

**COMMUNITY LEARNING NETWORK - AN ALBERTA ASSOCIATION OF LEADERS IN  
LIFELONG LEARNING**

**Financial Statements**

**Year Ended June 30, 2018**

**COMMUNITY LEARNING NETWORK - AN ALBERTA ASSOCIATION OF LEADERS IN  
LIFELONG LEARNING**

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**Year Ended June 30, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Community Learning Network - An Alberta Association of Leaders in Lifelong Learning

We have audited the accompanying financial statements of Community Learning Network - An Alberta Association of Leaders in Lifelong Learning, which comprise the statement of financial position as at June 30, 2018 and the statements of revenues and expenditures, 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 Community Learning Network - An Alberta Association of Leaders in Lifelong Learning as at June 30, 2018 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.

Edmonton, Alberta  
August 29, 2018

  
RADKE PROFESSIONAL CORPORATION  
CHARTERED ACCOUNTANTS

**COMMUNITY LEARNING NETWORK - AN ALBERTA ASSOCIATION OF LEADERS IN  
LIFELONG LEARNING**

**Statement of Revenues and Expenditures**

**Year Ended June 30, 2018**

	2018	2017
<b>REVENUES</b>		
Grants	\$ 1,378,472	\$ 1,106,329
Fee for service and registrations	71,365	43,348
Interest	4,339	2,988
Sale of materials	418	795
Other revenues	400	10,800
	<u>1,454,994</u>	<u>1,164,260</u>
<b>EXPENSES</b>		
Salaries and wages	770,718	685,959
Meeting expenses	210,382	78,694
Travel	170,240	137,789
Consulting fees	109,748	91,580
Project contractor fees	81,878	74,048
Administrative	25,363	19,649
Technology-related expenses	22,357	12,393
Rental	21,525	21,371
Event promotion	12,222	-
Telephone	11,177	10,601
Professional fees	5,460	5,386
Professional development	5,427	7,706
Insurance	4,001	3,787
Bank charges	3,280	3,105
	<u>1,453,778</u>	<u>1,152,068</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 1,216</u>	<u>\$ 12,192</u>

**COMMUNITY LEARNING NETWORK - AN ALBERTA ASSOCIATION OF LEADERS IN  
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**Statement of Changes in Net Assets**

**Year Ended June 30, 2018**

	Unrestricted	Internally Restricted	2018	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 13,831	\$ 180,000	\$ 193,831	\$ 181,639
Excess of revenues over expenses	<u>1,216</u>	<u>-</u>	<u>1,216</u>	<u>12,192</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 15,047</u>	<u>\$ 180,000</u>	<u>\$ 195,047</u>	<u>\$ 193,831</u>

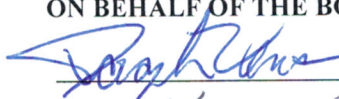
**COMMUNITY LEARNING NETWORK - AN ALBERTA ASSOCIATION OF LEADERS IN  
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**Statement of Financial Position**

**June 30, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash ( <i>Note 3</i> )	\$ 192,602	\$ 280,216
Term deposits ( <i>Note 4</i> )	104,714	86,563
Accounts receivable	1,736	143
Goods and services tax recoverable	5,513	4,125
Deposits	8,603	6,350
	<u>\$ 313,168</u>	<u>\$ 377,397</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 14,281	\$ 9,073
Wages payable	22,735	26,711
Deferred revenues	32,605	32,810
Deferred contributions ( <i>Note 5</i> )	48,500	114,972
	<u>118,121</u>	<u>183,566</u>
<b>NET ASSETS</b>		
Unrestricted	15,047	13,831
Internally restricted ( <i>Note 6</i> )	180,000	180,000
	<u>195,047</u>	<u>193,831</u>
	<u>\$ 313,168</u>	<u>\$ 377,397</u>

**ON BEHALF OF THE BOARD**

  
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Karen Plouffe Director

**COMMUNITY LEARNING NETWORK - AN ALBERTA ASSOCIATION OF LEADERS IN  
LIFELONG LEARNING**

**Statement of Cash Flows  
Year Ended June 30, 2018**

	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from grantors, donors and customers	\$ 1,382,590	\$ 1,021,619
Cash paid to suppliers and employees	(1,455,004)	(1,118,247)
Interest received	4,339	2,988
Goods and services tax	<u>(1,388)</u>	<u>8,518</u>
Cash flow used by operating activities	<u>(69,463)</u>	<u>(85,122)</u>
<b>INVESTING ACTIVITY</b>		
Term deposits	<u>(18,151)</u>	<u>(65,140)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(87,614)</b>	<b>(150,262)</b>
Cash - beginning of year	<u>280,216</u>	<u>430,478</u>
<b>CASH - END OF YEAR (Note 3)</b>	<b><u>\$ 192,602</u></b>	<b><u>\$ 280,216</u></b>

**COMMUNITY LEARNING NETWORK - AN ALBERTA ASSOCIATION OF LEADERS IN  
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**Notes to Financial Statements**

**Year Ended June 30, 2018**

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**1. PURPOSE OF ORGANIZATION**

The Community Learning Network (the "CLN") is to lead a visionary network of learning communities. The CLN's mission is to support community adult learning programs through leadership, resources, training and connections.

The CLN is incorporated under the Societies Act of Alberta and is a registered non-profit charitable organization under the Income Tax Act of Canada and as such is exempt from income taxes. In order to maintain its status as a registered not-for-profit charitable organization under the Act, the Society must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

Cash and short term investments

Short-term debt securities purchased with maturity of three months or less are classified as cash equivalents.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	45%	declining balance method
Office equipment	20%	declining balance method

The Organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Restricted contributions for the purchase of capital assets are recognized over the useful life of the asset. Unrestricted contributions are recognized as revenue in the year when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed goods and services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Donated goods are recorded at their fair market value at the time of the donation when the value can reasonably be determined.

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**Notes to Financial Statements  
Year Ended June 30, 2018**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability.

The Organization assess impairment of all of its financial assets measured at cost or amortized cost when there is an indication of impairment. Any impairment which is not considered temporary is included in current year net earnings.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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3. RESTRICTED CASH

The Organization has externally restricted cash of \$81,1051 (2017 - \$147,782).

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4. TERM DEPOSITS

The Organization has a credit card facility to a maximum of \$20,000. Term deposits of \$20,000 are held as security for this facility.

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5. DEFERRED CONTRIBUTIONS

The deferred contributions relate to funding received in the current period for future period operations and are externally restricted by the Government of Alberta.

	Opening	Amounts Received	Recognized as Revenue	Closing
Support Services Grant	\$ 28,025	\$ 1,312,000	\$ 1,291,525	\$ 48,500
Professional Development Advisory Committee Grant	86,947	-	86,947	-
	<u>\$ 114,972</u>	<u>\$ 1,312,000</u>	<u>\$ 1,378,472</u>	<u>\$ 48,500</u>

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**Notes to Financial Statements**

**Year Ended June 30, 2018**

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**6. INTERNALLY RESTRICTED FUND**

During the year, the Board of Director's restricted \$NIL to cover operating expenses in the event of delayed or terminated funding. A total of \$180,000 (2017 - \$180,000) has been restricted to cover operating expenses in the event of delayed or terminated funding.

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**7. LEASE COMMITMENTS**

The Organization leases premises under a long term lease that expires on September 30, 2019. The commitment for base rent are as follows:

2019	\$	21,000
2020		<u>5,250</u>
	\$	<u>26,250</u>

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**8. FINANCIAL INSTRUMENTS**

The Organization 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 Organization's risk exposure and concentration as of June 30, 2018.

**Fair Value**

The Organization holds various forms of financial instruments, consisting of cash, term deposits, accounts receivable, accounts payable and deferred contributions. Due to the short term nature of these instruments, the carrying value approximates their fair value.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers purchasing materials. The Organization considers this risk minimal as individual sale amounts are insignificant and the Organization has a significant number of customers which minimizes concentration of credit risk.

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Organization is exposed to interest rate risk primarily through its credit facility. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities which includes payments of all balances on a regular basis.

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