

**NORTH WEST TEACHERS' ASSOCIATION**  
**AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

**August 31, 2013**

## Management's Responsibility

To the members of North West Teachers Association:

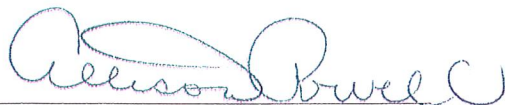
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Executive is composed of members who are employees of the organization. The Executive is responsible for overseeing management in the performance of its financial reporting responsibilities. The Executive fulfils these responsibilities by reviewing the financial information prepared by the treasurer and discussing relevant matters with external auditors. The Executive is also responsible for recommending the appointment of the organization's external auditors.

Holm Clements Kwong Svenkeson Raiche, an independent firm of chartered accountants, is appointed by the Executive to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and administration to discuss their audit findings.

January 21, 2014  
Date



President



Treasurer

# *Holm Clements Kwong Svenkeson Raiche*

## *Chartered Accountants*

1321 -101st Street

North Battleford, Saskatchewan S9A 0Z9

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### **INDEPENDENT AUDITOR'S REPORT**

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To the Members of North West Teachers' Association

We have audited the accompanying financial statements of North West Teachers Association which comprise the statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011 and the statements of operations, changes in net assets 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 audit. We conducted our audit in accordance with Canadian accounting standards for not-for-profit organizations. 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.

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G.K. Holm, CA\* W.J. Clements, CA\* G.D. Kwong, CMA, CA\* B.W. Svenkeson, CA\* L.A. Raiche, CA, CFP\*

\*Denotes a Professional Corporation

Independent Auditor's Report to the Members of North West Teachers' Association *(continued)*

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of North West Teachers' 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 year then ended August 31, 2013, August 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

North Battleford, Saskatchewan  
January 21, 2014

*Holm Clements Kwong Svenkeson Raiche*  
Chartered Accountants

NORTH WEST TEACHERS' ASSOCIATION

## Statement of Financial Position

August 31, 2013

	<i>August 31</i> 2013	<i>August 31</i> 2012	<i>September 1</i> 2011
<u>ASSETS</u>			
<b>CURRENT</b>			
Cash	\$ 133,292	\$ 127,836	\$ 120,699
Inventories	2,477	4,708	-
	<u>\$ 135,769</u>	<u>\$ 132,544</u>	<u>\$ 120,699</u>
<u>LIABILITIES</u>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 1,401	\$ 2,400	\$ 1,000
<u>NET ASSETS</u>			
<b>UNRESTRICTED</b>	<u>134,368</u>	<u>130,144</u>	<u>119,699</u>
	<u>\$ 135,769</u>	<u>\$ 132,544</u>	<u>\$ 120,699</u>

On behalf of the Board

\_\_\_\_\_  
*Director*\_\_\_\_\_  
*Director*

See notes to financial statements



**NORTH WEST TEACHERS' ASSOCIATION****Statement of Operations****Year Ended August 31, 2013**

	<b>2013</b>	<b>2012</b>
<b>REVENUE</b>		
Convention fees	\$ 19,586	\$ 19,267
Employment insurance rebate	30,756	28,458
Interest	840	644
Public relations	1,160	-
Teacher fees	21,367	21,018
	<u>73,709</u>	<u>69,387</u>
<b>EXPENSES</b>		
Administrative	593	524
Convention	30,810	23,852
Honorarium	17,761	15,564
LINC	-	4,698
NWTA meetings	8,370	8,752
Professional development	1,829	693
Professional fees	2,087	1,400
Public relations	8,035	3,459
	<u>69,485</u>	<u>58,942</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 4,224</b>	<b>\$ 10,445</b>

NORTH WEST TEACHERS' ASSOCIATION

Statement of Changes in Net Assets

Year Ended August 31, 2013

	<u>2013</u>	<u>2012</u>
BALANCE - BEGINNING OF YEAR	\$ 130,144	\$ 119,699
Excess of revenue over expenses	<u>4,224</u>	<u>10,445</u>
BALANCE - END OF YEAR	<u>\$ 134,368</u>	<u>\$ 130,144</u>

See notes to financial statements

**NORTH WEST TEACHERS' ASSOCIATION****Statement of Cash Flows****Year Ended August 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities</b>		
Cash receipts from members and others	\$ 73,710	\$ 69,387
Cash paid to suppliers and members	<u>(68,254)</u>	<u>(62,250)</u>
<b>Net change in cash and cash equivalents during the year</b>	<b>5,456</b>	<b>7,137</b>
<b>Cash and cash equivalents - beginning of year</b>	<u>127,836</u>	<u>120,699</u>
<b>Cash and cash equivalents - end of year</b>	<u><b>\$ 133,292</b></u>	<u><b>\$ 127,836</b></u>

**Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and loans with financial institutions. Cash and cash equivalents is comprised of the following statement of financial position amount:

Cash	<u>\$ 133,292</u>	<u>\$ 127,836</u>
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**NORTH WEST TEACHERS' ASSOCIATION****Notes to Financial Statements****August 31, 2013**

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**1. Nature of the association**

The North West Teachers' Association is a teachers' association representing the teachers employed by the Northwest School Division No. 203.

**2. First time adoption of Accounting Standards for Not-for-Profit Organizations**

During the year, the association adopted accounting standards for not-for-profit organizations (ASNPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNPO had no impact on net assets as at September 1, 2011 or operations, net assets or cash flows for the year ended August 31, 2012 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

**3. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies the association considered particularly significant.

**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, bank lines of credit and term deposits with a maturity period of three months or less from the date of acquisition. Term deposits that the company cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

**Income taxes**

The North West Teachers' Association is not subject to either federal or provincial income taxes.

**Revenue recognition**

North West Teachers' Association follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the Unrestricted Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund. Currently, the association has no restricted funds.

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

Seminar fees are recognized as revenue of the Unrestricted Fund when the seminars are held.

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**NORTH WEST TEACHERS' ASSOCIATION****Notes to Financial Statements****August 31, 2013**

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**3. Significant accounting policies *(continued)***Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the association's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- the allowance for doubtful accounts;
- the allowance for inventory obsolescence;

Volunteer services

Volunteers contribute a significant amount of time to assist the association in carrying out its activities. Because of the difficulty of determining the fair value of such services, contributed services are not recognized in the financial statements.

**4. Financial instruments**

The association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration as of August 31, 2013.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from customers. In order to reduce its credit risk, the association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The association has a significant number of customers which minimizes concentration of credit risk. There was no allowance for doubtful accounts for August 31, 2013 and 2012.

**5. Comparative figures**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.