

ALBERTA GENEALOGICAL SOCIETY

Consolidated Financial Statements

Year Ended December 31, 2013



INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Genealogical Society

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Alberta Genealogical Society, which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the consolidated financial statements 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 Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from memberships, conferences and courses, research, fundraising, donations, and library and publications, the completeness of which is not susceptible to satisfactory audit verification. Further, the nature of the cash receipts recorded in the records of the Society were not always susceptible to satisfactory audit verification for classification purposes. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore we were not able to determine whether any adjustments might be necessary to memberships, conferences and courses, research, donations, library and publication revenue, deferred membership and publication fees, excess of revenues over expenses and cashflows from operations for the year ended December 31, 2013, current assets as at December 31, 2013, deferred membership and publication fees as at December 31, 2013 and net assets as at December 31, 2013.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Alberta Genealogical Society as at December 31, 2013 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.

Edmonton, Alberta
April 21, 2014



Chartered Accountants

ALBERTA GENEALOGICAL SOCIETY
Consolidated Statement of Financial Position
December 31, 2013

	2013	2012
ASSETS		
CURRENT		
Cash	\$ 258,356	\$ 233,769
Short term investments <i>(Note 4)</i>	48,413	100,824
Accounts receivable	7,280	3,502
Inventory	-	231
Prepaid expenses	4,609	6,001
	318,658	344,327
LONG TERM INVESTMENTS <i>(Note 5)</i>	57,000	50,000
RESTRICTED FUNDS - CASINO <i>(Note 6)</i>	230,654	145,955
	\$ 606,312	\$ 540,282
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 11,909	\$ 7,247
Deferred membership and publication fees	15,320	17,719
	27,229	24,966
DEFERRED REVENUE - CASINO <i>(Note 7)</i>	230,654	145,955
	257,883	170,921
NET ASSETS		
General fund	348,429	369,361
	\$ 606,312	\$ 540,282
COMMITMENTS <i>(Note 8)</i>		

APPROVED BY THE BOARD

_____ Director
 _____ Director

ALBERTA GENEALOGICAL SOCIETY**Consolidated Statement of Operations****Year Ended December 31, 2013**

	2013	2012
REVENUE		
Casino	\$ 78,052	\$ 95,848
Conferences and courses	40,148	21,893
Grants	38,662	38,565
Memberships	36,631	38,162
Research	15,843	19,962
Donations	8,047	8,415
Rent reimbursement	6,350	2,516
Interest	4,398	3,449
Library	3,528	3,234
Fundraising	2,958	8,640
Publication and other	1,078	1,774
	235,695	242,458
EXPENSES		
Rent	59,140	55,728
Conventions	38,007	24,369
Meetings and conventions	36,706	19,673
Salaries and wages	22,792	21,941
Advertising and promotion	14,788	3,213
Office	11,540	14,753
Professional fees	11,355	8,641
Library acquisitions and supplies	10,931	15,568
Newsletters	10,647	11,284
Computer equipment and furniture	10,445	12,001
Insurance	7,387	7,113
Utilities	7,187	5,615
Research	6,469	3,420
Fundraising	4,117	-
Repairs and maintenance	3,245	3,437
Interest and bank charges	1,872	2,215
	256,628	208,971
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (20,933)	\$ 33,487

ALBERTA GENEALOGICAL SOCIETY
Consolidated Statement of Changes in Net Assets
Year Ended December 31, 2013

	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ 369,362	\$ 335,875
Deficiency of revenue over expenses	<u>(20,933)</u>	<u>33,487</u>
NET ASSETS - END OF YEAR	<u>\$ 348,429</u>	<u>\$ 369,362</u>

ALBERTA GENEALOGICAL SOCIETY

Consolidated Statement of Cash Flows

Year Ended December 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (20,933)	\$ 33,487
Changes in non-cash working capital:		
Accounts receivable	(3,778)	163
Inventory	231	(231)
Accounts payable and accrued liabilities	4,663	(42)
Deferred membership and publication fees	(2,399)	(8,354)
Prepaid expenses	1,392	(840)
	109	(9,304)
Cash flow from (used by) operating activities	(20,824)	24,183
INVESTING ACTIVITIES		
Proceeds received in restricted funds - casino	167,913	74,573
Expenditures made from restricted funds - casino	(83,214)	(95,848)
Cash flow from (used by) investing activities	84,699	(21,275)
FINANCING ACTIVITIES		
Increase in long term investments	(7,000)	(31,591)
Increase (decrease) in casino funds goods and services tax receivable	634	575
Increase in casino funds rent rebate receivable	(3,462)	-
Cash flow used by financing activities	(9,828)	(31,016)
INCREASE (DECREASE) IN CASH FLOW	54,047	(28,108)
Cash - beginning of year	478,910	507,018
CASH - END OF YEAR	\$ 532,957	\$ 478,910
CASH CONSISTS OF:		
Cash - operating funds	\$ 258,356	\$ 233,769
Short term investments	48,413	100,824
Cash - casino funds	226,188	144,317
	\$ 532,957	\$ 478,910

ALBERTA GENEALOGICAL SOCIETY

Notes to Consolidated Financial Statements

Year Ended December 31, 2013

1. PURPOSE OF THE ORGANIZATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been 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 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 financial statements and the reported amounts of revenues and expenses during the period. Such 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.

Financial instruments

Measurement

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short term deposits, accounts receivable, long term investments and restricted funds - casino. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is 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 net income.

Transaction costs

The Society recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

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ALBERTA GENEALOGICAL SOCIETY

Notes to Consolidated Financial Statements

Year Ended December 31, 2013

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

Cash and short term investments

Cash and cash equivalents consist primarily of cash and highly liquid investments with maturities of one year or less at date of purchase.

Capital assets

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

Revenue recognition

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

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.

Contributed goods and services

The Society 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 Society.

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.

ALBERTA GENEALOGICAL SOCIETY

Notes to Consolidated Financial Statements

Year Ended December 31, 2013

3. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2013.

Liquidity risk

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

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. The Society's investments are generally of a demand nature which minimizes the impact of fluctuations in market interest rates.

4. SHORT TERM INVESTMENTS

	<u>2013</u>	<u>2012</u>
Guaranteed investment certificates	\$ 48,413	\$ 100,824

Guaranteed investment certificates bear interest at rates between 1.55% to 1.65% and have maturity dates throughout 2014.

5. LONG TERM INVESTMENTS

	<u>2013</u>	<u>2012</u>
Guaranteed investment certificates	\$ 57,000	\$ 50,000

Guaranteed investment certificates bear interest at rates between 1.55% to 2.10% and have maturity dates ranging from July through September, 2015.

6. RESTRICTED FUNDS - CASINO

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

	<u>2013</u>	<u>2012</u>
Cash	\$ 226,188	\$ 144,317
Goods and services tax receivable	1,004	1,638
Rent rebate receivable	3,462	-
	<u>\$ 230,654</u>	<u>\$ 145,955</u>

ALBERTA GENEALOGICAL SOCIETY

Notes to Consolidated Financial Statements

Year Ended December 31, 2013

7. DEFERRED REVENUE - CASINO

	<u>2013</u>	<u>2012</u>
Balance at beginning of year	\$ 145,955	\$ 167,229
Proceeds from casino	158,792	74,516
Interest on casino funds	36	58
Rent and goods and services tax rebates applied from prior years	<u>3,923</u>	<u>-</u>
Subtotal	308,706	241,803
Disbursements	<u>(78,052)</u>	<u>(95,848)</u>
Balance at end of the year	<u>\$ 230,654</u>	<u>\$ 145,955</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.

8. COMMITMENTS

The Society is committed to a premise lease at the provincial office in Edmonton requiring monthly payments of \$3,407 through to November, 2014, \$3,490 through to November, 2016 and \$3,568 through to November, 2017.

9. COMPARATIVE FIGURES

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