

Junior Achievement of Southern Alberta

Financial Statements
June 30, 2007

August 21, 2007

Auditors' Report

**To the Board of Directors of
Junior Achievement of Southern Alberta**

We have audited the balance sheet of **Junior Achievement of Southern Alberta** as at June 30, 2007 and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the society's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the society as at June 30, 2007 and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Junior Achievement of Southern Alberta

Balance Sheet

As at June 30, 2007

	2007 \$	2006 \$
Assets		
Current assets		
Cash and cash equivalents	522,777	373,226
Accounts receivable	17,368	44,167
Supplies inventory	16,766	15,522
Prepaid expenses	44,283	39,223
Funds held in trust (note 3)	61,501	92,253
	<hr/> 662,695	<hr/> 564,391
Funds held in trust (note 3)	4,000	16,000
Capital assets (note 6)	<hr/> 42,779	<hr/> 47,674
	<hr/> 709,474	<hr/> 628,065
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	56,993	53,409
Scholarship liability (note 3)	61,501	92,253
Deferred revenue	172,895	155,463
Deferred contributions (note 4)	16,000	16,500
	<hr/> 307,389	<hr/> 317,625
Scholarship liability (note 3)	4,000	16,000
Deferred contributions (note 4)	<hr/> 29,500	<hr/> 20,500
	<hr/> 340,889	<hr/> 354,125
Net Assets		
Invested in capital assets	42,779	47,674
Internally restricted (note 5)	-	364,540
Unrestricted	325,806	(138,274)
	<hr/> 368,585	<hr/> 273,940
	<hr/> 709,474	<hr/> 628,065

Commitments (note 7)

Approved by the Board of Directors

_____ Director

_____ Director

Junior Achievement of Southern Alberta

Statement of Revenue and Expenses

For the year ended June 30, 2007

	2007 \$	2006 \$
Revenue		
Program support	600,582	398,746
Fundraising Business Hall of Fame Dinner	287,550	320,875
Donations-in-kind	190,054	191,762
Contributions	176,172	110,892
Government funding	44,652	75,725
Casino revenue	25,171	50,637
Investment income	11,825	8,457
	<hr/> 1,336,006	<hr/> 1,157,094
Expenses		
General and administrative (schedule 1)	725,673	679,673
Fundraising Business Hall of Fame Dinner	240,596	254,555
Program direct	238,564	211,476
Business development	15,542	24,310
Amortization	10,636	11,146
Scholarships	10,350	-
	<hr/> 1,241,361	<hr/> 1,181,160
Excess (deficiency) of revenue over expenses	<hr/> 94,645	<hr/> (24,066)

Junior Achievement of Southern Alberta

Statement of Changes in Net Assets

For the year ended June 30, 2007

	Internally restricted \$	Unrestricted \$	Invested in capital assets \$	Total 2007 \$	Total 2006 \$
Balance – Beginning of year	364,540	(138,274)	47,674	273,940	298,006
Excess (deficiency) of revenue over expenses	-	105,281	(10,636)	94,645	(24,066)
Investment in capital assets		(5,741)	5,741	-	-
Internally imposed restrictions	(364,540)	364,540	-	-	-
Balance – End of year	-	325,806	42,779	368,585	273,940

Junior Achievement of Southern Alberta

Statement of Cash Flows

For the year ended June 30, 2007

	2007 \$	2006 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	94,645	(24,066)
Item not affecting cash		
Amortization	10,636	11,146
Deferred contributions amortized to revenue	(11,350)	-
	<hr/>	<hr/>
	93,931	(12,920)
Changes in non-cash working capital items	41,511	30,212
	<hr/>	<hr/>
	135,442	17,292
Investing and financing activities		
Purchase of capital assets	(5,741)	(8,646)
Funds held in trust	(42,752)	29,747
Scholarship liability	42,752	(29,747)
Deferred contributions, received	19,850	37,000
	<hr/>	<hr/>
	14,109	28,354
Increase in cash	149,551	45,646
Cash and cash equivalents – Beginning of year	373,226	327,580
Cash and cash equivalents – End of year	<hr/> 522,777	<hr/> 373,226
Cash and cash equivalents consist of:		
Cash	206,480	112,941
Government of Canada Treasury Bills	203,534	199,156
Guaranteed Investment Certificates	112,763	61,129
	<hr/>	<hr/>
	522,777	373,226
	<hr/>	<hr/>

Junior Achievement of Southern Alberta

Notes to Financial Statements

June 30, 2007

1 General

Junior Achievement of Southern Alberta (the "Society") is a not-for-profit organization which provides students with a better understanding of the Canadian business system and its free enterprise foundation, through practical education programs, delivered with the active involvement of the business community. Junior Achievement is a charter organization of Junior Achievement of Canada and is responsible for delivery of Junior Achievement programs throughout the charter territory of Southern Alberta.

Junior Achievement of Southern Alberta is directly responsible for the delivery of its programs in the City of Calgary and throughout all of Southern Alberta. As a result, Junior Achievement supports through regional committees of the Board, the activities of Junior Achievement in the cities of Red Deer, Lethbridge and Medicine Hat, the Foothills region and in the many communities and regions making up their regional territories. These committees are individually tasked and are responsible for fund raising in each of their respective areas of jurisdiction in support of the programs of Junior Achievement.

Junior Achievement is a registered charitable organization as defined by paragraph 149.1 of the Income Tax Act, and as such, is exempt from income taxes.

2 Summary of significant accounting policies

Basis of accounting

These financial statements include the assets, liabilities and results of operations of the regions described above.

Use of estimates

The preparation of the financial statements in accordance with generally accepted accounting principles 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 revenue and expenses during the period. Actual results could differ from these estimates.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized in the year in which 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.

Junior Achievement of Southern Alberta

Notes to Financial Statements

June 30, 2007

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value as at the date of contribution. Amortization is provided on a straight-line basis with ½ year amortization taken in the year of acquisition over the following terms:

Equipment and furniture	10 years
Computer equipment	3 years

Donated goods and services

A proportion of the Society's work is dependent on voluntary services and donated goods from many members and supporters. Donated goods and services are recorded as both revenue and expense when the fair market value is reasonably determinable and when they would normally be purchased and paid for by the Society, if not donated.

Cash and cash equivalents

Cash and cash equivalents consist of cash, treasury bills and guaranteed investment certificates that are highly liquid and are readily convertible into known amounts of cash.

Supplies inventory

Inventory is valued at cost determined on a first-in, first-out basis.

Financial instruments

The Society's financial instruments are cash and cash equivalents, accounts receivable, funds held in trust, accounts payable and accrued liabilities and scholarship liability.

a) Interest rate risk

The Society is exposed to interest rate fluctuations on the demand loan (note 8).

b) Credit risk

The Society does not have a concentration of credit exposure with any one donor or member. The Society does not consider that it is exposed to undue credit risk.

c) Fair values

The fair values of financial instruments approximate their carrying values at June 30, 2007 due to the short-term nature of the instruments.

Junior Achievement of Southern Alberta

Notes to Financial Statements

June 30, 2007

Comparative figures

Certain comparative balances have been reclassified to conform with the presentation adopted in the current year.

3 Scholarship liability

The Society is custodian of two Shell Scholarship Funds called the Read Learn and Win Program and Spirit of the Future.

The Funds are maintained in a designated account. Interest from the deposit may be used by the Society to defray the administrative costs associated with the Program.

The distribution of the Funds is expected to be as follows:

	Read Learn and Win	Spirit of the Future	Total 2007
	\$	\$	\$
2008	36,501	25,000	61,501
2009	4,000	-	4,000
	<hr/> 40,501	<hr/> 25,000	<hr/> 65,501

As there is a five year limitation on eligibility, any funds remaining after that time become the property of the Society to be used in a manner to be mutually agreed upon between Shell Canada Limited and the Society.

4 Deferred contributions

The Society has received contributions for company program scholarships that will be awarded in future years.

The changes in deferred contributions are as follows:

	2007	2006
	\$	\$
Balance – Beginning of year	37,000	-
Add: Contributions	19,850	37,000
Less: Amounts amortized to revenue	<hr/> (11,350)	<hr/> -
Balance – End of year	<hr/> 45,500	<hr/> 37,000

Junior Achievement of Southern Alberta

Notes to Financial Statements

June 30, 2007

5 Internally restricted funds

In prior years, the Board of Directors restricted funds for use only upon authorization of the Board. During fiscal 2007, the Board released the internal restrictions making the funds available for general use.

6 Capital assets

			2007	2006
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Equipment and furniture	58,889	(24,847)	34,042	39,931
Computer equipment	56,219	(47,482)	8,737	7,743
	115,108	(72,329)	42,779	47,674

7 Commitments

The Society leases rental space with terms expiring through to 2012. The Society also leases office equipment with terms expiring through to 2010. Approximate commitments with respect to these leases excluding lease operating costs are as follows:

	\$
2008	56,108
2009	56,122
2010	64,375
2011	66,698
2012	55,688

8 Credit facility

The Society has a bank demand loan agreement to provide up to \$75,000. The loan bears interest at the bank's prime rate plus ½%. The loan is of a revolving nature and the balance outstanding during the year varies with the timing of contribution receipts. Repayments are based solely on available cash flows. No amounts were drawn on this credit facility during the 2007 fiscal year.

Junior Achievement of Southern Alberta

Notes to Financial Statements

June 30, 2007

9 Related party transactions

Service fees based on revenue, directors' and officers' insurance, volunteer activities, certain employee benefits and certain promotional materials are acquired, under agreement, from Junior Achievement of Canada. During fiscal 2007, these purchases totalled \$56,421 (2006 – \$59,218). Included in accounts payable at June 30, 2007 are amounts totalling \$2,492 (2006 – \$2,717) that are payable to Junior Achievement of Canada for the expenses stated above.

10 Fundraising expenses

As required under Section 7(2) of the Charitable Fundraising Regulation, the following amounts are disclosed:

	\$
Remuneration to employees whose principal duties involve fundraising	95,810
Total direct expenses incurred for the purpose of soliciting contributions	2,221

Junior Achievement of Southern Alberta

Schedule 1

Schedule of General and Administrative Expenses

For the year ended June 30, 2007

	2007	2006
	\$	\$
Salaries and benefits	541,020	497,207
Occupancy and premises	81,290	85,644
Regional administrative	40,246	30,963
Travel	15,443	20,403
Communications	8,811	7,871
Audit and legal	7,213	6,213
Office equipment and supplies	6,944	9,586
Contracted services	6,701	5,752
Board	5,487	2,931
Memberships, dues and fees	3,371	2,823
Miscellaneous	2,932	1,792
Professional development	2,805	4,141
Interest and bank charges	2,064	2,447
Postage and courier	1,346	1,900
	<hr/>	<hr/>
	725,673	679,673
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