

The Canadian Bar Association - Alberta Branch
Financial Statements
August 31, 2024

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, 2024, and the statements of operations, changes in net assets and cash flows 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, 2024, 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 13, 2024

MNP LLP

Chartered Professional Accountants

The Canadian Bar Association - Alberta Branch

Statement of Financial Position

As at August 31, 2024

	2024	2023
Assets		
Current		
Cash and cash equivalents	1,645,048	1,630,522
Accounts receivable	12,170	34,868
Marketable securities (Note 3)	2,697,275	2,431,356
Prepaid expenses and deposits	83,737	76,666
Goods and Service Tax receivable	17,540	9,541
	4,455,770	4,182,953
Property and equipment (Note 4)	124,699	147,646
Long term deposit (Note 5)	26,186	26,186
	4,606,655	4,356,785
Liabilities		
Current		
Accounts payable and accruals	97,860	143,828
Deferred revenue	60,122	59,168
Vacation pay accrual	33,712	24,213
	191,694	227,209
Deferred rental incentive	20,291	28,687
	211,985	255,896
Commitments (Note 7)		
Net Assets		
Unrestricted	2,642,125	2,489,043
Reserve fund	1,095,100	1,006,298
Scholarship fund	657,445	605,548
	4,394,670	4,100,889
	4,606,655	4,356,785

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, 2024

	2024	2023
Revenue		
Memberships	1,392,424	1,307,288
Sponsorship	95,317	90,330
Interest	116,022	99,056
Online advertising	60,175	80,598
Online PD	15,762	8,449
	1,679,700	1,585,721
Sections		
Administration fee	150,977	155,034
Registration - full	148,472	157,305
Interest	52,978	52,454
Webinar	40,470	40,778
Registration - materials only	22,511	26,274
Meals receipts	11,830	12,649
	427,238	444,494
Total revenue	2,106,938	2,030,215

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The Canadian Bar Association - Alberta Branch

Statement of Operations

For the year ended August 31, 2024

	2024	2023
Expenses		
Personnel - staff		
Salaries, wages and benefits	1,041,290	945,916
Executive Director	29,436	36,687
	1,070,726	982,603
Administrative		
Office rent	283,106	289,128
Computer expenses	44,550	28,487
Office	28,238	31,228
Professional fees	27,187	19,863
Insurance	9,357	15,013
Bank charges	4,529	3,636
Delivery and postage	557	3,621
	397,524	390,976
Committees		
Committees and special projects	59,113	26,692
Advertising and promotions	52,590	40,911
ASSIST program	50,000	20,000
Special projects	12,796	10,910
Distinguished service awards	8,263	3,629
Career development	3,428	3,600
Newsletter	2,267	2,104
ENEWS	1,796	5,361
	190,253	113,207

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The Canadian Bar Association - Alberta Branch

Statement of Operations

For the year ended August 31, 2024

	2024	2023
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Personnel - officers		
President	64,918	70,701
Board expenses	26,667	24,654
Executive	25,541	23,758
Vice-President	15,181	4,578
Secretary	5,798	5,840
Past-President	3,359	6,902
Treasurer	1,358	6,646
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	142,822	143,079
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Meetings		
Annual general meeting	50	10,500
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Sections		
Meetings	116,556	84,773
Office	10,290	7,908
Bank charges	8,514	8,469
Executive meetings	7,644	4,541
Speakers	3,189	3,426
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	146,193	109,117
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Total expenses	1,947,568	1,749,482
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Excess of revenue over expenses before other items	159,370	280,733
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Other items		
Gain on change in fair value of marketable securities	174,273	(13,107)
Gain on disposal of marketable securities	810	-
Amortization	(40,672)	(34,454)
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	134,411	(47,561)
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Excess of revenue over expenses	293,781	233,172
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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, 2024

	<i>Unrestricted</i>	<i>Reserve fund</i>	<i>Scholarship fund</i>	2024	2023
Net assets, beginning of year	2,489,043	1,006,298	605,548	4,100,889	3,867,717
Excess of revenue over expenses	241,884	-	51,897	293,781	233,172
Inter-fund transfer (Note 8)	(88,802)	88,802	-	-	-
Net assets, end of year	2,642,125	1,095,100	657,445	4,394,670	4,100,889

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, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Cash received from members and customers	1,958,409	1,851,713
Cash paid for program service expenses	(918,131)	(727,170)
Cash paid to employees	(1,080,225)	(982,986)
Investment income received	144,754	121,440
	104,807	262,997
Investing		
Purchase of marketable securities	(652,591)	(982,620)
Proceeds on disposal of marketable securities	580,033	231,861
Purchase of property and equipment	(17,723)	(127,946)
	(90,281)	(878,705)
Increase (decrease) in cash resources	14,526	(615,708)
Cash resources, beginning of year	1,630,522	2,246,230
Cash resources, end of year	1,645,048	1,630,522

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, 2024

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.

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, 2024

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 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, 2024

3. Marketable securities

	2024	2023
Bonds (Cost - \$2,043,788) (<i>Schedule 1</i>)	2,039,830	1,825,808
Fixed income funds (Cost - \$10,783)	10,783	109,694
Equity funds (Cost - \$283,899)	323,055	252,605
Other assets (Cost - \$320,766)	323,607	243,249
	657,445	605,548
Total marketable securities	2,697,275	2,431,356

Of the total marketable securities, \$1,095,100 (2023 - \$1,012,600) of the bonds are restricted for the reserve fund. \$657,444 (2023 - \$605,548) of the marketable securities are restricted for the scholarship fund (Note 8).

4. Property and equipment

	2024		2023	
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Computer equipment	377,496	361,128	16,368	20,491
Furniture and fixtures	297,244	191,074	106,170	123,633
Leasehold improvements	346,324	344,163	2,161	3,522
	1,021,064	896,365	124,699	147,646

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 \$20,291 (2023 - \$28,687) is deferred and amortized over the life of the leases. \$8,396 (2023 - \$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:

2025	298,375
2026	297,078
2027	194,510
2028	116,284
2029	95,243

The Canadian Bar Association - Alberta Branch

Notes to the Financial Statements

For the year ended August 31, 2024

8. Restricted net assets

A 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. During the year, \$88,802 was transferred from the unrestricted fund to the restricted fund (2023 - \$119,550 to the unrestricted fund from the restricted fund).

During the prior year, the Executive Committee restricted \$600,000 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, further all income earned on these funds are to be invested instead of used for general operations.

Any encroachment upon the capital of the restricted funds requires prior approval of the Executive Committee.

Included in unrestricted net assets is \$124,699 (2023 - \$147,646) 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 8.04% (2023 - 2.10% to 5.75%).

11. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

The Canadian Bar Association - Alberta Branch Schedule 1 – Bonds

For the year ended August 31, 2024

	<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>	2024 Market Value	<i>2023 Market Value</i>
RES Fairfax Finhold, maturing December 6, 2027, stated rate 4.15%	345,180	4.19%	17,887	444,717	33,285	440,950	389,833
CIBC GWTH DEP LKD CDN, maturing February 16, 2028, stated rate N/A	150,000	N/A	-	150,000	19,853	154,867	135,015
Pembina Pipeline, maturing February 3, 2025, stated rate 3.54%	268,196	3.54%	9,494	268,196	6,860	263,789	256,929
Chorus Aviation Inc., maturing December 31, 2024, stated rate 5.75%	150,000	5.75%	8,625	150,000	7,350	149,850	142,500
AG Growth International, maturing December 31, 2026, stated rate 5.25%	175,000	5.25%	9,188	175,000	8,732	175,455	166,723
CIBC CDN FIN GTH DEPST NTS SER 19, maturing November 19, 2028	180,000	N/A	-	180,000	16,357	160,231	143,874
RBC Fxd 2026, Flt 2031 maturing November 3, 2031, stated rate 2.14%	159,724	4.96%	7,927	159,724	11,723	167,144	155,421
BMO FxD 2024 FLT 2029, maturing September 17, 2029, stated rate 2.88%	72,896	5.12%	3,749	72,896	2,426	74,944	72,518
CIBC AutoCall Deposit Principal Protected Note, maturing May 17, 2026	150,000	N/A	-	150,000	19,306	160,027	140,722
Rogers Communication, maturing May 1, 2029, stated rate 4.38%	-	4.38%	-	143,256	(166)	143,090	-
CIBC CDN BC IDX Autocall, maturing April 28, 2031, stated rate 8.04%	-	8.04%	-	150,000	(518)	149,483	-
Cdn West Bank, maturing June 2029, stated rate 3.67%	81,478	3.60%	2,933	-	2,223	-	79,256
Inter Pipeline Ltd, matured April 18, 2024, stated rate 2.734%	148,628	2.73%	4,057	-	5,611	-	143,017
			63,860		133,042	2,039,830	1,825,808