

Definitions

Accounts Payable - includes amounts owing to external parties for goods and services where a liability exists, but has not yet been paid. Accrued liabilities are also included where payment for goods or services is not required until future reporting periods.

Accounting Policies - the specific policies and procedures used by the jurisdiction to prepare its financial statements. These include any methods, measurement systems and procedures for presenting disclosures.

Accounts Receivable – funds owing to the school jurisdiction.

Accumulated remeasurement gains and losses – the change in value of assets due to current exchange rates or fair market value.

Accumulated Surplus - the accumulated surplus is the primary indicator of the financial resources that the school jurisdiction has available to provide future services. It consists of both cash and non-cash components.

Adult Learning Community - Members from this community are characterized as being involved with the provision of adult learning opportunities.

Accumulated Surplus from operations – both unrestricted and restricted operating reserve funds.

Amortization - the systematic allocation to expenses of the historical cost of a tangible capital asset over its useful life.

Audit Committee - a committee of the board of trustees or board directors responsible for the oversight of the financial reporting process, selection of the independent auditor and receipt of audit results both internal and external.

Audit Results/Report - an opinion of an auditor regarding the jurisdictions financial statements.

Audit Risk - the risk that the auditor will not discern errors or intentional miscalculations during the process of reviewing the financial statement.

Bank Indebtedness – short term borrowing or lines of credit to meet current operating expenditures.

Business Community - Members of this community are characterized by, other accountants or financial managers not related to the organization or auditors, owners of their own business, or middle and senior managers of larger organizations where financial literacy is crucial to their role.

Capital Reserves - funds set aside for future capital purchases to be funded by the school jurisdiction.

Cash and Cash Equivalents – cash and short-term investments (held less than three months) that have insignificant risk for change in value.

Construction in Progress – tangible capital assets under construction at the end of the fiscal year that have not been put into service, such as new school facilities.

Control - The means by which the jurisdiction resources are directed, monitored and measured. Plays an important role in detecting and preventing fraud and protecting the jurisdictions resources both physical and intangible (reputation, intellectual property)

Debt – includes supported and unsupported debt. Supported debt is debt that is incurred and repaid by a third party on behalf of a jurisdiction. Unsupported debt is debt incurred directly by the jurisdiction. Debt includes debentures, capital loans, mortgages, and capital leases.

Deferred Revenue – Includes funds received from external parties for capital or operating purposes that are restricted for a particular use.

Employee Future Benefit liabilities – includes post-employment benefits, compensated absences (such as accrued sick, holiday and banked time leave), and termination benefits.

Endowments – cash or investments held in which the principal may not be expended as stipulated by the contributor.

External Independent Auditor - A certified accountant who examines the financial records and has no special or close relationship with the employees of or trustees of the board.

Fiscal Year - the period used for calculating annual financial statements. School jurisdiction in Alberta fiscal year is from September 1 to August 31.

Financial Assets – these are comprised of cash or items that will be eventually turned into cash and be used to discharge the jurisdictions liabilities or provide resources for future programs and services.

Financial Risk - the possibility of a financial loss.

Independent Auditor - a certified accountant who examines the financial records and transaction and that the he/she is not affiliated with the school jurisdiction.

Internal Audit - An independent evidence based examinations of the managements systems, processes and practices.

Internal Audit function - to provide an independent assurance to the the board focusing on reviewing the effectiveness of the risk management and control processed that management has put into place.

Internal Controls - the operating standards used to prevent or uncover mistakes
The phrase "control processes" refer to those approaches that are designed to ensure expenditures occur with the guidelines established by the jurisdiction, reduce the possibility of errors by including appropriate checks and to reduce the chances of illegal activities such as fraud or theft of board asset.

Investment in capital assets – Unamortized value of board funded capital assets.

Liabilities- amounts owing by the school jurisdiction.

Materiality - The threshold above which missing or incorrect information in financial statements is considered to have an impact on the decision making of the users.

Net Financial Assets (Net Debt) - Net Financial Assets represents the financial resources available after discharging the school jurisdiction's liabilities. In many cases a school jurisdiction will show a Net Debt position on the statement of financial position. A net debt position does not necessarily mean the school jurisdiction is in financial difficulty.

Non-Financial Assets - represents assets that are used in the operation of the school jurisdiction for the provision of services and are not readily converted to cash resources.

Notes to the Financial Statements - provides additional required information to assist users of the financial statements in understanding the basis of preparation of the financial statements and further enhance the understanding to the financial position of the school jurisdiction.

Other Financial Assets – other assets that do not fit into the other categories such as inventories held for resale and embedded derivatives.

Other Liabilities – includes any other liabilities, such as asset retirement obligations.

Other non-financial assets – other assets that are not readily convertible to cash such as inventories held for consumption.

Portfolio Investments – investments that are held for longer than 3 months. May include equity or debt instruments.

Prepaid Expenses – goods and services that have been purchased for a subsequent financial period and are not easily converted to cash resources.

Public Sector Accounting Standards (PSAS) - is a set of financial reporting standards to ensure consistency of reporting across government entities. The SUCH sector (Schools, Universities, Colleges, and Hospitals) are required to report financial information under these new standards.

Public Sector Accounting Board/Standards- Standards for financial accounting and reporting developed through an organized standard setting process. The standards specify how transactions and other events are to be recognized, measured presented and disclosed in a public sectors entity's financial statements. The objective of the standards is to meet the needs of users of financial statements by providing the information for accountability and decision making and to ensure consistency of reporting across government entities such as Schools, Universities, Colleges and Hospitals, (SUCH).

Risk - is an umbrella term uses for multiple types of risk, including financial transactions that include the justifications risk of default or financial loss.

Risk of Financial Loss - does this need to be defined? We have defined risk above.

Risk Management System - the process used to identify, quantifying, and managing the risk of the jurisdiction.

Regulatory Compliance - the adherence to laws, regulations and guidelines.

Statement of Cash Flows - this statement identifies where cash came from and where it was used. It highlights operating, capital, investing and financing transactions that impacted the cash of the school jurisdiction.

Schedule of Capital Revenue - this schedule provides information on externally restricted capital revenue provided to the school jurisdiction for the acquisition of tangible capital assets where there is an obligation of the school jurisdiction to acquire and use the asset for a substantial portion of its life.

Schedule of Changes in Accumulated Surplus - this statement provides information about the school jurisdictions activities that resulted in an increase or decrease in accumulated surplus. It breaks down all the components of the accumulated surplus.

Statement of Changes in Net Debt – this statement presents information to understand the changes in financial assets and liabilities.

Statement of Financial Position - is a statement that reports on the financial and non-financial assets that the school jurisdiction owns or controls; liabilities which are amounts owed by the school jurisdiction; and the accumulated surplus which remains after the assets have been used to meet the liabilities.

Statement of Operations - reports on revenues, expenses and the results for the fiscal year. This statement includes budget figures, current year and prior year(s) results.

Schedule of Program Operations - this schedule provides a summary of revenue allocated to programs by type and expenditures by type for each program area.

Statement of Remeasurement Gains and Losses - this statement provides the changes in value of financial assets and liabilities due to the re-measurement of their value to current exchange rates or fair value.

Tangible Capital Assets – is the cost of assets less accumulated amortization of assets. This represents the assets net book value to the school jurisdiction.

Treasurer - The Education Act requires that every Board has a Treasurer; or an individual who is both Secretary and Treasurer. Many Boards have a different title to the role required under the Act. (see https://asboalberta.ca/page/about_us)

Whistleblower - A person who exposes a person or organization engaged in illegal, unethical, or not correct activity within an organization that is either private or public.