

Alberta Liquor Store Association
Financial Statements
December 31, 2024

Independent Auditor's Report

To the Members of Alberta Liquor Store Association:

Opinion

We have audited the financial statements of Alberta Liquor Store Association (the "Association"), which comprise the statement of financial position as at December 31, 2024, and the statements of revenue, expenses and changes in surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2024, 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.

Basis for Opinion

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 Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Association'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 Association'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 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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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

July 30, 2025

Chartered Professional Accountants

Alberta Liquor Store Association

Statement of Financial Position

As at December 31, 2024

	2024	2023
Assets		
Current		
Cash	279,336	252,987
Accounts receivable (Note 3)	21,739	79,888
	301,075	332,875
Capital assets (Note 4)	930	1,329
	302,005	334,204
Liabilities		
Current		
Accounts payable and accruals (Note 5)	29,308	27,336
Deferred revenue	4,459	53,750
	33,767	81,086
Commitments (Note 6)		
Surplus	268,238	253,118
	302,005	334,204

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Alberta Liquor Store Association

Statement of Revenue, Expenses and Changes in Surplus

For the year ended December 31, 2024

	2024	2023
Revenue		
Member contributions	221,504	129,534
Alberta Liquor Industry Conference	102,452	99,699
Group buy rebates	54,526	45,474
Sponsorship	48,810	97,619
Interest income	13,333	10,413
	440,625	382,739
Direct expenses		
Alberta Liquor Industry Conference	60,616	52,040
Government awareness	30,316	-
Professional and consulting fees	26,400	26,400
Association development	13,690	5,316
Educational materials	2,190	9,741
Travel	596	461
Advertising and media	-	55
	133,808	94,013
Excess of revenues over direct expenses	306,817	288,726
Expenses		
Salaries and benefits	222,080	199,561
Accounting services and admin support	26,750	24,000
Audit and legal fees	14,146	12,038
Office rent	12,000	12,000
Office supplies	9,941	8,883
Insurance	3,564	3,211
Bad debts	2,817	3,000
Amortization	399	570
Directors' meetings	-	1,529
	291,697	264,792
Excess of revenue over expenses	15,120	23,934
Surplus, beginning of year	253,118	229,184
Surplus, end of year	268,238	253,118

The accompanying notes are an integral part of these financial statements

Alberta Liquor Store Association **Statement of Cash Flows**

For the year ended December 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	15,120	23,934
Amortization	399	570
Bad debts	2,817	3,000
	18,336	27,504
Changes in working capital accounts		
Accounts receivable	55,332	(62,740)
Prepaid expenses	-	123
Accounts payable and accruals	1,972	3,050
Deferred revenue	(49,291)	50,550
	26,349	18,487
Increase in cash resources	26,349	18,487
Cash resources, beginning of year	252,987	234,500
Cash resources, end of year	279,336	252,987

The accompanying notes are an integral part of these financial statements

Alberta Liquor Store Association

Notes to the Financial Statements

For the year ended December 31, 2024

1. Incorporation and nature of the organization

The Alberta Liquor Store Association (the "Association") is incorporated as a not-for-profit organization under the Societies' Act of Alberta and is exempt from income taxes under Section 149 of the Income Tax Act.

The Association was established to provide a unified voice for the Alberta liquor store industry in its dealings with all levels of government, the public, media and others with interests in the industry. It also provides a forum for the exchange of ideas, trends, and initiatives with a view toward greater public service and industry well-being, as well as a code of ethics for its members.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook.

Revenue recognition

The Association recognizes revenue using the deferral method, which results in the following:

Sales are recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total service to be provided.

Advances received for membership services to be rendered by the Association are deferred and recognized in the period in which the service is provided.

Government assistance received for current expenses is recognized in revenue in the current period. Government assistance received for expenses of future periods is deferred and amortized to income as related expenses are incurred.

Cash

Cash includes cash on hand and balances with banks.

Capital assets

The Association records its capital assets at cost.

Amortization is provided using the methods noted below at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Equipment	declining balance	30 %
Leasehold improvements	straight-line	lease term

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Association writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Association's ability to provide goods and services. The asset is also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Association determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Alberta Liquor Store Association
Notes to the Financial Statements
For the year ended December 31, 2024

2. Significant accounting policies (Continued from previous page)

Measurement uncertainty (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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses. The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

3. Accounts receivable

	2024	2023
Accounts receivable	24,556	82,888
Allowance for doubtful accounts	(2,817)	(3,000)
	21,739	79,888

Included in accounts receivable are government remittances, such as goods and services tax receivable from government authorities, of \$4,334 (2023 - \$nil).

Alberta Liquor Store Association
Notes to the Financial Statements
For the year ended December 31, 2024

4. Capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	9,843	8,913	930	1,329
Leasehold improvements	4,740	4,740	-	-
	14,583	13,653	930	1,329

5. Accounts payable and accruals

Included in accounts payable and accruals are government remittances, such as goods and services tax and payroll withholding taxes, which are required to be paid to government authorities, of \$nil (2023 - \$3,973).

6. Commitments

The Association is committed to annual rent through December 31, 2027 as follows:

2025	12,000
2026	12,600
2027	13,200
	37,800

7. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

The Association is exposed to credit risk through its cash and accounts receivable. The maximum amount of credit risk exposure is limited to the carrying value of the balances as disclosed in these financial statements.

The Association manages its exposure to credit risk on cash by placing these financial instruments with high-credit quality financial institutions.

The Association assesses, on a continuous basis, accounts receivable for any amounts that are not collectible. As at December 31, 2024, the Association had recorded \$2,817 (2023 - \$3,000) as an allowance for doubtful accounts.