

**SOCIETY OF LOCAL GOVERNMENT
MANAGERS OF ALBERTA**

**FINANCIAL STATEMENTS
December 31, 2023
(Unaudited)**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

**TO: THE MEMBERS OF
SOCIETY OF LOCAL GOVERNMENT MANAGERS OF ALBERTA**

I have reviewed the accompanying financial statements of Society of Local Government Managers of Alberta that comprise the statement of financial position as at December 31, 2023, 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.

Practitioner's Responsibility

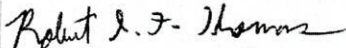
My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which requires me to comply with relevant ethical requirements.

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, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Society of Local Government Managers of Alberta as at December 31, 2023, 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.



Robert I. F. Thomas Professional Corporation
Chartered Professional Accountant

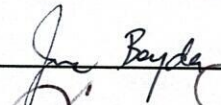
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May 4, 2024

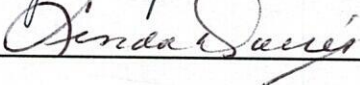
SOCIETY OF LOCAL GOVERNMENT MANAGERS OF ALBERTA

Statement of Financial Position
 December 31, 2023
 (Unaudited)

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 168,110	\$ 135,683
Short-term investments, Note 3	113,843	137,886
Accounts receivable	2,733	4,259
Inventory - bronze award statues	-	1,700
Prepaid expenses	<u>5,199</u>	<u>7,345</u>
	289,885	286,873
INVESTMENTS, Note 3	421,203	396,592
EQUIPMENT, Note 4	516	737
	\$ 711,604	\$ 684,202
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 14,150	\$ 7,663
GST payable	1,442	604
Deferred revenue, Note 5	<u>425</u>	<u>800</u>
	<u>16,017</u>	<u>9,067</u>
NET ASSETS		
Internally restricted net assets, Note 6	695,587	675,135
	\$ 711,604	\$ 684,202

ON BEHALF OF THE BOARD:


 _____ Chair


 _____ Executive director

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

SOCIETY OF LOCAL GOVERNMENT MANAGERS OF ALBERTA

Statement of Net Assets
 Year ended December 31, 2023
 (Unaudited)

	Unrestricted Net Assets	Internally Restricted Net Assets	2023	2022
NET ASSETS, beginning of year	\$ -	\$ 675,135	\$ 675,135	\$ 685,899
Excess of (Deficiency in) revenue over expenditures	20,452	-	20,452	(10,764)
Interfund transfers	(20,452)	20,452	-	-
NET ASSETS, end of year	\$ -	\$ 695,587	\$ 695,587	\$ 675,135

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

SOCIETY OF LOCAL GOVERNMENT MANAGERS OF ALBERTA

Statement of Operations
 Year ended December 31, 2023
 (Unaudited)

	<u>2023</u>	<u>2022</u>
REVENUE		
Membership fees	\$ 100,345	\$ 91,718
Electronic marketplace	3,120	5,049
Interest revenue	25,403	12,368
Unrealized gain (loss) on long-term investments	11,219	(20,228)
Gain on disposal of long-term investments	1,771	-
Training fees, society regalia and other fees	13,146	19,651
Kananaskis workshop (including \$10,000 grant from the AB Govt.)	<u>168,839</u>	<u>179,419</u>
	<u>323,843</u>	<u>287,977</u>
EXPENSES		
Amortization	221	316
Bank charges	199	60
Board and committee expenses	8,825	5,616
Advertising and promotion	3,759	6,599
Insurance	1,333	1,346
Office	4,858	3,532
Electronic marketplace	961	961
Scholarships, awards and gifts	10,496	13,344
Telephone	608	607
Executive director/registrar fees	76,193	70,973
Annual registration fee	400	400
Professional fees	14,281	12,384
Professional certificates	480	540
Training	12,601	14,777
Kananaskis workshop expenses, Note 6	<u>168,176</u>	<u>167,286</u>
	<u>303,391</u>	<u>298,741</u>
EXCESS OF (DEFICIENCY IN) REVENUE OVER		
EXPENDITURES FOR THE YEAR	<u>\$ 20,452</u>	<u>\$ (10,764)</u>

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

SOCIETY OF LOCAL GOVERNMENT MANAGERS OF ALBERTA

Statement of Cash Flows
 Year ended December 31, 2023
 (Unaudited)

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 20,452	\$ (10,764)
Add back amortization for the year	221	316
Add back (deduct) unrealized loss (gain) on long-term investments	(11,219)	20,228
Deduct gain on disposal of long-term investments	<u>(1,771)</u>	<u>-</u>
	7,683	9,780
Changes in non-cash working capital		
Accounts receivable	1,526	(134)
Inventory	1,700	1,700
Prepaid expenses	2,146	535
Accounts payable and accrued liabilities	6,487	(11,064)
Goods and services tax	838	716
Deferred revenue	<u>(375)</u>	<u>(4,200)</u>
	<u>20,005</u>	<u>(2,667)</u>
INVESTING ACTIVITIES		
Purchase of short-term investments	(125,679)	(99,405)
Redemption of short-term investments	149,722	97,517
Purchase of long-term investments	(136,237)	(7,438)
Redemption of long-term investments	<u>124,616</u>	<u>-</u>
	<u>12,422</u>	<u>(9,326)</u>
INCREASE (DECREASE) IN CASH RESOURCES		
	32,427	(11,993)
CASH AND CASH EQUIVALENTS, beginning of the year	135,683	147,676
CASH AND CASH EQUIVALENTS, end of the year	\$ 168,110	\$ 135,683
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ <u>-</u>	\$ <u>-</u>
Interest received	\$ <u>22,629</u>	\$ <u>12,464</u>

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

SOCIETY OF LOCAL GOVERNMENT MANAGERS OF ALBERTA

Notes to Financial Statements

December 31, 2023

(Unaudited)

DESCRIPTION OF OPERATIONS

The Society of Local Government Managers of Alberta ("The Society") was formed under Professional and Occupational Associations Registration Act of Alberta on February 28, 1991 and is a non-profit organization under the Income Tax Act. The Society's purpose is to provide information and support for government managers within Alberta.

Note 1.

SUMMARY OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. The organization's significant accounting policies are as follows:

Recognition of contributions

The Society uses the deferral method in 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 they are received or receivable if the amount receivable can be reasonably estimated and its collection is reasonably assured. Contributions consist of \$10,000 (2022: \$10,000) received from the Alberta Government to assist with program and instructor costs for the MALW conference and sponsorship revenue of \$60,550 (2022: \$60,350) related to the MALW conference.

Revenue Recognition

Membership fees are charged for the calendar year and are recorded at the invoice date. If a member resigns or declines to pay the fees, the fees are reversed and removed from revenue.

Electronic marketplace revenue is recorded when invoiced.

Training and workshop fees are recognized when the service is completed.

Kananaskis workshop revenue consists of registration fees, banquet ticket sales and other revenue each of which are recorded at the completion of the event.

Cash

Cash consists of amounts on deposit in Canadian financial institutions.

SOCIETY OF LOCAL GOVERNMENT MANAGERS OF ALBERTA

Notes to Financial Statements

December 31, 2023

(Unaudited)

Note 1. **SUMMARY OF ACCOUNTING POLICIES** continued

Inventory

The inventory of award sculptures is recorded at the lesser of cost and replacement cost with cost being determined on a first-in first-out basis.

Equipment

Equipment is recorded at cost and amortized over their expected useful lives. Computer equipment is amortized using the declining balance method at a rate of 30% per annum. One-half the stated rate is used in the year of acquisition.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates.

Financial Instruments

The Society's financial instruments consist of cash, accounts receivable, short-term investments, long-term investments, accounts payable and accrued liabilities. Financial instruments except for short-term investments are measured at fair market value. Short-term investments are measured at amortized cost.

The recording of long-term investments at fair market value results in recording unrealized gains or losses as these investments are adjusted to their fair market values at year end.

SOCIETY OF LOCAL GOVERNMENT MANAGERS OF ALBERTA

Notes to Financial Statements
December 31, 2023
(Unaudited)

Note 2. **FINANCIAL RISKS AND CONCENTRATION OF RISK**

The organization has no material exposure to credit risk, liquidity risk or currency risk. Such exposure remains unchanged from the prior year.

Interest Rate and Market Price

The Society is exposed to interest rate risk as its short-term and long-term fixed income investments mature and must be replaced at prevailing interest rates. The Society's long-term investments are subject to market risk to the extent that the credit ratings of the debtor organizations may change which would change their risk and market price. Interest rate risk exposure has decreased due to interest rate stability by the year end compared to increases in the prior year.

Note 3. **INVESTMENTS**

Short-term investments consist of internally restricted cash and guaranteed investment certificates with maturity dates ranging from January 2024 to July 2024, bearing interest rates ranging from 3.25% to 4.9%. Short-term investments are recorded at amortized cost.

Long-term investments consist of internally restricted cash, money market funds, corporate bonds and bank notes and principal protected notes with maturity dates ranging from June 2030 to January 2033, bearing interest rates ranging from 1.67% to 6.534%. Long-term investments are recorded at fair market value as such values are readily available.

Note 4. **EQUIPMENT**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2023</u>	<u>Net 2022</u>
Equipment	\$ <u>1,771</u>	\$ <u>1,255</u>	\$ <u>516</u>	\$ <u>737</u>

SOCIETY OF LOCAL GOVERNMENT MANAGERS OF ALBERTA

Notes to Financial Statements

December 31, 2023

(Unaudited)

Note 5.

DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
<u>Membership Fees</u>		
Balance, beginning of the year	\$ 800	\$ -
Contributions received	425	800
Amounts recognized in revenue	<u>800</u>	<u>-</u>
Balance, end of year	<u>425</u>	<u>800</u>
 <u>Conference Sponsorship</u>		
Balance, beginning of the year	-	5,000
Contributions received	-	-
Amounts recognized in revenue	<u>-</u>	<u>5,000</u>
Balance, end of year	<u>-</u>	<u>-</u>
	\$ <u>425</u>	\$ <u>800</u>

Note 6.

INTERNALLY RESTRICTED NET ASSETS

	Balance Beginning of Year	Allocations	Reductions	Balance End of Year
Legal Contingencies	\$ 179,395	\$ 7,175	\$ -	\$ 186,570
Operating Reserve	30,155	19,077	-	49,232
Workshop Contingencies	100,399	-	-	100,399
Training Reserve	75,356	-	-	75,356
MALW Intern & Larry Majeski Reserve	117,856	-	(5,800)	112,056
Award of Excellence	35,874	1,700	(1,700)	35,874
Challenge Exam Reserve	72,804	-	-	72,804
Professional Development and Marketing Reserve	63,296	-	-	63,296
	<u>\$ 675,135</u>	<u>\$ 27,952</u>	<u>\$ (7,500)</u>	<u>\$ 695,587</u>

The Society may not use any of the above internally restricted amounts for any purpose other than those noted without approval by the Board of Directors.

SOCIETY OF LOCAL GOVERNMENT MANAGERS OF ALBERTA

Notes to Financial Statements
December 31, 2023
(Unaudited)

Note 6. **KANANASKIS WORKSHOP EXPENSES**

Kananaskis workshop expenses include fees and other costs paid to the executive director/registrar related to the workshop in the amount of \$33,376 (2022: \$36,634).