SCHOOL BOARDS ASSOCIATIONS
BALANCE SHEET
AS AT MARCH 31, 2013**

	2013 \$	2012 \$	As at April 1, 2011 \$
ASSETS			
Current			
Cash	104,156	397,349	371,729
Term deposit (Note 4)	300,000	-	-
Accounts receivable (Note 5)	6,440	139	4,764
Prepaid expenses	833	6,275	3,194
	411,429	403,763	379,687
Capital asset (Note 6)	1,367	644	920
	412,796	404,407	380,607
LIABILITIES			
Current			
Accounts payable and accrued liabilities	23,460	14,702	16,536
NET ASSETS			
Invested in capital assets	1,367	644	920
Internally restricted - administrative cost reserve	-	-	47,000
Internally restricted - fixed expenses reserve	-	-	100,000
Unrestricted	387,969	389,061	216,151
	389,336	389,705	364,071
	412,796	404,407	380,607

Approved by,

Date

**CANADIAN SCHOOL BOARDS ASSOCIATIONS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2013**

	2013	2012
	\$	\$
Income		
Membership fees	163,125	163,125
Interest	7,018	4,785
	170,143	167,910
Expenses		
Administration fees	25,800	24,000
Amortization of capital assets	423	276
Board meetings	11,748	5,084
President and national director travel	28,311	25,157
Executive stipend	12,396	12,500
Insurance	2,273	2,273
Memberships and registration	13,047	10,543
Office	5,874	5,252
Other meetings and committees	8,730	1,663
Professional fees	6,798	7,847
Salaries and fringe benefits	51,677	45,899
Telecommunications	3,435	1,782
	170,512	142,276
Excess (deficiency) of revenue over expenses	(369)	25,634

**CANADIAN SCHOOL BOARDS ASSOCIATIONS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2013**

	Invested in capital assets \$	Unrestricted \$	2013 \$	2012 \$
Balance, beginning of year	644	389,061	389,705	364,071
Excess (deficiency) of revenue over expenses	(423)	54	(369)	25,634
Acquisition of capital asset	1,146	(1,146)	-	-
Balance, end of year	1,367	387,969	389,336	389,705

**CANADIAN SCHOOL BOARDS ASSOCIATIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2013**

	2013 \$	2012 \$
Operating activities		
Excess (deficiency) of revenue over expenses	(369)	25,634
Item not requiring cash		
Amortization of capital asset	423	276
	54	25,910
Net change in non-cash working capital items	7,899	(290)
	7,953	25,620
Investing activities		
Acquisition of term deposit	(300,000)	-
Acquisition of capital asset	(1,146)	-
	(301,146)	-
Increase (decrease) in cash and cash equivalents	(293,193)	25,620
Cash and cash equivalents, beginning of year	397,349	371,729
Cash and cash equivalents, end of year	104,156	397,349

Cash and cash equivalents consist of cash.

CANADIAN SCHOOL BOARDS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013

1. Nature of the association

The Canadian School Boards Association - L'Association canadienne des commissions/conseils scolaires is a not-for-profit organization representing school board associations on federal policy issues affecting education. The Association is primarily funded by membership fees. The Association is incorporated under Part II of the Canada Corporations Act, and is exempt from income taxes under Section 149 of the Income Tax Act.

2. Impact of the change in the basis of accounting

The Association has elected to apply the standards in Part III of the CICA Handbook - Accounting, Canadian accounting standards for not-for-profit organizations.

These financial statements are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations, hereafter referred to as "ASNFPO".

The financial statements for the year ended March 31, 2013 were prepared in accordance with the accounting principles described and the provisions set out in Section 1501, First-time Adoption by not-for-profit organizations, of CICA Handbook - Accounting for first-time adopters of this basis of accounting.

The adoption of this new basis of accounting had no impact on the statement of operations of the Association for the year ending March 31, 2012, nor on the net assets at the transition date, being April 1, 2011.

Exemption relating to initial application

- The Association did not restate assets or liabilities related to related party transactions when such transactions occurred prior to the date of transition to ASNFPO.

3. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and include the following significant accounting policies:

Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount 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 reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

**CANADIAN SCHOOL BOARDS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

3. Significant accounting policies (continued)

Revenue recognition

The Association follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in 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 fees are recognized as revenue in the year in which the levy pertains to the extent that collection is reasonably assured.

Investment income is recognized as revenue when earned with the passage of time.

Cash and cash equivalents

The Association's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

Capital asset

Capital asset is accounted for at cost. Amortization is calculated on its estimated useful life using the declining balance method at the rate of 30%.

Impairment of long-lived assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

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.

Financial assets measured at amortized cost include cash, term deposit and accounts receivable.

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

**CANADIAN SCHOOL BOARDS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

3. Significant accounting policies (continued)

Financial instruments (continued)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. The Association determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in net earnings. The previously recognized impairment loss may be reversed to the extent of the improvement, 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 earnings.

4. Term deposit

Term deposit is comprised of a Guaranteed Investment Certificate (GIC) in the amount of \$300,000 bearing interest at 1.69% and maturing on April 4, 2013.

5. Accounts receivable

	2013	2012
	\$	\$
Interest receivable	5,028	-
Sales taxes receivable	617	139
Other receivable	795	-
	6,440	139

6. Capital asset

			2013	2012
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer hardware	3,025	1,658	1,367	644

**CANADIAN SCHOOL BOARDS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

7. Related party transactions

The following table presents a summary of the related party transactions during the year:

	2013	2012
	\$	\$
Membership fees received from associations with board members in common	163,125	163,125
Administrative expenses paid to an association with board members in common	25,800	24,000
Executive stipend paid to board members	12,396	12,500

These transactions were concluded in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Financial instruments

Risks and concentration

The Association is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Association's risk exposure at the balance sheet date of Sunday, March 31, 2013.

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 accounts payable and accrued liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed and variable interest rate financial instruments. The Association's exposure to market interest rates relates primarily to the return it earns on its term deposit. It currently earns interest based on a fixed rate of 1.69%, and is consequently exposed to interest rate risk should the market rate increase.

**CANADIAN SCHOOL BOARDS ASSOCIATIONS
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2013**

9. Comparative figures

Certain figures for 2012 have been reclassified to make their presentation identical to that adopted in 2013.

Draft for discussion only



CSBA Approved Budget 2013-2014



	Budget 2013-2014	Budget 2012-2013	Notes
Revenue			
Alberta	29,433.94	29,433.94	
British Columbia	29,433.94	29,433.94	
Manitoba	15,521.34	15,521.34	
Newfoundland	8,565.04	8,565.04	
Nova Scotia	12,738.82	12,738.82	
Ontario	41,955.28	41,955.28	
Quebec	11,347.56	11,347.56	
Saskatchewan	14,130.08	14,130.08	
Membership Fees	163,126.00	163,126.00	1
Other Revenue	5,000.00	2,000.00	2
Total Revenue	168,126.00	165,126.00	
EXPENSES			
Payroll Expense	54,300.00	52,000.00	9
General & Administrative Expenses			
Staff Development	2,500.00	3,500.00	
Directors & Staff Travel Related Expenses	26,700.00	26,500.00	3
Executive Stipends	12,500.00	12,500.00	
Meetings & Conferences Expenses	10,200.00	9,000.00	8
Subscription, membership & registration	14,000.00	16,000.00	7
Accounting & Audit	7,500.00	8,000.00	9
Monthly Administration fees	26,400.00	24,000.00	4
Communications Related Expenses	4,000.00	4,000.00	5
Insurance	2,400.00	2,500.00	9
General Office Expenses	7,626.00	7,126.00	6
CEA Sponsorship	10,000.00	0.00	11
Total General & Admin. Expenses	123,826.00	113,126.00	
TOTAL EXPENSES	178,126.00	165,126.00	
Surplus (Deficit)	-10,000.00	0.00	11

Notes

1. No change in membership fees from previous year, as per board resolution.
2. Other revenue is mostly interest on short term GICs.
3. Director & staff travel expenses have been combined.
4. Payable to QESBA as per agreement.
6. Office expenses include printing, publications, courier, office help, bank charges, etc...
7. Includes C21 Canada Inc. annual membership (10k/year).
8. Mostly expenses incurred in connection with board meetings & conferences.
9. Comparable to previous year budget.
10. The surplus as of January 31, 2013 stands at \$388,938
11. The deficit is due to CEA Sponsorship.