

ALBERTA GENEALOGICAL SOCIETY

Consolidated Financial Statements

Year Ended December 31, 2024



INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Genealogical Society

Qualified Opinion

We have audited the consolidated financial statements of Alberta Genealogical Society and its branches (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and the consolidated results of its operations and consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Group derives revenue from memberships, conferences and courses, research, donations, fundraising, library and publications, the completeness of which is not susceptible to satisfactory audit verification. Further, the nature of cash receipts recorded in the records of the Society were not always susceptible to satisfactory audit verification for classification purposes. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Group. Therefore, we were not able to determine whether any adjustments might be necessary to memberships, conferences and courses, research, donations, fundraising, library and publication revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2024 and 2023 current assets and deferred membership and publication fees as at December 31, 2024 and 2023 and net assets at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the consolidated financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of the consolidated 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 qualified audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Members of Alberta Genealogical Society *(continued)*

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements


Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Edmonton, Alberta
April 21, 2025


Chartered Professional Accountants

ALBERTA GENEALOGICAL SOCIETY
Consolidated Statement of Financial Position
December 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 148,154	\$ 179,633
Guaranteed investment certificates <i>(Note 4)</i>	241,328	612,792
Accounts receivable	8,175	16,755
Prepaid expenses	15,987	18,792
	413,644	827,972
LONG TERM INVESTMENTS <i>(Note 5)</i>	470,172	61,220
RESTRICTED FUNDS - CASINO <i>(Note 6)</i>	160,632	99,604
	\$ 1,044,448	\$ 988,796
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 17,560	\$ 14,542
Deferred membership and publication fees	19,576	25,519
Deferred grants <i>(Note 7)</i>	7,250	7,250
	44,386	47,311
LONG TERM DEBT	-	30,000
DEFERRED REVENUE - CASINO <i>(Note 8)</i>	160,632	99,604
	205,018	176,915
NET ASSETS		
General fund	357,369	382,874
Membership revitalization reserve fund	5,529	5,529
Relatively Speaking sustainability fund	6,360	10,478
Richard "Dick" Nash endowment fund	413,000	413,000
Richard "Dick" Nash earnings operating reserve fund	57,172	-
	839,430	811,881
	\$ 1,044,448	\$ 988,796

COMMITMENTS *(Note 9)*

SUBSEQUENT EVENT *(Note 10)*

ON BEHALF OF THE BOARD

_____*Director*

_____*Director*

ALBERTA GENEALOGICAL SOCIETY

Consolidated Statement of Operations

Year Ended December 31, 2024

	2024	2023
REVENUES		
Casino <i>(Note 8)</i>	\$ 75,469	\$ 86,633
Interest and investment income	46,420	26,569
Memberships	30,710	31,199
Provincial grants <i>(Note 7)</i>	29,000	29,000
Municipal grants	25,667	24,019
Donations	9,563	5,817
Research	6,585	6,478
Library	3,955	3,652
Fundraising	772	-
Conferences and courses	757	22,280
Publication and other	467	618
Gain on settlement of long term debt	-	10,000
	229,365	246,265
EXPENSES		
Rent	49,159	61,828
Salaries and wages	31,966	26,096
Professional fees	26,125	19,842
Meetings, annual general meeting and workshops	14,654	13,864
Library acquisitions and supplies	12,603	10,787
Office	11,025	6,663
Insurance	10,260	10,444
Website maintenance	9,503	7,199
Advertising and promotion	9,117	7,331
Newsletters	5,880	7,303
Donations	3,678	43,205
Research	3,483	2,876
Computer equipment	3,469	4,314
Utilities	3,027	4,226
Repairs and maintenance	2,731	3,122
Fundraising	1,735	2,108
Interest and bank charges	1,476	2,313
Conferences	1,098	24,899
Security	666	730
Memberships	95	60
Furniture	66	1,431
Travel	-	2,825
Telephone	-	84
	201,816	263,550
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 27,549	\$ (17,285)

ALBERTA GENEALOGICAL SOCIETY
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2024

	2023 Balance	Excess of revenues over expenses	Transfers	2024 Balance
General fund	\$ 382,874	\$ 1,495	\$ (27,000)	\$ 357,369
Membership revitalization reserve fund	5,529	-	-	5,529
Relatively Speaking sustainability fund	10,478	(4,118)	-	6,360
Richard "Dick" Nash endowment fund	413,000	-	-	413,000
Richard "Dick" Nash earnings operating reserve fund	-	30,172	27,000	57,172
	<u>\$ 811,881</u>	<u>\$ 27,549</u>	<u>\$ -</u>	<u>\$ 839,430</u>
	2022 Balance	Excess of revenues over expenses	Transfers	2023 Balance
General fund	\$ 803,638	\$ (7,764)	\$ (413,000)	\$ 382,874
Membership Revitalization reserve fund	10,528	(4,999)	-	5,529
Relatively Speaking sustainability fund	15,000	(4,522)	-	10,478
Richard "Dick" Nash endowment fund	-	-	413,000	413,000
	<u>\$ 829,166</u>	<u>\$ (17,285)</u>	<u>\$ -</u>	<u>\$ 811,881</u>

ALBERTA GENEALOGICAL SOCIETY

Consolidated Statement of Cash Flows

Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 27,549	\$ (17,285)
Items not affecting cash:		
Gain on settlement of long term debt	-	(10,000)
Unrealized investment income	(24,345)	-
	<u>3,204</u>	<u>(27,285)</u>
Changes in non-cash working capital:		
Accounts receivable	8,580	(12,408)
Prepaid expenses	2,805	(13,335)
Accounts payable and accrued liabilities	3,019	(4,931)
Deferred membership and publication fees	(5,943)	10,919
	<u>8,461</u>	<u>(19,755)</u>
Cash flow from (used by) operating activities	<u>11,665</u>	<u>(47,040)</u>
INVESTING ACTIVITIES		
Maturity of guaranteed investment certificates - long term	61,220	3,000
Purchase of long term guaranteed investment certificates	-	(61,220)
Proceeds received in restricted funds - casino	137,142	55,358
Expenditures made from restricted funds - casino	(76,115)	(86,662)
Purchase of mutual funds	(445,827)	-
	<u>(323,580)</u>	<u>(89,524)</u>
Cash flow used by investing activities	<u>(323,580)</u>	<u>(89,524)</u>
FINANCING ACTIVITIES		
Decrease (increase) in casino funds goods and services tax receivable	642	(647)
Repayment of long term debt	(30,000)	-
	<u>(29,358)</u>	<u>(647)</u>
Cash flow used by financing activities	<u>(29,358)</u>	<u>(647)</u>
DECREASE IN CASH FLOW	(341,273)	(137,211)
Cash - beginning of year	<u>889,979</u>	<u>1,027,190</u>
CASH - END OF YEAR	\$ 548,706	\$ 889,979
CASH CONSISTS OF:		
Cash	\$ 148,154	\$ 179,633
Guaranteed investment certificates	241,328	612,792
Cash - casino (Note 6)	<u>159,224</u>	<u>97,554</u>
	<u>\$ 548,706</u>	<u>\$ 889,979</u>

ALBERTA GENEALOGICAL SOCIETY
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

1. PURPOSE OF THE ORGANIZATION

The Alberta Genealogical Society was incorporated on April 4, 1973 under the Societies Act. It is a charitable non-profit organization and is therefore exempt from income taxes under Section 163 of the Income Tax Act. Throughout the province, there are ten branches serving local communities by encouraging thorough genealogical and historical research, providing education, offering research services, and publishing genealogical material related primarily to Alberta.

Like many not-for-profit organizations, the Society depends on fundraising, donations and volunteers to provide its services. The level of service provided at any given time is contingent on the level of funding and volunteers available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of presentation

The consolidated financial statements include the accounts of the Alberta Genealogical Society provincial head office and its branches across the province of Alberta.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Estimates made by management include:

- The recognition of funding received as either memberships, grants, casino revenue or deferred revenue.
- The evaluation of accounts receivable as to its collectability. An approximate allowance for doubtful accounts is provided where considered necessary.
- The recognition and measurement of provisions and contingencies along with the key assumptions pertaining to the likelihood and magnitude of an outflow of resources.

Financial instruments

Initial measurement

The Group initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involved parties whose sole relationship with the Group is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Group in the transaction.

(continues)

ALBERTA GENEALOGICAL SOCIETY

Notes to Consolidated Financial Statements

Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Subsequent measurement

The Group subsequently measures all its financial assets and liabilities at cost or amortized cost, except for mutual funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred.

Financial assets measured at amortized cost include cash, guaranteed investment certificates, accounts receivable, and restricted funds - casino (cash). Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

For financial assets measured at cost or amortized cost, the Group determines whether there are indications of possible impairment. When there are, and the Group determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash and highly liquid investments with maturities of one year or less at date of purchase. Cash and equivalents does not include marketable securities internally restricted through the Richard "Dick" Nash endowment fund and the Richard "Dick" Nash earnings operating reserve fund.

Capital assets

Capital assets are recorded as an expenditure in the year of acquisition.

Revenue recognition

Alberta Genealogical Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Membership fee revenues are recognized in fiscal year in which membership services are provided and when collection is reasonably assured. Membership fees that are collected and relate to a period subsequent to the fiscal year of the Society have been recorded as deferred revenue.

Conference and course fees are recognized as revenue when the events are held.

Donations and donations in kind are recorded when received or when reasonable certainty of collection is assured. The donations are recorded at fair value when such value can be reasonably determined.

(continues)

ALBERTA GENEALOGICAL SOCIETY

Notes to Consolidated Financial Statements

Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other revenues are recognized as revenue when the services are provided. Fees that are collected in advance of the services being provided are recorded as deferred revenue.

The Membership revitalization reserve fund is a reflection of funds being set aside for special projects or expenditures relating to the revitalization of the Group's membership and enhancing member benefits.

The Relatively Speaking sustainability fund is a reflection of funds being set aside for expenditures relating to production of the Relatively Speaking quarterly journal of the Alberta Genealogical Society.

The Richard "Dick" Nash endowment fund is a reflection of funds being set aside for the generation of investment revenue which will be used in the general operations of the Group. The Richard "Dick" Nash endowment fund is not to be drawn below the original contribution amount. The earnings from the Richard "Dick" Nash endowment fund are allocated to the Richard "Dick" Nash earnings operation reserve fund from which operational expenditures may be budgeted and spent.

The general fund includes the surplus remaining after deducting operating expenditures and transfers to other funds. The transfers to the other funds are approved by the board of directors.

Contributed goods and services

The Group records the fair market value of contributed goods and services only in the circumstances when the fair market value is determinable and when the goods and services would otherwise be purchased by the Group.

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

3. FINANCIAL INSTRUMENTS

The Group is exposed to various risks through its financial instruments. The following analysis provides information about the Group's risk exposure and concentration as of December 31, 2024.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to this risk mainly in respect of its receipt of funds from donors and government grants. The Group mitigates this risk by minimizing its financial obligations and ensuring that funds are in place before committing to new projects.

Market risk

The Group's investments in publicly-traded securities including mutual funds exposes the Group to price risks as equity investments are subject to price changes in an open market. The Group does not use derivative financial instruments to alter the effects of this risk.

4. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates, bear interest at rates between 3.7% to 6.05% and have maturity dates from February 2025 to November 2026.

ALBERTA GENEALOGICAL SOCIETY
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

5. LONG TERM INVESTMENTS

	2024	2023
Scotiabank mutual funds	\$ 470,172	\$ -
Guaranteed investment certificates - long term	-	61,220
	<u>\$ 470,172</u>	<u>\$ 61,220</u>

6. RESTRICTED FUNDS - CASINO

Restricted cash has been obtained via Alberta Gaming and Liquor Commission fundraising programs is restricted for specific allowable expenses. Restricted funds consist of the following:

	2024	2023
Cash	\$ 159,224	\$ 97,554
Goods and services tax receivable	1,408	2,050
	<u>\$ 160,632</u>	<u>\$ 99,604</u>

7. DEFERRED GRANTS

The Group received a grant from the Alberta Culture, Multiculturalism and Status of Women, Heritage Division: Historic Resources Management Branch. Funds were used for the purpose of general administration, professional consultation, funding of programs and services, publications, and training programs.

	2024	2023
<u>Historic Resources Management Branch Grant</u>		
Opening balance	\$ 7,250	\$ 7,250
Funds received	29,000	29,000
Approved expenditures	(29,000)	(29,000)
	<u>\$ 7,250</u>	<u>\$ 7,250</u>

8. DEFERRED REVENUE - CASINO

	2024	2023
Balance at beginning of year	\$ 99,604	\$ 130,909
Proceeds from casino	137,143	55,354
Interest on casino funds	-	4
	<u>236,747</u>	<u>186,267</u>
Disbursements	(76,115)	(86,663)
	<u>\$ 160,632</u>	<u>\$ 99,604</u>

Casino funds may only be utilized for specific purposes as approved by the Alberta Gaming and Liquor Commission. Approved expenditures include administrative costs, equipment, insurance, rent, promotional activities, research, travel within Alberta, seminars and training.

ALBERTA GENEALOGICAL SOCIETY
Notes to Consolidated Financial Statements
Year Ended December 31, 2024

9. COMMITMENTS

The Group is committed to a premise lease at the provincial office in Edmonton requiring monthly payments of \$3,166 through to November 30, 2026.

10. SUBSEQUENT EVENT

Subsequent to year end, the Group received an additional contribution of \$42,208 from the Nash estate. These funds will be allocated to the Richard "Dick" Nash endowment fund.

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
