

**ONTARIO ASSOCIATION OF SCHOOL  
BUSINESS OFFICIALS**  
*REPORT AND FINANCIAL STATEMENTS*  
*AUGUST 31, 2017*

## *INDEPENDENT AUDITORS' REPORT*

### *To the Board of Directors of Ontario Association of School Business Officials*

We have audited the accompanying financial statements of Ontario Association of School Business Officials ("OASBO"), which comprise the statement of financial position as at August 31, 2017, 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.

#### *Auditors' 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 whether the financial statements are free of 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 auditors' 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 auditors consider 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, these financial statements present fairly, in all material respects, the financial position of OASBO as at August 31, 2017 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Mississauga, Ontario  
December 7, 2017

*Gilmore + Company LLP*

Chartered Professional Accountants  
Licensed Public Accountants


**ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**

**STATEMENT OF FINANCIAL POSITION**

*As at August 31, 2017, with comparative information for 2016*

	2017	2016
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 3,439,735	\$ 3,480,461
Accounts receivable (Note 3)	36,518	18,089
Government remittances	-	603
HST receivable	56,843	47,894
Prepaid expenses and deposits	92,781	33,095
	<b>\$ 3,625,877</b>	<b>\$ 3,580,142</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 21,646	\$ 73,292
Government remittances	6,860	-
Deferred revenue	86,005	62,000
Deferred contributions (Note 4)	1,238,817	1,564,407
Due to CAEAS-ECAB (Note 5)	535,496	-
	<b>1,888,824</b>	<b>1,699,699</b>
<b>NET ASSETS</b>		
Unrestricted	706,749	847,392
Internally restricted (Note 6)	1,030,304	1,033,051
	<b>1,737,053</b>	<b>1,880,443</b>
	<b>\$ 3,625,877</b>	<b>\$ 3,580,142</b>

On behalf of the Board

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Vice President

# ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

## STATEMENT OF OPERATIONS

For the year ended August 31, 2017, with comparative information for 2016

	2017 Budget (Note 9)	2017 Actual	2016 Actual
<b>Revenues (Note 8)</b>			
Advertising services			
Circulars	\$ 57,000	\$ 79,236	\$ 66,825
Advocate	-	11,619	10,856
Annual conference - net (Note 8)	66,000	45,185	39,523
Government funding	-	645,525	891,527
Interest and other income	15,000	9,404	76,726
Membership fees	267,200	260,508	243,874
Workshops and seminars - net (Note 8)	70,500	53,688	3,018
	<b>475,700</b>	<b>1,105,165</b>	<b>1,332,349</b>
<b>Expenses</b>			
General (Schedule A)	510,888	548,592	451,938
Committees (Schedule B)	94,724	52,845	41,135
Projects (Schedule C)	-	647,118	895,135
	<b>605,612</b>	<b>1,248,555</b>	<b>1,388,208</b>
<b>Deficiency of revenues over expenses for the year</b>	<b>\$ (129,912)</b>	<b>\$ (143,390)</b>	<b>\$ (55,859)</b>

**ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**

**STATEMENT OF CHANGES IN NET ASSETS**

*For the year ended August 31, 2017, with comparative information for 2016*

	2017 Unrestricted	2017 Internally Restricted (Note 5)	2017 Total	2016 Total
Net assets, beginning of year	\$ 847,392	\$1,033,051	\$1,880,443	\$1,936,302
(Deficiency) of revenues over expenses for the year	(140,643)	(2,747)	(143,390)	(55,859)
Net assets, end of year	\$ 706,749	\$1,030,304	\$1,737,053	\$1,880,443

# ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

## STATEMENT OF CASH FLOWS

For the year ended August 31, 2017, with comparative information for 2016

	2017	2016
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Deficiency of revenues over expenses for the year	\$ (143,390)	\$ (55,859)
Changes in non-cash working capital items:		
Accounts receivable	(18,429)	18,322
HST receivable	(8,949)	(28,480)
Prepaid expenses and deposits	(59,686)	69,218
Accounts payable and accrued liabilities	(51,646)	(36,948)
Government remittances	7,463	531
Deferred revenue	24,005	(1,130)
Deferred contributions	(325,590)	132,359
	(576,222)	98,013
<b>Financing activity</b>		
Due to CAEAS-ECAB	535,496	-
<b>Investing activity</b>		
Redemption of short-term investments	-	2,420,349
<b>Net (decrease) increase in cash during the year</b>	(40,726)	2,518,362
<b>Cash, beginning of year</b>	3,480,461	962,099
<b>Cash, end of year</b>	\$ 3,439,735	\$ 3,480,461

**NOTES TO FINANCIAL STATEMENTS**

*August 31, 2017*

***Purpose of the organization***

The Ontario Association of School Business Officials ("OASBO") is dedicated to the pursuit and support of quality education for all students. OASBO is an autonomous non-profit, educational organization of professionals that works collaboratively to support learning by developing and promoting excellence in business practices. OASBO was incorporated without share capital on November 6, 1969 by Letters Patent under the Corporation Act (Ontario). OASBO is a not-for-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

**1. *Summary of significant accounting policies***

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following policies:

**Revenue recognition**

OASBO follows the deferral method of accounting for contributions, which include government grants. Restricted contributions are recorded as revenue in the period in which the related expenses are incurred. Unrestricted contributions are recorded as revenue in the period received or receivable.

Revenues from membership fees are recognized as income over the membership period.

Revenues from fees for workshops, conferences, advertising and other services are recognized as revenue when the events or services are rendered.

Revenues relating to membership fees, workshop registrations and advertising revenue received in advance of the year to which they pertain are recorded as deferred revenue and recognized as revenue in the year the events or services occur.

Interest income is recognized when earned.



# ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

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## NOTES TO FINANCIAL STATEMENTS

August 31, 2017

### 1. *Summary of significant accounting policies (continued)*

#### **Use of estimates**

The preparation of financial statements in accordance 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. Such estimates include allowances for doubtful accounts. Actual results could differ from those estimates. On an ongoing basis, management reviews its estimates, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### **Financial instruments**

OASBO initially measures its financial assets and liabilities at fair value. OASBO subsequently measures all its financial assets and financial liabilities at amortized cost. OASBO has not designated any financial asset or financial liability to be measured at fair value. Financial assets include cash, accounts receivable and HST receivable. Financial liabilities include accounts payable and accrued liabilities, government remittances payable and due to CAEAS-ECAB.

### 2. *Financial instruments*

The financial risks to which OASBO is exposed are as follows:

#### **Credit risk**

OASBO is exposed to credit risk in the event of non-performance by members, but does not anticipate such non-performance. OASBO's credit risk is minimized by the broad base of members and by monitoring the credit risk of members on a regular basis. The maximum credit risk is the fair value of the accounts receivable.

### 3. *Accounts receivable*

	2017	2016
Accounts receivable	\$ 45,900	\$ 30,762
Allowance for doubt accounts	(9,382)	(12,673)
	<u>\$ 36,518</u>	<u>\$ 18,089</u>

# ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

## NOTES TO FINANCIAL STATEMENTS

August 31, 2017

### 4. *Deferred contributions*

Deferred contributions consist of unspent resources received or receivable from the Ministry of Education and Ontario School Bus Association. The Ministry of Education contributions are externally restricted for purposes of Community Use of Schools (CUS) programs and projects approved by the Council of Senior Business Officials' (COSBO's) Effectiveness and Efficiency (E&E) Advisory Committee. The Ontario School Bus Association contributions are externally restricted for purposes of funding scholarships and research projects.

Changes in the deferred contributions balance are as follows:

	2017	2016
Balance beginning of year, related to COSBO's E&E Advisory Committee	\$ 1,536,264	\$ 1,403,905
Add amount received during the year	319,935	1,020,898
Less amount recognized as revenue in the year	(645,525)	(888,539)
Balance end of year, related to COSBO's E&E Advisory Committee	1,210,674	1,536,264
Balance beginning of year, related to Community Use of Schools program	-	-
Add amount received during the year	-	2,988
Add amount receivable at year end	-	-
Less amount recognized as revenue in the year	-	(2,988)
Balance end of year, related to Community Use of Schools program	-	-
Balance beginning of year and end of year, related to joint projects between OASBO and Ontario School Bus Association	28,143	28,143
Total deferred contributions, end of year	\$ 1,238,817	\$ 1,564,407

**ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**

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**NOTES TO FINANCIAL STATEMENTS**

*August 31, 2017*

**5. *Due to CAEAS-ECAB***

The amount due to CAEAS-ECAB is non-interest bearing, unsecured and due on demand. OASBO received \$1,000,000 on behalf of CAEAS-ECAB from the Ministry of Education. OASBO administers costs on behalf of CAEAS-ECAB for its programs and projects.

**6. *Internally restricted net assets***

The Board of Directors has internally restricted net assets totalling \$1,030,304 (2016 - \$1,033,051), of which \$923,532 (2016 - \$923,532) is internally restricted for COSBO's E&E projects (as per Board of Director resolution dated, November 27, 2007), \$68,113 (2016 - \$68,113) is internally restricted for COSBO's E&E projects (as per Board of Director resolution dated, December 1, 2016) and \$38,659 (2016 - \$41,406) is internally restricted for Privacy Information Management (PIM) Taskforce Project.

**7. *Commitments***

OASBO has commitments with respect to operating leases for various equipment and the business premises. The minimum annual commitment under these leases is approximately as follows:

2018	-	\$ 5,813
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# ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

## NOTES TO FINANCIAL STATEMENTS

August 31, 2017

### 8. Revenue

OASBO budgets for the annual conference, workshops and seminars and certain special events on a net basis. Revenues and expenses associated with these activities are as follows:

	2017	2016
Annual conference		
Revenues	\$ 237,402	\$ 210,910
Expenses	192,217	171,387
Net revenue	\$ 45,185	\$ 39,523
Workshops and seminars		
Revenues		
Finance	\$ 38,675	\$ 34,640
Information technology	2,661	9,278
Council of senior business officials	34,100	36,933
Transportation	68,740	74,575
Support staff	45,410	47,365
Health and safety	4,200	6,110
Operations, maintenance, and construction	257,410	229,410
Supply chain	8,295	9,270
	459,491	447,581
Expenses		
Finance	34,983	31,273
Information technology	-	-
Council of senior business officials	37,961	37,945
Transportation	62,374	66,561
Support staff	43,739	36,779
Health and safety	3,659	1,644
Operations, maintenance, and construction	215,030	261,088
Supply chain	8,057	9,273
	405,803	444,563
Net revenue	\$ 53,688	\$ 3,018

## ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

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### NOTES TO FINANCIAL STATEMENTS

August 31, 2017

#### 9. *Budget*

The budget figures presented are unaudited.

#### 10. *Guarantees*

In the normal course of business, OASBO enters into agreements that meet the definition of a guarantee. OASBO's primary guarantees are as follows:

- (a) OASBO has provided indemnities under lease agreements for various equipment and the business premises. Under the terms of these agreements OASBO agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- (b) Indemnity has been provided to all directors and or officers of OASBO for various items including, but not limited to, all costs to settle suits or actions due to involvement with OASBO, subject to certain restrictions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a director or officer of OASBO. The maximum amount of any future payment cannot be reasonably estimated.

The nature of these indemnification agreements prevents OASBO from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability, which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, OASBO has not made any significant payments under such or similar indemnification agreements. At this time, OASBO is not aware of any claims under these guarantees and therefore no amount has been accrued in the financial statements with respect to these guarantees.

#### 11. *Staff salaries*

There are no employees earning annual salaries greater than \$100,000.

**ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**

**SCHEDULE OF GENERAL EXPENSES**

**SCHEDULE A**

*For the year ended August 31, 2017, with comparative information for 2016*

	2017 Budget (Note 9)	2017 Actual	2016 Actual
<b>General</b>			
Administrative expenses	\$ -	\$ 15,636	\$ 10,403
Board of Directors			
- Meetings	39,000	33,422	31,337
- Other	3,000	8,568	5,363
Communications plan	90,000	87,813	-
Credit card processing and bank charges	16,000	27,643	23,587
Equipment leases and services	3,384	3,417	4,749
Fraternal and leadership conference	16,000	13,417	28,182
Insurance	5,000	6,350	4,054
Internet and website	10,748	9,325	23,888
OASBO scholarship	6,000	4,000	4,000
Office equipment and software	8,500	14,451	5,040
Office rent	24,884	24,209	23,767
Office supplies	5,000	8,736	9,340
Postage and courier	1,500	672	684
Printing	2,000	1,347	2,239
Professional fees	12,500	25,404	11,550
Publications	2,500	-	-
Public relations	4,000	6,914	3,248
Recruitment costs	-	-	18,812
Staff development	2,000	1,750	-
Staff salaries and benefits	230,872	238,231	220,793
Strategic direction	8,000	-	-
Teleconferencing	13,000	11,065	14,099
Telephone and fax	7,000	6,222	6,803
	<b>\$ 510,888</b>	<b>\$ 548,592</b>	<b>\$ 451,938</b>

**ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**

**SCHEDULE OF COMMITTEE EXPENSES**

**SCHEDULE B**

*For the year ended August 31, 2017, with comparative information for 2016*

	2017 Budget (Note 9)	2017 Actual	2016 Actual
<b>Committees</b>			
Admissions / enrolment	\$ 3,400	\$ 1,736	\$ 1,409
Community use schools	5,200	5,199	1,878
COSHRO	1,000	661	337
Disability management	4,880	2,174	1,729
Environmental and sustainability	1,500	1,745	-
Finance	5,000	2,414	1,904
Health and safety	4,500	2,812	1,483
Human resources	1,960	243	153
Information and communications technology	2,904	2,342	1,865
Information management / privacy & access	3,940	4,093	2,451
Internal audit	2,200	1,036	766
OMC construction practice	1,000	-	-
OMC energy conservation	1,000	990	2,150
Operations, maintenance and construction	5,140	5,924	6,096
Payroll and benefits	6,120	2,153	1,733
Planning	4,780	2,898	3,591
Risk management	2,440	952	976
Senior business officials	3,160	-	-
Special projects	25,000	6,135	6,949
Supply chain management	5,800	5,154	2,748
Transportation	3,800	4,184	2,917
	<b>\$ 94,724</b>	<b>\$ 52,845</b>	<b>\$ 41,135</b>

**ONTARIO ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**

**SCHEDULE OF PROJECT EXPENSES**

*For the year ended August 31, 2017, with comparative information for 2016*

**SCHEDULE C**

	2017 Actual	2016 Actual
<b>Effectiveness and efficiency projects</b>		
Audit committee meeting	\$ -	\$ 46,161
CAESA-ECAB	205,106	-
Capital training program	40,792	119,532
ECNO/OASBO shared tech services pilot project	198,171	228,093
E&E project co-coordinator	35,628	48,545
HST rebate	-	(51,298)
Orphaned benefit plans transition study	1,273	68,930
RFX Template	500	-
Shared service pilot and implementation projects	131,354	300,000
Strategic enterprise risk mangement	20,557	24,580
Student transportation competitve procurement	1,135	19,246
Student information workflow advisory committee	11,009	-
Trustee professional developoment - audit committee	-	84,750
	<b>645,525</b>	<b>888,539</b>
<b>Community use of schools program</b>	<b>(1,154)</b>	<b>6,596</b>
<b>Privacy information management taskforce</b>	<b>2,747</b>	<b>-</b>
	<b>\$ 647,118</b>	<b>\$ 895,135</b>