

The Canadian Bar Association - Alberta Branch
Financial Statements
August 31, 2023

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. On behalf of the Board of Directors, 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.

January 10, 2024



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, 2023, and the statements of operations, 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, 2023, 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

January 10, 2024

MNP LLP

Chartered Professional Accountants

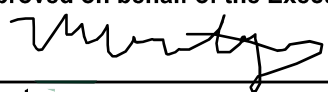
The Canadian Bar Association - Alberta Branch

Statement of Financial Position


As at August 31, 2023

	2023	2022
Assets		
Current		
Cash and cash equivalents	1,630,522	2,246,230
Accounts receivable	34,868	22,659
Marketable securities (Note 3)	2,431,356	1,669,333
Prepaid expenses and deposits	76,666	92,362
Goods and Service Tax receivable	9,541	8,210
	4,182,953	4,038,794
Property and equipment (Note 4)	147,646	54,154
Long term deposit (Note 5)	26,186	26,186
	4,356,785	4,119,134
Liabilities		
Current		
Accounts payable and accruals	143,828	111,193
Deferred revenue	59,168	79,651
Vacation pay accrual	24,213	23,490
	227,209	214,334
Deferred rental incentive	28,687	37,083
	255,896	251,417
Commitments (Note 7)		
Net Assets		
Unrestricted	2,489,043	2,735,567
Restricted (Note 8)	1,611,846	1,132,150
	4,100,889	3,867,717
	4,356,785	4,119,134

Approved on behalf of the Executive Committee



Director



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, 2023

	2023	2022
Revenue		
Memberships	1,307,288	1,275,335
Interest	93,356	69,532
Sponsorship	90,330	87,133
Online advertising	80,598	105,408
Online PD	8,449	10,847
Restricted investment income	5,700	-
Miscellaneous	-	925
Conferences	-	1,000
	1,585,721	1,550,180
Sections		
Registration - full	157,305	152,900
Administration fee	155,034	135,014
Interest	52,454	9,953
Webinar	40,778	28,034
Registration - materials only	26,274	38,137
Meals receipts	12,649	3,357
	444,494	367,395
Total revenue	2,030,215	1,917,575

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The Canadian Bar Association - Alberta Branch

Statement of Operations

For the year ended August 31, 2023

	2023	2022
Expenses		
Personnel - staff		
Salaries, wages and benefits	945,916	797,217
Executive Director	36,687	21,130
	982,603	818,347
Administrative		
Office rent	289,128	268,627
Office	31,228	25,607
Computer expenses	28,487	154,296
Professional fees	19,863	20,388
Insurance	15,013	7,920
Bank charges	3,636	3,923
Delivery and postage	3,621	3,615
	390,976	484,376
Committees		
Advertising and promotions	40,911	13,837
Committees and special projects	26,692	64,204
ASSIST program	20,000	20,000
Special projects	10,910	5,280
ENEWS	5,361	5,342
Distinguished service awards	3,629	5,657
Career development	3,600	2,000
Newsletter	2,104	1,419
Legislative review	-	1,219
	113,207	118,958
Personnel - officers		
President	70,701	64,827
Board Expenses	24,654	34,466
Executive	23,758	17,106
Past-President	6,902	9,529
Treasurer	6,646	3,118
Secretary	5,840	2,887
Vice-President	4,578	8,402
	143,079	140,335
Meetings		
Annual general meeting	10,500	7,777

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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, 2023

	2023	2022
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Sections		
Meetings	84,773	19,012
Bank charges	8,469	6,775
Office	7,908	9,542
Executive Meetings	4,541	1,933
Speakers	3,426	3,620
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	109,117	40,882
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Total expenses	1,749,482	1,610,675
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Excess of revenue over expenses before other items	280,733	306,900
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Other items		
Gain on disposal of marketable securities	-	27,277
Loss on change in fair value of marketable securities	(13,107)	(206,852)
Amortization	(34,454)	(19,035)
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	(47,561)	(198,610)
	<hr/>	
Excess of revenue over expenses	233,172	108,290
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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, 2023

	<i>Unrestricted</i>	<i>Restricted</i>	2023	<i>2022</i>
Net assets, beginning of year	2,735,567	1,132,150	3,867,717	3,759,427
Excess of revenue over expenses	233,926	(754)	233,172	108,290
Inter-fund transfer <i>(Note 8)</i>	(480,450)	480,450	-	-
Net assets, end of year	2,489,043	1,611,846	4,100,889	3,867,717

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, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Cash received from members and customers	1,851,713	1,858,557
Cash paid for program service expenses	(727,170)	(795,603)
Cash paid to employees	(982,986)	(809,125)
Interest received	121,440	60,288
	262,997	314,117
Investing		
Purchase of marketable securities	(982,620)	(180,000)
Proceeds on disposal of marketable securities	231,861	326,555
Purchase of property and equipment	(127,946)	(28,945)
	(878,705)	117,610
Increase (decrease) in cash resources	(615,708)	431,727
Cash resources, beginning of year	2,246,230	1,814,503
Cash resources, end of year	1,630,522	2,246,230

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, 2023

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, 2023

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.

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, 2023

3. Marketable securities

	2023	2022
Measured at fair value		
Bonds (<i>Schedule 1</i>)	1,825,808	1,669,333
Fixed income funds	109,694	-
Equity funds	252,605	-
Other assets	243,249	-
Total marketable securities	2,431,356	1,669,333

Of the total marketable securities, \$1,012,600 (2022 - \$1,132,150) of the bonds are restricted for the financial reserve fund, \$813,208 of bonds (2022 - \$537,183) are unrestricted, and \$605,548 (2022 - \$nil) of the fixed income funds, equity funds, and other investments are restricted for the education grant (Note 8).

4. Property and equipment

	2023		2022	
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Computer equipment	367,842	347,351	20,491	24,161
Furniture and fixtures	289,174	165,541	123,633	25,110
Leasehold improvements	346,324	342,802	3,522	4,883
	1,003,340	855,694	147,646	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, 2029.

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 \$28,687 (2022 - \$37,083) is deferred and amortized over the life of the leases. \$8,396 (2022 - \$8,396) of this amount will be amortized in the next year.

7. Commitments

The Association is committed under the terms of leases for office space and equipment in both Calgary and Edmonton until June 30, 2029 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 entered into various lease agreements with estimated minimum annual payments as follows:

2024	308,171
2025	306,833
2026	306,110
2027	161,182
2028	121,998
Thereafter, to 2029	100,005

The Canadian Bar Association - Alberta Branch

Notes to the Financial Statements

For the year ended August 31, 2023

8. Restricted net assets

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, \$119,550 was transferred to the unrestricted fund from the restricted fund (2022 - \$57,150 was transferred to the restricted fund from the unrestricted fund).

During the year, the Executive Committee restricted a further \$600,000 and its investment income earned for scholarship purposes. These funds are held separate from general operations and will be monitored under the normal financial controls by the Treasurer of the Executive Committee. Distribution of scholarship funds to recipients requires prior approval of the Executive Committee.

Included in unrestricted net assets is \$147,646 (2022 - \$54,154) 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 2.10% to 5.75% (2022 - 2.73% to 5.75%).

The Canadian Bar Association - Alberta Branch Schedule 1 – Marketable Securities

For the year ended August 31, 2023

	<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 2023	<i>Market Value 2022</i>
RES Fairfax Finhold, maturing December 2027, stated rate 4.15%	409,729	4.15%	17,004	426,886	(5,621)	389,833	378,293
CIBC GWTH DEP LKD CDN, maturing February 2028, stated rate N/A	150,000	N/A	-	150,000	2,556	135,015	132,459
Inter Pipeline Ltd, maturing April 18, 2024, stated rate 2.734%	148,628	2.73%	4,058	148,628	2,487	143,017	140,530
Pembina Pipeline, maturing February 2025, stated rate 3.54%	268,196	3.54%	9,494	268,196	1,257	256,929	255,672
Cdn West Bank, maturing June 2029, stated rate 3.67%	81,478	3.67%	2,990	81,478	1,243	79,256	78,013
Chorus Aviation Inc., maturing December 2024, stated rate 5.75%	150,000	5.75%	8,625	150,000	2,250	142,500	140,250
AG Growth International, maturing December 2026, stated rate 5.25%	175,000	5.25%	9,188	175,000	(2,415)	166,723	169,138
CIBC CDN FIN GTH DEPST NTS SER 19 24N V28	180,000	N/A	-	180,000	(4,390)	143,874	148,264
RBC Fxd 2026, Flt 2031 maturing November 3, 2031, stated rate 2.14%	-	2.14%	3,420	159,724	(4,303)	155,421	-
BMO FxD 2024 FLT 2029, maturing September 17, 2029, stated rate 2.88%	-	2.88%	2,109	72,896	(378)	72,518	-
CIBC AutoCall Deposit Principal Protected Note, maturing May 17, 2026	-	N/A	-	150,000	(9,278)	140,722	-
CIBC AUT DEP NTS LKD CDN, called December 2022, stated rate N/A	150,000	N/A	-	-	2,900	-	147,101
RES Canadian Imperial Bank of Commerce, matured April 2023, stated rate 3.45%	80,147	3.45%	2,767	-	585	-	79,613
			59,655		(13,107)	1,825,808	1,669,333