

ALBERTA ASSESSORS' ASSOCIATION
Financial Statements
For The Year Ended November 30, 2021

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of Alberta Assessors' Association

We have reviewed the accompanying financial statements of Alberta Assessors' Association (the "Association") that comprise the statement of financial position as at November 30, 2021 and the 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 Financial Statements

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

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Alberta Assessors' Association as at November 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

METRIX GROUP LLP

Chartered Professional Accountants

March 16, 2022
Edmonton, Alberta

ALBERTA ASSESSORS' ASSOCIATION
Statement of Financial Position
As at November 30, 2021

	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 2)</i>	\$ 237,338	\$ 187,761
Restricted cash <i>(Note 3)</i>	153,127	152,957
Accounts receivable	3,307	11,860
Prepaid expenses <i>(Note 4)</i>	7,166	11,032
	400,938	363,610
TANGIBLE CAPITAL ASSETS <i>(Note 5)</i>	297,258	309,691
	\$ 698,196	\$ 673,301
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,000	\$ 25,184
Goods and Services Tax payable	97	212
Deferred contributions <i>(Note 6)</i>	66,875	69,005
	79,972	94,401
NET ASSETS		
Invested in capital assets	297,258	309,691
Internally restricted <i>(Note 7)</i>	86,252	83,952
Unrestricted (available for operations)	234,714	185,257
	618,224	578,900
	\$ 698,196	\$ 673,301

COMMITMENTS *(Note 8)*

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

ALBERTA ASSESSORS' ASSOCIATION
Statement of Operations
For The Year Ended November 30, 2021

	2021 (Budget) (Note 10)	2020 (Budget) (Note 10)	2021 (Actual)	2020 (Actual)
REVENUE				
Dues	\$ 218,475	\$ 226,000	\$ 211,434	\$ 221,617
Courses	25,375	7,500	34,465	4,875
Conventions	21,750	10,000	29,748	10,000
Discipline hearing fines	3,000	5,500	21,127	2,750
Sales	5,000	9,000	10,950	5,950
Fees	4,400	5,300	5,750	5,850
Canadian Emergency Rent Subsidy	-	-	2,637	-
Interest	1,000	1,000	621	1,602
Fall symposium	7,500	-	-	8,050
	<u>286,500</u>	<u>264,300</u>	<u>316,732</u>	<u>260,694</u>
EXPENSES				
Operating (Schedule I)	233,513	224,282	231,825	237,075
Conventions	12,500	7,500	21,946	11,996
Courses	7,500	-	11,500	1,100
Committee (Schedule II)	16,170	22,060	10,494	13,942
Fall symposium	2,500	-	1,643	980
	<u>272,183</u>	<u>253,842</u>	<u>277,408</u>	<u>265,093</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 14,317</u>	<u>\$ 10,458</u>	<u>\$ 39,324</u>	<u>\$ (4,399)</u>

The accompanying notes are an integral part of these financial statements.

ALBERTA ASSESSORS' ASSOCIATION
Statement of Changes in Net Assets
For The Year Ended November 30, 2021

	Invested In Capital Assets	Internally Restricted	Unrestricted	Total 2021	2020
BALANCE, BEGINNING OF YEAR	\$ 309,691	\$ 83,952	\$ 185,257	\$ 578,900	\$ 583,299
Excess (Deficiency) of Revenue over Expenses	(12,433)	-	51,757	39,324	(4,399)
Internally Imposed Restrictions (<i>Note 7</i>)	-	2,300	(2,300)	-	-
BALANCE, END OF YEAR	\$ 297,258	\$ 86,252	\$ 234,714	\$ 618,224	\$ 578,900

ALBERTA ASSESSORS' ASSOCIATION
Statement of Cash Flows
For The Year Ended November 30, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (Deficiency) of revenue over expenses	\$ 39,324	\$ (4,399)
Items not affecting cash:		
Amortization of tangible assets	12,433	12,963
	51,757	8,564
Changes in non-cash working capital balances related to operations:		
Accounts receivable	8,553	2,186
Prepaid expenses	3,866	8,974
Accounts payable and accrued liabilities	(12,184)	388
Goods and Services Tax payable	(115)	1,026
Deferred contributions	(2,130)	5,505
INCREASE IN CASH FLOWS	49,747	26,643
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	340,718	314,075
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 390,465	\$ 340,718
Cash and Cash Equivalents Represented by:		
Unrestricted Cash and Cash Equivalents	\$ 237,338	\$ 187,761
Restricted Cash	153,127	152,957
	\$ 390,465	\$ 340,718

PURPOSE OF ORGANIZATION

The Alberta Assessors' Association is a self-governing professional organization. As a not-for-profit organization under the *Income Tax Act*, the Association is not subject to either federal or provincial income taxes.

The Association's objectives are:

- (a) to join in one association all those employed in the practice of assessment and those others whose duties are of an allied or similar nature;
 - (b) to co-ordinate, promote, develop and encourage the various objectives of the practice of assessment on a province-wide scale;
 - (c) to co-operate with the public and private bodies to these ends;
 - (d) to promote and advance the assessment and valuation of property as a profession of calling, and to that end to create and maintain an association of assessors; and
 - (e) to advance and promote significant educational programming that will complement in-service technical training.
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1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Cash and Cash Equivalents

The Association considers short term guaranteed investment certificates purchased with a maturity of one year or less to be cash equivalents.

(c) Revenue Recognition

The Association 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. Deferred contribution represents membership dues, government grants, and convention and course revenue received in advance of the period to which they apply.

Membership dues revenue is recognized on an annual basis.

Conventions, golf tournament, fall symposium, courses, and fees are recognized when the events and education sessions are held.

Grant and donation revenue are recognized to the extent that qualifying expenses are made.

Sales and other revenue are recognized when the service is rendered.

Interest income is recognized on the basis of the passage of time.

All revenue is recognized when collection is reasonably assured and the amount is determinable.

(CONT'D)

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Tangible Capital Assets

All tangible capital assets with an original cost of greater than \$2,500 and an economic life greater than one year are capitalized. Capital assets are amortized over the estimated useful life of the asset. Amortization commences when the asset is put into use and is provided using the following rates and methods:

Buildings	4% declining balance
Office equipment	20% declining balance
Furniture and fixtures	20% declining balance

One half of the annual amortization is charged in the year of acquisition and no amortization is charged in the year of disposal.

(e) Internal Reserve Funds

The Association has created internal reserve funds for various specific purposes. These internally restricted amounts are not available for other purposes without the approval of the Executive Committee.

(f) Financial Instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and long term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association has no financial assets measured at fair value.

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 the statement of operations. 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 the statement of operations.

(CONT'D)

ALBERTA ASSESSORS' ASSOCIATION
Notes to Financial Statements
For The Year Ended November 30, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Use of Estimates

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. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. Actual results could differ from these estimates. Expenses subject to use of estimates include bad debt, professional services and amortization.

2. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are unexpended conditional government grants and other income received for the next fiscal year, and internally restricted funds, all of which have been segregated from the Association's other funds.

	<u>2021</u>	<u>2020</u>
Cash	\$ 208,367	\$ 158,891
TD Canada Trust Guaranteed Investment Certificates	28,971	28,870
	<u>\$ 237,338</u>	<u>\$ 187,761</u>

The TD Canada Trust Guaranteed Investment Certificate bears interest at 0.20% (2020 - 0.35%), matures on April 27, 2022.

3. RESTRICTED CASH

Included in restricted cash are unexpended conditional government grants and other income received for the next fiscal year, and internally restricted funds, all of which have been segregated from the Association's other funds.

	<u>2021</u>	<u>2020</u>
Internally restricted funds (Note 7)	\$ 86,252	\$ 83,952
Unexpended grants (Note 6)	66,875	69,005
	<u>\$ 153,127</u>	<u>\$ 152,957</u>

4. PREPAID EXPENSES

	<u>2021</u>	<u>2020</u>
Conference	\$ 3,900	\$ 7,158
Insurance	3,266	3,874
	<u>\$ 7,166</u>	<u>\$ 11,032</u>

ALBERTA ASSESSORS' ASSOCIATION
Notes to Financial Statements
For The Year Ended November 30, 2021

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value	
			2021	2020
Office building	\$ 494,681	\$ 197,650	\$ 297,031	\$ 309,408
Furniture and fixtures	6,684	6,457	227	283
Office equipment	150	150	-	-
	<u>\$ 501,515</u>	<u>\$ 204,257</u>	<u>\$ 297,258</u>	<u>\$ 309,691</u>

6. DEFERRED CONTRIBUTIONS

	2021	2020
Restricted Donations		
Balance, beginning of year	\$ 7,500	\$ 7,500
Revenue received	-	-
Revenue recognized	-	-
Balance, end of year	<u>7,500</u>	<u>7,500</u>
Conference Revenue		
Balance, beginning of year	6,299	-
Revenue received	29,748	16,299
Revenue recognized	(29,748)	(10,000)
Balance, end of year	<u>6,299</u>	<u>6,299</u>
Symposium Revenue		
Balance, beginning of year	-	-
Revenue received	1,000	8,050
Revenue recognized	-	(8,050)
Balance, end of year	<u>1,000</u>	<u>-</u>
Membership Dues		
Balance, beginning of year	55,206	56,000
Revenue received	208,304	220,823
Revenue recognized	(211,434)	(221,617)
Balance, end of year	<u>52,076</u>	<u>55,206</u>
Grand Total	<u>\$ 66,875</u>	<u>\$ 69,005</u>

ALBERTA ASSESSORS' ASSOCIATION
Notes to Financial Statements
For The Year Ended November 30, 2021

7. INTERNALLY RESTRICTED FUNDS

	<u>2021</u>	<u>2020</u>
Operating contingency fund	\$ 30,962	\$ 30,962
Information technology fund	20,000	20,000
Education fund	14,655	14,655
Building fund	10,740	10,740
Legal fund	7,220	4,920
Scholarship fund	2,675	2,675
	<u>\$ 86,252</u>	<u>\$ 83,952</u>

Operating contingency fund is for extraordinary or unanticipated expenses.

Information technology fund is for upgrades to the website, database and higher cost equipment upgrades.

Education fund is for in-house courses which are costly to develop.

Building fund is for repairs and upgrades that exceed regular maintenance items.

Scholarship fund is for gifts to Lakeland College students.

Legal fund is for legal fees incurred.

8. COMMITMENTS

The Association is committed to an office equipment lease as follows:

Year	Amount
2022	\$ 2,316
2023	772
	<u>\$ 3,088</u>

9. FINANCIAL INSTRUMENTS

It is management's opinion that the Association is not exposed to significant interest rate, currency or other price risk through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of November 30, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. The Association's primary customers are the members of the Association which minimizes credit risk.

Liquidity risk

Liquidity risk is the risk the Association will encounter difficulties in meeting its financial liability obligations. The Association is exposed to this risk mainly in respect of its receipt of funds from its members and funding agencies. The Association mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

10. BUDGET

The Association's budget has not been reviewed and is included for information purposes only.

ALBERTA ASSESSORS' ASSOCIATION
Operating Expenses
For The Year Ended November 30, 2021

Schedule I

	2021 (Budget) (Note 10)	2020 (Budget) (Note 10)	2021 (Actual)	2020 (Actual)
Expenses				
Salaries, benefits and training	\$ 159,638	\$ 154,407	\$ 160,452	\$ 153,347
Property taxes	12,000	12,000	13,217	12,160
Amortization of tangible assets	-	-	12,433	12,963
Office	16,775	16,775	10,105	12,463
Professional fees	6,750	8,000	9,164	6,625
Publishing and website	15,000	15,000	9,024	22,110
Telephone and utilities	6,200	6,200	5,984	5,876
Condominium fees	5,300	5,300	5,293	5,271
Insurance	3,850	3,600	4,051	3,825
Bad debts	-	-	1,928	420
Building repair and maintenance	2,500	2,500	174	1,039
Other	5,000	-	-	500
Scholarships	500	500	-	476
	\$ 233,513	\$ 224,282	\$ 231,825	\$ 237,075

ALBERTA ASSESSORS' ASSOCIATION
Committee Expenses
For The Year Ended November 30, 2021

Schedule II

	2021 (Budget) (Note 10)	2020 (Budget) (Note 10)	2021 (Actual)	2020 (Actual)
Expenses				
Executive	\$ 7,350	\$ 8,200	\$ 8,197	\$ 5,843
Discipline	6,000	11,000	2,297	6,690
Marketing	2,515	2,510	-	1,040
Practice review	15	20	-	161
Registration	15	20	-	83
Other	265	300	-	74
Legislative policy	10	10	-	39
Standing convention	-	-	-	12
	\$ 16,170	\$ 22,060	\$ 10,494	\$ 13,942