



The Canadian Bar Association - Alberta Branch

August 31, 2022



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The Canadian Bar Association - Alberta Branch
Financial Statements
August 31, 2022

Management's Responsibility

To the Members of The Canadian Bar Association - Alberta Branch:

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 Committee is composed primarily of Directors who are neither management nor employees of the Association. The Executive Committee is responsible for overseeing management in the performance of its financial reporting responsibilities. The Executive Committee fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Executive Committee is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the members 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 Executive Committee and management to discuss their audit findings.

December 16, 2022

e-Signed by Maureen Armitage

2022-12-22 13:54:04 MST

Maureen Armitage, Executive Director

To the Members of The Canadian Bar Association - Alberta Branch:

Opinion

We have audited the financial statements of The Canadian Bar Association - Alberta Branch (the "Association"), which comprise the statement of financial position as at August 31, 2022, and the statements of operations, changes in net assets, cash flows and the related schedule for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at August 31, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta

December 16, 2022

MNP LLP

Chartered Professional Accountants

The Canadian Bar Association - Alberta Branch
Statement of Financial Position
As at August 31, 2022

	2022	2021
Assets		
Current		
Cash and cash equivalents	2,246,230	1,814,504
Marketable securities (Note 3)	537,183	901,266
Marketable securities - restricted (Note 3)	1,132,150	1,075,000
Accounts receivable	22,659	31,192
Goods and Service Tax receivable	8,210	9,193
Prepaid expenses and deposits	92,362	67,066
	4,038,794	3,898,221
Property and equipment (Note 4)	54,154	44,244
Long term deposit (Note 5)	26,186	26,186
	4,119,134	3,968,651
Liabilities		
Current		
Accounts payable and accruals	111,193	63,317
Vacation pay accrual	23,490	32,712
Deferred revenue	79,651	67,716
	214,334	163,745
Deferred rental incentive (Note 6)	37,083	45,479
	251,417	209,224
Commitments (Note 7)		
Subsequent event (Note 8)		
Net Assets		
Unrestricted	2,735,567	2,684,427
Restricted (Note 8)	1,132,150	1,075,000
	3,867,717	3,759,427
	4,119,134	3,968,651

Approved on behalf of the Executive Committee

e-Signed by Indra Maharaj
2022-12-19 14:31:57 MST

Director

e-Signed by Maureen Armitage
2022-12-21 11:19:34 MST

Director

The accompanying notes are an integral part of these financial statements

The Canadian Bar Association - Alberta Branch

Statement of Operations

For the year ended August 31, 2022

	2022	2021
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Operating revenue		
Memberships	1,275,335	1,280,798
Online advertising	105,408	69,539
Sponsorship	87,133	82,473
Interest	69,532	63,802
Online PD	10,847	13,195
Conferences	1,000	-
Miscellaneous	925	8,614
	<hr/>	<hr/>
	1,550,180	1,518,421
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Sections revenue		
Registration - full	152,900	91,917
Administration fee	135,014	152,810
Registration - materials only	38,137	-
Webinar	28,034	62,937
Interest	9,953	1,697
Meals receipts	3,357	314
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	367,395	309,675
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Total revenue	1,917,575	1,828,096
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The Canadian Bar Association - Alberta Branch

Statement of Operations

For the year ended August 31, 2022

	2022	2021
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Expenses		
Personnel - staff		
Salaries, wages and benefits	797,217	728,508
Executive Director	21,130	3,357
	818,347	731,865
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Administrative		
Office rent	268,627	276,248
Computer expenses	154,296	44,711
Office	25,607	27,137
Professional fees	20,388	22,287
Insurance	7,920	5,977
Bank charges	3,923	3,711
Delivery and postage	3,615	2,434
	484,376	382,505
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Committees		
Committees and special projects	66,204	7,820
ASSIST program	20,000	20,000
Advertising	13,837	550
Distinguished service awards	5,657	3,696
ENEWS	5,342	6,741
Special projects (various)	5,280	44,153
Newsletter	1,419	2,088
Legislative review	1,219	285
	118,958	85,333
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Personnel - officers		
President	64,827	33,856
Board expenses	34,466	28,187
Executive	17,106	2,632
Past-President	9,529	479
Vice-President	8,402	569
Treasurer	3,118	283
Secretary	2,887	171
	140,335	66,177
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Meetings		
Leadership forum and annual general meetings	7,777	9,294

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The Canadian Bar Association - Alberta Branch
Statement of Operations
For the year ended August 31, 2022

	<i>2022</i>	<i>2021</i>
Sections		
Meetings	19,012	6,877
Office	9,542	30,731
Bank charges	6,775	6,051
Speakers	3,620	4,835
Executive meetings	1,933	1,349
Donations	-	200
	40,882	50,043
Total expenses	1,610,675	1,325,217
Excess of revenue over expenses before other items	306,900	502,879
Other items		
Gain on disposal of marketable securities	27,277	6,463
Amortization	(19,035)	(16,570)
(Loss) gain on change in fair value of marketable securities <i>(Schedule 1)</i>	(206,852)	89,900
	(198,610)	79,793
Excess of revenue over expenses	108,290	582,672

The accompanying notes are an integral part of these financial statements

The Canadian Bar Association - Alberta Branch Statement of Changes in Net Assets

For the year ended August 31, 2022

	<i>Unrestricted</i>	<i>Restricted</i>	2022	<i>2021</i>
Net assets, beginning of year	2,684,427	1,075,000	3,759,427	3,176,755
Excess of revenue over expenses	108,290	-	108,290	582,672
Inter-fund transfer (Note 8)	(57,150)	57,150	-	-
Net assets, end of year	2,735,567	1,132,150	3,867,717	3,759,427

The accompanying notes are an integral part of these financial statements

The Canadian Bar Association - Alberta Branch

Statement of Cash Flows

For the year ended August 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Cash received from members and customers	1,854,728	1,810,107
Cash paid for program service expenses	(773,327)	(624,488)
Cash paid to employees	(827,569)	(723,194)
Interest received	60,286	47,283
	314,118	509,708
Investing		
Purchase of marketable securities	(180,000)	(450,000)
Proceeds on disposal of marketable securities	326,555	229,951
Purchase of property and equipment	(28,946)	(9,924)
	117,609	(229,973)
Increase in cash resources	431,727	279,735
Cash resources, beginning of year	1,814,503	1,534,768
Cash resources, end of year	2,246,230	1,814,503
Cash resources are composed of:		
Cash	2,005,443	1,764,802
Marketable securities	240,787	49,701
	2,246,230	1,814,503

The accompanying notes are an integral part of these financial statements

The Canadian Bar Association - Alberta Branch

Notes to the Financial Statements

For the year ended August 31, 2022

1. Incorporation and nature of the organization

The purpose of The Canadian Bar Association - Alberta Branch (the "Association") is to be the voice of all members of the legal profession in Alberta. The Association builds public understanding and respect for the legal profession and the law.

The Association is the premier provider of personal and professional development and support to all members of the legal profession in Alberta. The Association is committed to enhancing the professional and commercial interests of the membership in the public and private sectors and to protecting the independence of the Judiciary and the Bar. As well, the Association participates in joint initiatives and brings the view of Canadian legal practitioners to international professional and policy making associations.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for not-for-profit organizations, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

Basis of presentation

The Association provides additional activities in various "Sections", which incur expenses and receive contributions from participants. Section's assets, liabilities, net assets, revenue and expenses are included in these financial statements. Certain other programs operated by the Association are excluded from these financial statements and are reported on separately.

Cash and cash equivalents

Cash includes balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value. Changes in fair value are recorded immediately in the excess of revenue over expenses. Marketable securities subject to restrictions that prevent its use for current purposes are included in marketable securities - restricted.

Property and equipment

Purchased property and equipment are recorded at cost. Contributed property and equipment are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

Leasehold improvements are amortized over the life of the related lease.

	<i>Method</i>	<i>Rate</i>
Computer equipment	declining balance	45 - 55 %
Furniture and fixtures	declining balance	20 %

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions and restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, and unrestricted investment income is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Membership fees are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue from advertising is recognized upon publication. Event revenue is recognized when the event is held. Administrative revenue is recognized once services are completed and invoiced.

The Canadian Bar Association - Alberta Branch

Notes to the Financial Statements

For the year ended August 31, 2022

2. Significant accounting policies (Continued from previous page)

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 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 reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment.

The COVID-19 pandemic continues to cause significant financial market and social disruption. The situation is dynamic with various levels of government around the world responding in different ways to address the outbreak. The Association continues to monitor its operations and assess the impacts COVID-19 will have on its business activities.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the periods in which they become known.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when no asset is individually significant. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Association reduces the carrying amount of any impairment financial assets to the highest of: the undiscounted cash flows expected to be generated by holding the asset, the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

The Canadian Bar Association - Alberta Branch

Notes to the Financial Statements

For the year ended August 31, 2022

3. Marketable securities

Marketable securities consists of strip and discount bonds bearing interest at rates ranging from 2.73% to 5.75% (2021 - 2.73% to 5.75%).

	2022	<i>2021</i>
Unrestricted	537,183	647,639
Restricted	1,132,150	994,000
Total marketable securities (Schedule 1)	1,669,333	1,641,639

4. Property and equipment

		2022	<i>2021</i>
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>
Computer equipment	354,946	330,785	24,161
Furniture and fixtures	174,124	149,014	25,110
Leasehold improvements	346,324	341,441	4,883
	875,394	821,240	54,154

5. Long term deposit

During the year ended August 31, 2016, a long term deposit of \$7,648 was made in relation to the rental agreement for the Edmonton office lease. The deposit is refundable upon expiry of the lease on January 31, 2027.

During the year ended August 31, 2019, a long term deposit of \$18,538 was made in relation to the rental agreement for the Calgary office lease. The deposit is refundable upon expiry of the lease on June 30, 2024.

6. Deferred rental incentive

The deferred rental incentive is reduced rent provided by the landlord at the inception of the occupancy of the Calgary and Edmonton offices. The amount of \$37,083 (2021 - \$45,479) is deferred and amortized over the life of the leases. \$8,396 (2021 - \$8,396) of this amount will be amortized in the next year.

The Canadian Bar Association - Alberta Branch

Notes to the Financial Statements

For the year ended August 31, 2022

7. Commitments

The Association is committed under the terms of leases for office space and equipment in both Calgary and Edmonton until June 30, 2024 and January 31, 2027, respectively. In addition to basic rent, the Association is also committed to pay its share of the operating costs of the properties.

The Association has estimated minimal annual lease payments as follows:

2023	315,512
2024	244,752
2025	183,664
2026	182,068
2027	36,307
	<hr/>
	962,303

8. Restricted net assets

\$1,132,150 (2021 - \$1,075,000) are internally restricted by the Executive Committee.

A financial reserve fund is maintained at an amount equal to budgeted expenditures for the next six month period after year end. It is held separate from general revenue and is monitored under the normal financial controls by the Treasurer of the Executive Committee. Any encroachment upon the capital of the financial reserve fund requires prior approval of the Executive Committee. During the year, \$57,150 was transferred to the restricted fund from the unrestricted fund (2021 - \$81,000 was transferred to the unrestricted fund from the restricted fund).

Subsequent to year end, the Executive Committee restricted a further \$600,000 to invest for scholarship purposes. These funds will be held separate from general operations and will be monitored under the normal financial controls by the Treasurer of the Executive Committee.

Included in unrestricted net assets is \$54,154 (2021 - \$44,244) invested in property and equipment.

9. Income taxes

The Association is registered as a non-profit organization under the *Income Tax Act* (the "Act") and, as such, is exempt from income taxes. In order to maintain its status as a non-profit organization under the Act, the Association must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

10. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Association is exposed to interest rate risk with respect to marketable securities which are subject to floating interest rates ranging from 2.73% to 5.75% (2021 - 2.73% to 5.75%).

The Canadian Bar Association - Alberta Branch
Schedule 1 – Marketable Securities
For the year ended August 31, 2022

	<i>Opening Book Value</i>	<i>Annual yield or interest rate</i>	<i>Annual yield or interest</i>	<i>Ending Book Value</i>	<i>Gain (loss) on change in market value</i>	Market Value 2022	<i>Market Value 2021</i>
RES Fairfax Finhold, maturing December 2027, stated rate 4.15%	393,257	4.15%	16,472	409,729	(66,897)	378,293	428,718
CIBC CDN BKS IDX AR GRTH, Maturing September 2027, stated rate N/A	150,000	N/A	-	-	(13,506)	-	163,506
CIBC AUT DEP NTS LKD CDN, maturing December 2027, stated rate N/A	150,000	N/A	-	150,000	(4,384)	147,101	151,485
RES Canadian Imperial Bank of Commerce, maturing April 2023, stated rate 3.45%	77,474	3.45%	2,673	80,147	(3,647)	79,613	80,534
CIBC GWTH DEP LKD CDN, maturing February 2028, stated rate N/A	150,000	N/A	-	150,000	(20,339)	132,459	152,798
Laurentian Bank of Canada, maturing June 2027, stated rate 4.25%	149,279	4.25%	6,344	-	(905)	-	150,184
Inter Pipeline Ltd, maturing April 18, 2024, stated rate 2.734%	148,628	2.73%	4,064	148,628	(10,201)	140,530	150,731
Pembina Pipeline, maturing February 2025, stated rate 3.54%	268,196	3.54%	9,494	268,196	(25,298)	255,672	280,970
Cdn West Bank, maturing June 2029, stated rate 3.67%	81,478	3.67%	2,990	81,478	(6,844)	78,013	84,857
Chorus Aviation Inc., maturing December 2024, stated rate 5.75%	150,000	5.75%	8,625	150,000	(14,625)	140,250	154,875
AG Growth International, maturing December 2026, stated rate 5.25%	175,000	5.25%	9,188	175,000	(8,470)	169,138	177,608
CIBC CDN FIN GTH DEPST NTS SER 19 24N V28	-	N/A	-	180,000	(31,736)	148,264	-
			59,850		(206,852)	1,669,333	1,976,266