

**INSTITUTE OF CERTIFIED MANAGEMENT  
CONSULTANTS OF ALBERTA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

# INSTITUTE OF CERTIFIED MANAGEMENT CONSULTANTS OF ALBERTA

FOR THE YEAR ENDED DECEMBER 31, 2022

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of

### INSTITUTE OF CERTIFIED MANAGEMENT CONSULTANTS OF ALBERTA

We have reviewed the accompanying financial statements of **Institute of Certified Management Consultants of Alberta** that comprise the statement of financial position as at December 31, 2022 and the statements of operations and members' surplus 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*

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 **Institute of Certified Management Consultants of Alberta** as at December 31, 2022, 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 11, 2023

*SVS Group LLP*  
CHARTERED PROFESSIONAL ACCOUNTANTS

# INSTITUTE OF CERTIFIED MANAGEMENT CONSULTANTS OF ALBERTA

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	2022	2021	
			(Restated - Note 7)
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 15,888	\$ 41,001	
Accounts receivable	98,322	101,878	
Prepaid expenses	66,544	70,041	
Goods and Services Tax recoverable	-	1,051	
	180,754	213,971	
<b>INVESTMENTS (Note 3)</b>	<b>40,000</b>	<b>40,000</b>	
	<b>\$ 220,754</b>	<b>\$ 253,971</b>	
<b>LIABILITIES</b>			
<b>CURRENT</b>			
Accounts payable and accrued liabilities	\$ 77,292	\$ 83,791	
Deferred revenue (Note 4)	88,086	92,714	
Goods and Services Tax payable	2,346	-	
	167,724	176,505	
<b>MEMBERS' SURPLUS</b>			
<b>UNRESTRICTED</b>	13,030	37,466	
<b>RESTRICTED (Note 6)</b>	40,000	40,000	
	53,030	77,466	
	<b>\$ 220,754</b>	<b>\$ 253,971</b>	

APPROVED ON BEHALF OF THE BOARD:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

# INSTITUTE OF CERTIFIED MANAGEMENT CONSULTANTS OF ALBERTA

## STATEMENT OF CHANGES IN MEMBERS' SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2022

	2022		2021	
	Restricted (Note 6)	Unrestricted	Total	Total
<b>SURPLUS</b> , beginning of year	\$ 40,000	\$ 37,466	\$ 77,466	\$ 117,253
<b>DEFICIENCY OF REVENUES OVER EXPENSES FOR THE YEAR</b>	-	(24,436)	(24,436)	(39,787)
<b>SURPLUS</b> , end of year	\$ 40,000	\$ 13,030	\$ 53,030	\$ 77,466

# INSTITUTE OF CERTIFIED MANAGEMENT CONSULTANTS OF ALBERTA

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	%	2021	%
<b>REVENUE</b>				
Membership fees	\$ 150,391	100.0	\$ 143,051	99.2
Reinstatement fees	-	-	1,200	0.8
	<b>150,391</b>	<b>100.0</b>	<b>144,251</b>	<b>100.0</b>
<b>DIRECT EXPENSES</b>				
CMC Canada National Core services and dues	37,598	25.0	34,984	24.3
	<b>112,793</b>	<b>75.0</b>	<b>109,267</b>	<b>75.7</b>
<b>EXPENSES</b>				
Advertising and promotions	1,718	1.1	26,787	18.6
Bank charges and interest	145	0.1	128	0.1
CMC Canada - provision of joint services	75,195	50.0	69,968	48.5
Credit card fees charged by National	819	0.5	3,115	2.2
Dues and subscriptions	415	0.3	40	-
Executive Director / Registrar	24,013	16.0	48,000	33.3
Event and programming expenses	1,500	1.0	6,155	4.3
Salaries and wages	29,821	0.8	-	-
Insurance	1,152	0.8	451	0.3
Office	1,026	0.7	590	0.4
POARA	466	0.3	400	0.3
Professional fees	2,255	1.5	1,695	1.2
Travel, mileage and meals	975	0.6	17	-
	<b>139,500</b>	<b>72.6</b>	<b>157,346</b>	<b>108.9</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER INCOME</b>				
	<b>(26,707)</b>	<b>2.4</b>	<b>(48,079)</b>	<b>(33.2)</b>
<b>OTHER INCOME</b>				
Events fees	2,000	1.3	7,168	5.0
Sponsorship	-	-	1,000	0.7
Interest	271	0.2	124	0.1
	<b>2,271</b>	<b>1.5</b>	<b>8,292</b>	<b>5.8</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR</b>				
	<b>\$ (24,436)</b>	<b>3.9</b>	<b>\$ (39,787)</b>	<b>(27.4)</b>

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# INSTITUTE OF CERTIFIED MANAGEMENT CONSULTANTS OF ALBERTA

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
<b>CASH FLOWS FROM (TO) OPERATING ACTIVITIES</b>		
Cash receipts from members	\$ 156,985	\$ 148,252
Cash paid to suppliers and other chapters	(182,369)	(190,292)
Interest received	271	624
	<hr/>	<hr/>
	(25,113)	(41,416)
<b>CASH FLOWS TO INVESTING ACTIVITY</b>		
Purchase of investments	-	(500)
	<hr/>	<hr/>
<b>DECREASE IN CASH DURING THE YEAR</b>	(25,113)	(41,916)
<b>CASH, beginning of year</b>	<hr/>	<hr/>
	41,001	82,917
<b>CASH, end of year</b>	<hr/>	<hr/>
	\$ 15,888	\$ 41,001

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# INSTITUTE OF CERTIFIED MANAGEMENT CONSULTANTS OF ALBERTA

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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### 1. PURPOSE OF THE INSTITUTE

The Institute governs the certification, registration and discipline of Certified Management Consultants and other members within the Province of Alberta under the Professional and Occupational Associations Registration Act and Regulations.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following accounting policies:

(a) 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 amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

(b) Financial Instruments

*Measurement of financial instruments*

The Institute initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Institute subsequently measures all of its financial assets and financial liabilities at amortized cost, except 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 accounts receivable.

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

The Institute's financial assets, if any, measured at fair value include investments that are quoted shares.

*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.



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# INSTITUTE OF CERTIFIED MANAGEMENT CONSULTANTS OF ALBERTA

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## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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

(c) Income Taxes

The Institute of Certified Management Consultants of Alberta is a not-for-profit organization and accordingly, no provision for corporate income taxes has been provided in these financial statements pursuant to paragraph 149(1)(l) of the *Income Tax Act, Canada*.

(d) Capital Assets

The Institute has met the criterion of paragraph 4433.03 of Part III of the CPA Canada Handbook, and as such, capital assets are expensed in the year of purchase. There were no capital assets expensed in the current period.

(e) Donated Services

The Institute benefits greatly from the donated services of its many dedicated volunteers. The value of these volunteer efforts is not recognized in the financial statements due to the difficulty in determining fair value.

(f) Revenue Recognition

The Institute follows the deferral method of revenue recognition. Annual membership revenue is recognized in the period to which it relates. Program revenues are recognized when the related services are completed.

(g) Cash and Cash Equivalents

The Institute's policy is to disclose bank balances under cash and cash equivalents, and term deposits with a maturity period within thirty days from the year end. Term deposits that the Institute cannot use for current transactions because they are pledged as security, restricted or mature beyond one year are excluded from cash and cash equivalents.

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### 3. INVESTMENTS

	<u>2022</u>	<u>2021</u>
Guaranteed Investment Certificates maturing December, 2023 at 1.25%	<u>\$ 40,000</u>	<u>\$ 40,000</u>

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# INSTITUTE OF CERTIFIED MANAGEMENT CONSULTANTS OF ALBERTA

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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### 4. DEFERRED REVENUE

Deferred contributions represent membership fees received for the subsequent year.

	2022	2021
Balance, beginning of year	\$ 92,714	\$ -
Received during the year	88,086	92,714
Allocated to membership fee revenue	(92,714)	-
Balance, end of year	<u>\$ 88,086</u>	<u>\$ 92,714</u>

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### 5. FINANCIAL INSTRUMENTS

#### *Risks and concentrations*

The Institute is exposed to various risks through its financial instruments, without being exposed to concentrations of risk.

#### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial statement liabilities. The Institute is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Institute's main credit risks relate to accounts receivable. The Institute provides credit to its members in the normal course of operations.

#### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: currency risk, interest rate risk and other price risk. The Institute is mainly exposed to interest rate risk.

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### 6. RESTRICTED FUND

The Board has restricted this amount for future contingency planning. This amount is currently invested in Guaranteed Investment Certificates maturing in December 2023.

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# INSTITUTE OF CERTIFIED MANAGEMENT CONSULTANTS OF ALBERTA

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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### 7. RESTATEMENT OF COMPARATIVE

During 2022, it was discovered that the accounts receivable, prepaid expenses and deferred revenue in the December 31, 2021 financial statements were understated. These relate to transactions with CMC Canada. The effect of these errors are presented below:

	Previously Reported	Adjustment	Restated
Accounts receivable	\$ 4,548	\$ 97,330	\$ 101,878
Prepaid expenses	\$ -	\$ 70,041	\$ 70,041
GST recoverable	\$ 2,164	\$ (1,113)	\$ 1,051
Accounts payable	\$ 10,247	\$ 73,544	\$ 83,791
Deferred revenue	\$ -	\$ 92,714	\$ 92,714

There was no impact to the statements of operations, changes in members' surplus or cash flows as a result of the restatement.

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