

**ALBERTA GENEALOGICAL SOCIETY**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2020**



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Alberta Genealogical Society

### *Qualified Opinion*

We have audited the consolidated financial statements of Alberta Genealogical Society (the Society), which comprise the consolidated statement of financial position as at December 31, 2020, 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 financial position of the Society as at December 31, 2020, and its results of operations and its 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 Society 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 the 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 Society. 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, deferred membership and publication fees, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2020, current assets and net assets as at December 31, 2020. Our audit opinion on the consolidated financial statements for the year ended December 31, 2019 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 Society in accordance with the 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

### *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 Society'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 Society'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 Society 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.

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 11, 2021

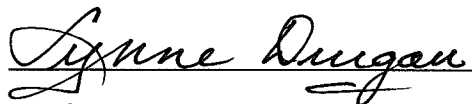



Chartered Professional Accountants

**ALBERTA GENEALOGICAL SOCIETY**  
**Consolidated Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 218,622	\$ 167,814
Guaranteed investment certificates <i>(Note 4)</i>	228,734	254,404
Accounts receivable	3,036	3,627
Prepaid expenses	6,598	5,966
	456,990	431,811
GUARANTEED INVESTMENT CERTIFICATES <i>(Note 4)</i>	19,369	3,000
RESTRICTED FUNDS - CASINO <i>(Note 5)</i>	122,773	194,707
	\$ 599,132	\$ 629,518
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 13,752	\$ 12,530
Deferred membership and publication fees	12,725	16,635
	26,477	29,165
LONG TERM DEBT <i>(Note 6)</i>	40,000	-
DEFERRED REVENUE - CASINO <i>(Note 7)</i>	122,773	194,707
	189,250	223,872
<b>NET ASSETS</b>		
General fund	409,882	405,646
	\$ 599,132	\$ 629,518
 COMMITMENTS <i>(Note 8)</i>		

**ON BEHALF OF THE BOARD**

 **President**

 **Treasurer**

**ALBERTA GENEALOGICAL SOCIETY****Consolidated Statement of Operations****Year Ended December 31, 2020**

	2020	2019
<b>REVENUES</b>		
Casino <i>(Note 7)</i>	\$ 83,908	\$ 102,104
Grants	37,026	50,696
Memberships	30,345	33,953
Research	7,716	5,540
Donations	7,664	7,094
Interest	4,742	3,884
Conferences and courses	1,952	49,545
Publication and other	619	530
Fundraising	600	2,948
Library	419	2,629
	<u>174,991</u>	<u>258,923</u>
<b>EXPENSES</b>		
Rent	64,888	56,473
Salaries and wages	26,434	30,749
Professional fees	20,370	16,985
Advertising and promotion	9,168	14,348
Insurance	9,082	8,589
Utilities	8,295	7,840
Office	7,022	10,841
Library acquisitions and supplies	5,353	13,899
Meetings and conventions	4,372	19,967
Newsletters	3,998	3,370
Research	3,993	3,344
Repairs and maintenance	3,518	2,465
Conferences	2,005	52,691
Interest and bank charges	1,069	1,354
Furniture	790	843
Computer equipment	330	3,671
Fundraising	68	6,499
	<u>170,755</u>	<u>253,928</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 4,236</u>	<u>\$ 4,995</u>

**ALBERTA GENEALOGICAL SOCIETY**  
**Consolidated Statement of Changes in Net Assets**  
**Year Ended December 31, 2020**

	2020	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 405,646</b>	<b>\$ 400,651</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>4,236</b>	<b>4,995</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 409,882</b>	<b>\$ 405,646</b>

**ALBERTA GENEALOGICAL SOCIETY**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 4,236	\$ 4,995
Changes in non-cash working capital:		
Accounts receivable	591	693
Accounts payable and accrued liabilities	1,218	(15,715)
Deferred membership and publication fees	(3,910)	3,265
Prepaid expenses	(632)	8,757
	<u>(2,733)</u>	<u>(3,000)</u>
Cash flow from operating activities	<u>1,503</u>	<u>1,995</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from (investment in) long term guaranteed investment certificates	(16,369)	70,375
Proceeds received in restricted funds - casino	11,974	149,000
Expenditures made from restricted funds - casino	(83,908)	(102,104)
	<u>(88,303)</u>	<u>117,271</u>
Cash flow from (used by) investing activities	<u>(88,303)</u>	<u>117,271</u>
<b>FINANCING ACTIVITIES</b>		
Decrease (increase) in accounts receivable - casino	34,158	(34,158)
Decrease (increase) in casino funds goods and services tax receivable	(163)	2,038
Interest received - casino	-	152
Proceeds from long term debt	40,000	-
	<u>73,995</u>	<u>(31,968)</u>
Cash flow from (used by) financing activities	<u>73,995</u>	<u>(31,968)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(12,805)</b>	<b>87,298</b>
Cash - beginning of year	<u>581,257</u>	<u>493,959</u>
<b>CASH - END OF YEAR</b>	<b>\$ 568,452</b>	<b>\$ 581,257</b>
<b>CASH CONSISTS OF:</b>		
Cash - operating funds	\$ 218,622	\$ 167,814
Guaranteed investment certificates - current	228,734	254,404
Cash - casino funds	121,096	159,039
	<u>\$ 568,452</u>	<u>\$ 581,257</u>

**ALBERTA GENEALOGICAL SOCIETY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2020**

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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.

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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 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. The COVID-19 pandemic has increased the challenges associated with this estimation process. 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:

1. Accounts receivable is stated after evaluation as to its collectability and an approximate allowance for doubtful accounts is provided where considered necessary.
2. 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

*Measurement*

The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, guaranteed investment certificates, accounts receivable and funds restricted for casinos. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long term debt.

*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 not 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.

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**ALBERTA GENEALOGICAL SOCIETY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2020**

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

*Transaction costs*

The entity 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.

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

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.

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.

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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, 2020.

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.

It is management's opinion that the Society is not exposed to significant interest, market or other price risks arising from its financial instruments.

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**ALBERTA GENEALOGICAL SOCIETY**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2020**

4. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates bear interest at rates between 0.5% to 2.05% and have maturity dates from March 2021 to September 2022.

5. 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:

	2020	2019
Cash	\$ 121,096	\$ 159,039
Accounts receivable	-	34,158
Goods and services tax receivable	1,677	1,510
	\$ 122,773	\$ 194,707

6. LONG TERM DEBT

Long term debt consists of a Scotiabank Canada Emergency Business Account credit agreement bearing interest at 0%, no minimum monthly principal payments until December 31, 2022. Up to 25% of the loan balance can be forgiven with no interest charges provided the outstanding balance is fully paid on or before December 31, 2022. If the loan is not repaid by December 31, 2022, it will be converted to a 3 year term loan bearing interest at 5%.

7. DEFERRED REVENUE - CASINO

	2020	2019
Balance at beginning of year	\$ 194,707	\$ 147,658
Proceeds from casino	11,974	149,001
Interest on casino funds	-	152
	206,681	296,811
Disbursements	(83,908)	(102,104)
	\$ 122,773	\$ 194,707

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 \$2,598 through to November, 2021.

The Society is also committed to a premise lease for the Fort McMurray branch, requiring monthly payments of \$1,624 through to July 31, 2021.