



2021 ALBERTA INSTITUTE ANNUAL REPORT

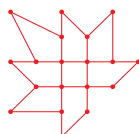
BUILDING LONG TERM GROWTH

Through Resilient Supply Chains for Albertans

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THANK YOU TO OUR AGM SPONSOR



MESSAGE FROM THE CHAIR

JOHN JANJIC, SCMP™

CHAIR, Supply Chain Canada, Alberta Institute

In the past year we have witnessed a number of challenges that have shaped and influenced Supply Chain Canada as a whole, the Alberta Institute and our individual roles as Supply Chain Professionals.

The COVID-19 pandemic not only affected health and wellness on a global scale but also stretched the resiliency of supply chain networks worldwide. It was a wake-up call for governments, and industry in all sectors as to the fragility of these interconnected systems, but also underscoring the strategic importance that Supply Chain holds as a facilitator in a volatile global economy.

The Alberta Institute of Supply Chain Canada has and continues to adapt, persevere, and adjust to these realities. Our organization has demonstrated the resolve and flexibility to deliver value to its membership, leadership within the national organization, and relevant educational programs to prepare and equip its members with the tools needed to thrive in this dynamic environment.

I would like to express my appreciation and well deserving congratulations to our CEO, Hugh Evans; our COO, Glenda Beaulieu; and our past CEO, Tom McCaffery; for their efforts in putting together and executing on a very strong strategic vision and plan.

Without their collective leadership and engagement we would not have established the strong foundation that will serve as a basis for future growth and strong financial stability. With the assistance of their operational team, they have managed to successfully deliver quality events, timely information, and educational programs in collaboration with our Western Canadian Supply Chain partners.



“Our organization has demonstrated the resolve and flexibility to deliver value to its membership...”

I would also like to extend my thanks and appreciation to the Board Team for their dedication and expertise in guiding the organization through some very challenging circumstances. They have maintained a guiding principle based on ensuring that the best interests of the Supply Chain Canada and the Alberta Institute are protected and preserved to ensure its long term success and growth.

MESSAGE FROM THE CEO

HUGH EVANS

CEO, Supply Chain Canada, Alberta Institute

It probably goes without saying that many annual reports of this kind will be describing the last 18 months as the most disruptive time at work in living history, and for supply chain as a whole and the Alberta Institute that has been no less the case.

So, what has been achieved of note.

In the context of association-wide considerations to merge Supply Chain Canada into a single entity, regional collaboration with the Prairie Institutes has pressed ahead. Cross-provincial program coordination has been and will continue to be a key operational priority.

On the program front, there were several notable 'first of a kind' initiatives:

- The Risk & Resiliency Series – a program of key topics relevant to grappling with the pandemic effects on supply chain operations.
- Supply Management Training for the Blood Tribe (part of the Siksika nation) – opening the door to careers in supply chain.
- Launched the Applied Machine Learning in Supply Chain Professional Certificate – putting predictive analytics into the hands of supply chain professionals. It is also our first certificate to issue digital badges upon completion.
- Launched the Supply Chain Leaders' Council – a peer-to-peer mentoring group that is a facilitated monthly meeting that combines shared learning & best practices, coaching, and invited subject matter experts to advance professional & personal growth.
- Supply Chain Week – the first cross province, multi-day virtual conference sharing knowledge and celebrating achievements.



“

On the program front, there were several notable 'first of a kind' initiatives... ”

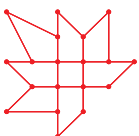
In recounting the year, I would like to acknowledge first the leadership contribution of my predecessor, Tom McCaffery, who put in place the strategic and operational plan that laid the ground for the results achieved this year.

Secondly, I would also like to acknowledge the work and counsel of our board, chaired and led by John Janjic.

And last but not least, I would like to acknowledge the staff and in particular the long service of Millete Gutierrez (15 years) and Lina Bulatao (20 years), both of whom have brought continuity and professionalism to the Alberta Institute through fluctuating times.

As this report describes, through the actions taken to manage cost and diversify activities and funding, the association achieved a strong net surplus for the year.

This financial performance enables the Alberta Institute to invest further in new programming, new knowledge, and revitalized member experiences.



OUR BOARD OF DIRECTORS



CHAIR

John Janjic, SCMP™



CHAIR-ELECT

Brent Willett



DIRECTOR

Olalade (Lola) Akanni, MBA,
SCMP™, CPSM



DIRECTOR

Sean Baker



DIRECTOR & TREASURER

Thiago Braga, MBA, SCMP™



DIRECTOR

Esther Chan, SCMP™



DIRECTOR

Brian Dumsday, P.Eng., P.



DIRECTOR

Brian Fleming, PhD.



DIRECTOR

Gautier Djeukam Mbouendeu,



DIRECTOR

Erwin C. Osterroth, SCMP™



PUBLIC MEMBER

Alex Nagy



PRESIDENT & SECRETARY

Hugh Evans
CEO, Supply Chain Canada,
Alberta Institute



OFFICER

Glenda Beaulieu,
COO, Supply Chain
Canada,

OUR YEAR IN REVIEW

COVID-19 has impacted the world, and the global economy in such a profound way. Many associations have struggled to survive. It set the stage for the loss of in person events due to continued lockdowns and uncertainty around training dollars available to our members, as businesses struggled to keep their doors open and their employees safe. In addition to this were the internal challenges of cannibalization as other Institutes launched their virtual course schedules and a possible organization-wide restructuring forcing the Institutes to come together.

The national education programs were largely dependent on local in person delivery. The logical transition in the early days of the pandemic was to simply move everything online (primarily zoom), which seemed to work in the short term. However, it soon became evident that this transition presented internal competition and a flooded marketplace.

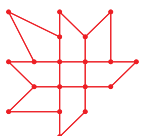
With 10 provincial and territorial institutes all with the same need to continue running courses and seminars as educational programs are primary revenue sources, how were we going to best serve candidates that needed courses to complete their programs without competing with one another? We recognized that we would need to come up with a more collaborative approach to allow us to retain our current market share and local connections.

By thinking outside the box, the Alberta Institute found a way to not only just survive, but to thrive by collaborating with its neighbouring Institutes. Through the effective communication of the value proposition and stepping outside comfort zones, the collaborative team was able to make proper investment decisions and to reallocate resources to prevent erosion of each of Institute's bottom line. Remaining status quo was no longer an option.

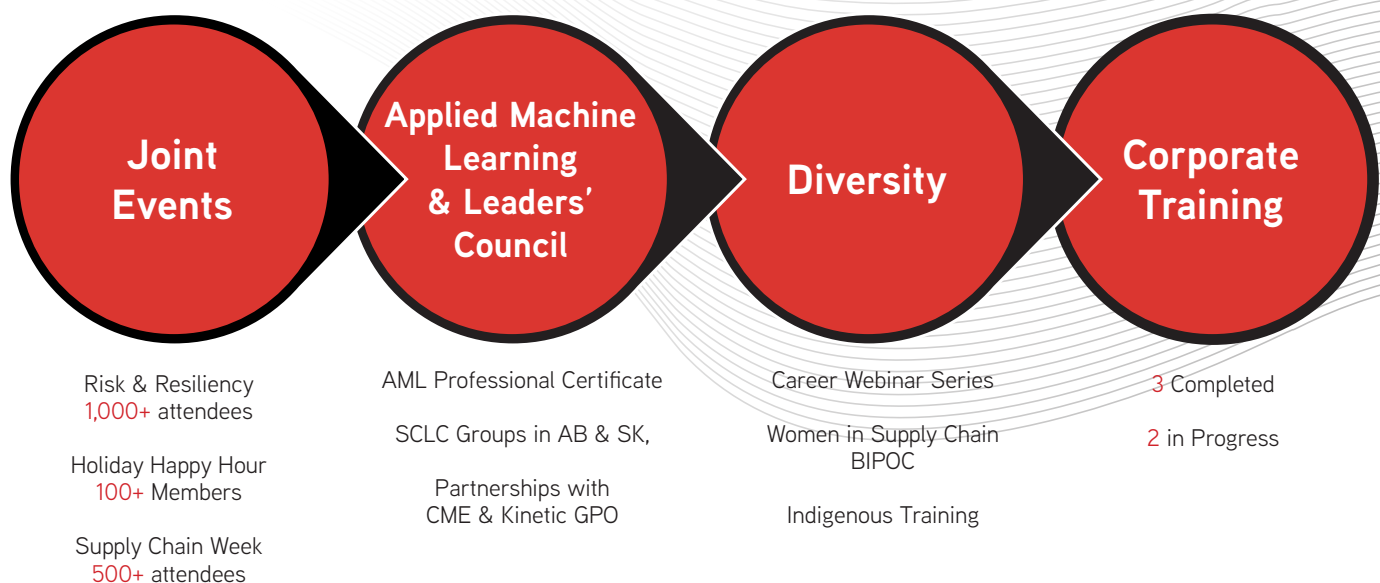


This led to several discussions, negotiations, and ultimately agreement on implementation of a shared delivery model between Saskatchewan, Alberta, Manitoba & Northern Territories Institutes.

An investment of just under 100 hours and an estimated budget just over \$200K, was made by Tom McCaffery in AB, Nicole Burgess in SK, and Rick Reid representing MB & NT. To refine the curriculum for online delivery and to develop new programs, Hugh Evans was brought on to work with the program team. To assist in driving member value, Glenda Beaulieu signed on to strengthen marketing efforts and to better utilize resources to understand our members.



OUR PRAIRIES & NT INITIATIVES



This led to assessing curriculum, pricing, technology, and manpower. Investments were made to improve marketing efforts. A microsite, supplychainprograms.ca was launched to communicate new initiatives and to deliver higher conversion through an improved user experience.

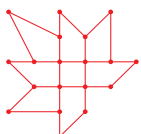
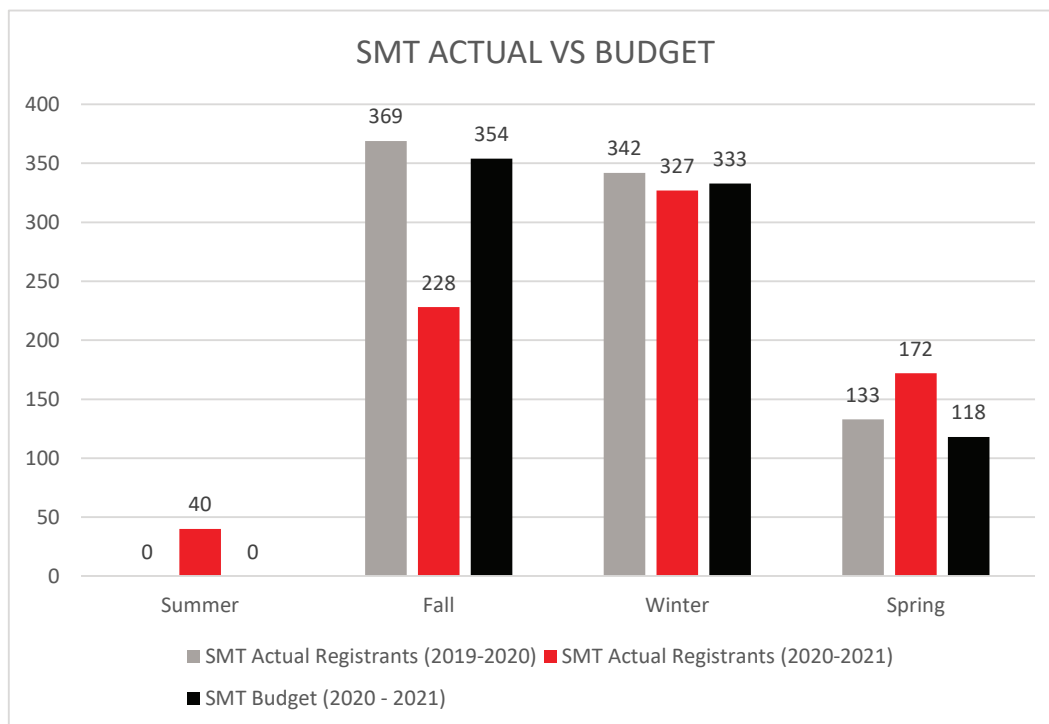
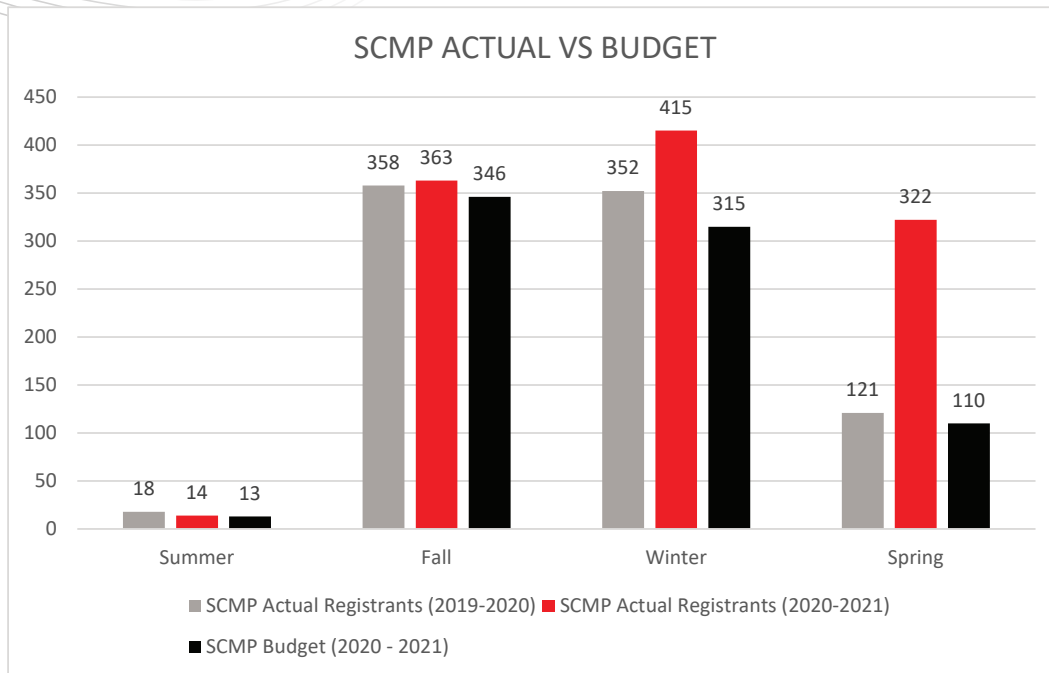
The shared delivery of our regional fall schedule was deemed a quick win as it was organized within a very short timeframe of only two months (from concept to launch). Based on this success, it created the foundation for other areas of collaboration including marketing, HR, PD programs, joint social events, etc...

Collaborations with our partner institutes helped prioritize our focus to deliver the course content as well as expand our offerings. In addition to the member value delivered, all 4 Institutes had their best revenue performance ever – Alberta finishing the year in the black, and SK, MB & NT outperforming their plans.

“By thinking outside the box, the Alberta Institute found a way to not only just survive, but to thrive by collaborating with its neighbouring Institutes.”

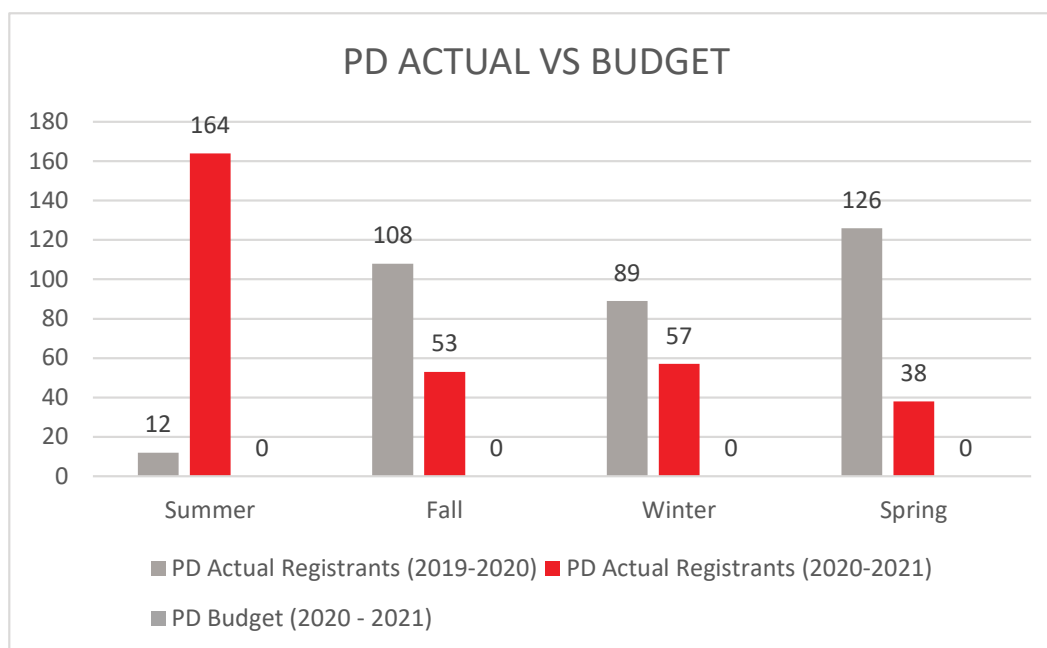
OUR PROGRAM PERFORMANCE

Based on Student Enrollment



OUR KPI DASHBOARD

ALBERTA	FY2019	FY2020	FY2021	Chg FY19
Growth	1,899	1,704	1,580	-18%
Events Offered	79	92	95	+20%
Total Revenue	\$2.19M	\$1.77M	\$2.18M	Flat
Total Expenses	\$2.08M	\$1.89M	\$1.86M	-10%
Net Income	\$17.6K	-\$120K	\$311K	+\$293.4K



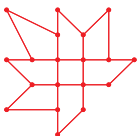


OUR FINANCIALS

Financial Statements of

SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Year ended June 30, 2021





KPMG LLP
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Edmonton Alberta T5J 0H3
Canada
Tel (780) 429-7300
Fax (780) 429-7379

INDEPENDENT AUDITORS' REPORT

To the Members of Supply Chain Management Association Alberta

Opinion

We have audited the financial statements of Supply Chain Management Association Alberta (the Entity), which comprise:

- the statement of financial position as at June 30, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2021, 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 Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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.

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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.

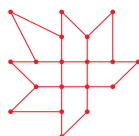
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Edmonton, Canada

November 4, 2021

SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Statement of Financial Position

June 30, 2021, with comparative information for 2020

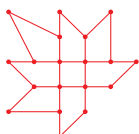
	2021	2020
Assets		
Current assets:		
Cash	\$ 495,942	\$ 454,693
Accounts receivable	123,234	106,099
Term deposit (note 2)	30,000	60,000
Prepaid expenses	43,740	31,661
	692,916	652,453
Marketable securities and bonds (note 3)	1,372,788	1,266,443
Equipment (note 4)	49,981	63,054
	\$ 2,115,685	\$ 1,981,950

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 77,803	\$ 205,476
Deferred rent	32,622	28,156
Deferred revenue (note 5)	371,853	425,880
	482,278	659,512
Long-term debt (note 6)	40,000	40,000
	522,278	699,512
Net assets:		
Reserve fund (note 7)	1,000,000	1,000,000
Unrestricted	543,426	219,384
Invested in equipment	49,981	63,054
	1,593,407	1,282,438
Commitments (note 8)		
	\$ 2,115,685	\$ 1,981,950

See accompanying notes to financial statements.

On behalf of the Board:



SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Statement of Operations

Year ended June 30, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Education programs	\$ 1,312,595	\$ 939,471
Membership	606,627	648,322
Investment income	124,966	21,610
Business development	117,688	117,103
Government assistance (note 11)	14,235	44,071
	<u>2,176,111</u>	<u>1,770,577</u>
Expenses:		
Management and administration	782,232	956,078
Education programs	484,948	310,722
Membership	421,190	449,029
Business development	162,331	123,445
Amortization	10,552	14,526
Governance	2,444	37,025
Loss on sale of equipment	1,445	-
	<u>1,865,142</u>	<u>1,890,825</u>
Excess (deficiency) of revenue over expenses	\$ 310,969	\$ (120,248)

See accompanying notes to financial statements.

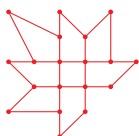
SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Statement of Changes in Net Assets

Year ended June 30, 2021, with comparative information for 2020

	Internally restricted	Unrestricted	Invested in equipment	2021	2020
Net assets, beginning of year	\$ 1,000,000	\$ 219,384	\$ 63,054	\$ 1,282,438	\$ 1,402,686
Excess (deficiency) of revenue over expenses	-	321,521	(10,552)	310,969	(120,248)
Disposal of equipment	-	2,521	(2,521)	-	-
Net assets, end of year	\$ 1,000,000	\$ 543,426	\$ 49,981	\$ 1,593,407	\$ 1,282,438

See accompanying notes to financial statements.



SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Statement of Cash Flows

Year ended June 30, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 310,969	\$ (120,248)
Items not involving cash:		
Amortization	10,552	14,526
Loss on sale of equipment	1,445	-
Lease inducement amortization	4,465	4,465
(Gain) loss on marketable securities	(105,318)	52,980
Increase in accounts receivable	(17,135)	(35,334)
(Increase) decrease in prepaid expenses	(12,079)	1,034
(Decrease) increase in accounts payable and accrued liabilities	(127,673)	161,663
Decrease in deferred revenue	(54,027)	(79,779)
	11,199	(693)
Financing:		
Increase in long-term debt	-	40,000
Investing:		
Proceeds on maturity of term deposits	30,000	-
Proceeds on disposal of equipment	1,076	-
Purchase of marketable securities and bonds	(454,141)	(375,485)
Proceeds from sale of marketable securities and bonds	453,115	317,402
	30,050	(58,083)
Increase (decrease) in cash	41,249	(18,776)
Cash, beginning of year	454,693	473,469
Cash, end of year	\$ 495,942	\$ 454,693

See accompanying notes to financial statements.

SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Notes to Financial Statements

Year ended June 30, 2021

Nature of operations:

Supply Chain Management Association Alberta (the "Association") is a not-for-profit organization registered under the Professions and Occupations Act of Alberta. The Association is dedicated to developing the purchasing profession by ensuring professional status is accessible to all purchasing practitioners in the province of Alberta. High standards of eligibility and professional conduct are developed and enforced to enhance the profession as well as protect the general public. The Association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

1. 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. Significant accounting policies observed in the preparation of the financial statements are summarized below:

(a) Revenue recognition:

The Association follows the deferral method of accounting for contributions.

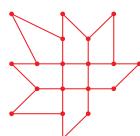
Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue proportionately over the fiscal year to which they relate. Fees are not recognized as revenue until the fees are collected.

Course and seminar fees are recognized as revenue when the courses or seminars are delivered. Seminar fees are collected prior to the delivery of the seminar. Course fees are recognized as revenue if the amount can be reasonably estimated and collection is reasonably assured.

(b) Term deposits:

Short term investments, which consist primarily of commercial paper with original maturities at date of purchase beyond three months and less than twelve months, are carried at amortized cost.



SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Notes to Financial Statements (continued)

Year ended June 30, 2021

1. Significant accounting policies (continued):

(c) Investments:

The Association's investments are recorded at fair value and consist of money market, fixed income, and equity based instruments. The instruments portfolio is managed by a third party investment manager and is subject to an investment policy set by the Board of Directors. The main objective of the investment policy is the growth and preservation of capital. The fixed income investments which consist of federal, provincial and corporate bonds are capable of prompt liquidation. The equity based investments are widely held and diversified and are traded on a regular basis on the recommendation of the investment manager and approval of the Association.

(d) Equipment:

Equipment is stated at cost or deemed cost less accumulated amortization. Equipment is amortized over its estimated useful life following rates and method:

Furniture and fixtures	20% declining balance method
Office equipment	20% declining balance method

Leasehold improvements are depreciated on a straight-line basis over the shorter of the term of the lease and the estimated useful life of the asset.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry marketable securities and bonds at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Notes to Financial Statements (continued)

Year ended June 30, 2021

1. Significant accounting policies (continued):

(e) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) Reserve fund policy:

The Association plans for any net revenues earned to be available at the end of each fiscal year to fund an Operating Reserve (the "Reserve"). The Reserve will be funded (provided cash is available) based on the determination of allocation by the Board of Directors. Contributions will be made to the Reserve until there is a balance to support operational expenses for at least six months.

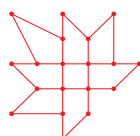
The use of the Reserve requires the majority consent of the Association's Board of Directors, and only after all available alternatives have been explored to finance the Association's activities.

(g) Contributed services:

Volunteers contribute a significant amount of their time each year. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(h) 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. Such 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. The significant estimates pertain to the useful lives of equipment, the recoverability of accounts receivable and, the recognition of deferred revenue.



SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Notes to Financial Statements (continued)

Year ended June 30, 2021

2. Term deposit:

Guaranteed Investment Certificate, bearing interest at a rate of 0.10% (2020: 0.50%), due April 2022 (2020: April 2021).

3. Marketable securities and bonds:

	2021	2020
Fixed income	\$ 527,501	\$ 601,857
Non-Canadian equities	293,684	241,019
Cash and short term bonds	264,854	214,737
Canadian equities	286,749	208,830
	\$ 1,372,788	\$ 1,266,443

Short term bonds and fixed income investments bear interest at rates between 0.385% and 7.85% (2020: 0.51% and 7.85%) and have various maturities between 2021 and 2045 (2020: 2021 and 2045).

4. Equipment:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Furniture and fixtures	\$ 73,238	\$ 41,215	\$ 32,023	\$ 42,107
Leasehold improvements	18,080	6,709	11,371	12,714
Office equipment	15,217	8,630	6,587	8,233
	\$ 106,535	\$ 56,554	\$ 49,981	\$ 63,054

Subsequent to year-end, the Association sold substantially all of its equipment, under the terms of a sublease agreement entered into during the year (note 8)

SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Notes to Financial Statements (continued)

Year ended June 30, 2021

5. Deferred revenue:

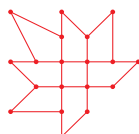
The changes in deferred revenue relating to membership programs and education programs for the period are as follows:

	Beginning of year	Revenue deferred in the year	Revenue earned during the year	End of year
Membership	\$ 305,070	\$ 585,115	\$ (595,308)	\$ 294,877
Other	91,772	335,640	(411,092)	16,320
Supply chain management program	19,565	645,744	(616,830)	48,479
Seminars	9,473	53,011	(51,757)	10,727
Supply management training	-	24,070	(22,620)	1,450
	\$ 425,880	\$ 1,643,580	\$ (1,697,607)	\$ 371,853

6. Long-term debt:

In response to the economic impacts of the COVID-19 pandemic, the Government of Canada created the Canada Emergency Business Account (CEBA) program which provides up to \$60,000 of interest-free loans to small businesses and not-for-profit organizations. As part of this program, up to \$20,000 of the loan is forgivable if the balance is repaid on or before December 31, 2022.

During the year, the Association received \$nil (2020 - \$40,000) under the CEBA program. As repayment of the loan is expected to be made on or before December 31, 2022, the Association has recorded the outstanding balance as long-term debt.



SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Notes to Financial Statements (continued)

Year ended June 30, 2021

7. Reserve fund:

	2021	2020
Operating reserve	\$ 500,000	\$ 500,000
Lease reserve	200,000	200,000
Legal reserve	150,000	150,000
Restricted for program development	100,000	100,000
Technology reserve	50,000	50,000
Total internally restricted net assets	\$ 1,000,000	\$ 1,000,000

8. Commitments:

The Association's total obligations, under a property lease agreement, information technology agreements, and an equipment lease, are as follows:

2022	\$ 105,084
2023	102,777
2024	102,901
2025	102,901
2026	102,901
Thereafter	128,626
	\$ 645,190

During the year, the Association entered into an agreement to sublease its leased property, commencing August 1, 2021 and ending September 29, 2027.

Subsequent to year-end, the Association terminated its information technology agreements.

SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

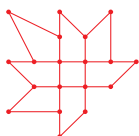
Notes to Financial Statements (continued)

Year ended June 30, 2021

9. Related party transactions:

The following is a summary of the Association's related party transactions:

	2021	2020
Supply Chain Management Association (National and Provincial Associations) Revenue		
Assessment fees	\$ 44,500	\$ 31,800
Revenue sharing income	56,068	85,024
Other revenue	2,669	8,630
Expenses		
Assessment fees (a)	460,105	504,339
Transactions with Board of Directors	16,250	63,056
Professional services	12,000	68,107
Project expenses	20,414	56,693
Other	83,041	27,139
Included in the accounts receivable and accounts payable of the Association are the following related party balances:		
Accounts receivable		
Supply Chain Management Association (National)	46,725	3,696
Supply Chain Canada - Ontario Institute	8,582	24,820
Supply Chain Canada - Saskatchewan Institute	6,275	-
Supply Chain Canada - Manitoba Institute	2,741	-
Accounts payable		
Supply Chain Management Association (National)	16,423	66,678
B.W. Dumsday & Associates	-	5,000
Supply Chain Canada - Saskatchewan Institute	-	210
Supply Chain Canada - Newfoundland Institute	-	230



SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Notes to Financial Statements (continued)

Year ended June 30, 2021

9. Related party transactions (continued):

- a) The Association, through the Federation Agreement, is required to pay annual membership and education assessments (the "Assessments") to the National Secretariat. The assessments are calculated based on the number of members and education course registrations received in the prior year. The amount is determined at year end and becomes payable within nine months.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Financial instruments:

The Association is exposed to various risks through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of June 30, 2021. Unless otherwise noted, the Association's risk exposure has not changed from the prior year.

Credit risk

Credit risk arises from the potential that a counter party may fail to perform its obligations. The Association is exposed to credit risk from customers, and the maximum exposure to this risk is the carrying value of accounts receivable on the statement of financial position. At year end, 42% of the receivables were due from one customer. Subsequent to the period-end, 100% of this receivable was collected. The Association has assessed its credit risk as low.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is mainly exposed to currency rate risk and interest rate risk. The Association has assessed its market risk as low to moderate.

Currency risk

Currency risk is the risk to the Association's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association is exposed to foreign currency exchange risk on cash and short and long term investments held in U.S. dollars. These amounts are liquid, which minimizes the Association's exposure to foreign currency fluctuations. The Association has assessed its currency risk as low.

SUPPLY CHAIN MANAGEMENT ASSOCIATION ALBERTA

Notes to Financial Statements (continued)

Year ended June 30, 2021

10. Financial instruments (continued):

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Association is exposed to interest rate risk primarily through its investments. The Association has assessed its interest rate risk as low.

11. Implications of COVID-19:

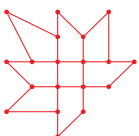
On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The Association moved quickly to combat the impacts of COVID-19, by undertaking the following:

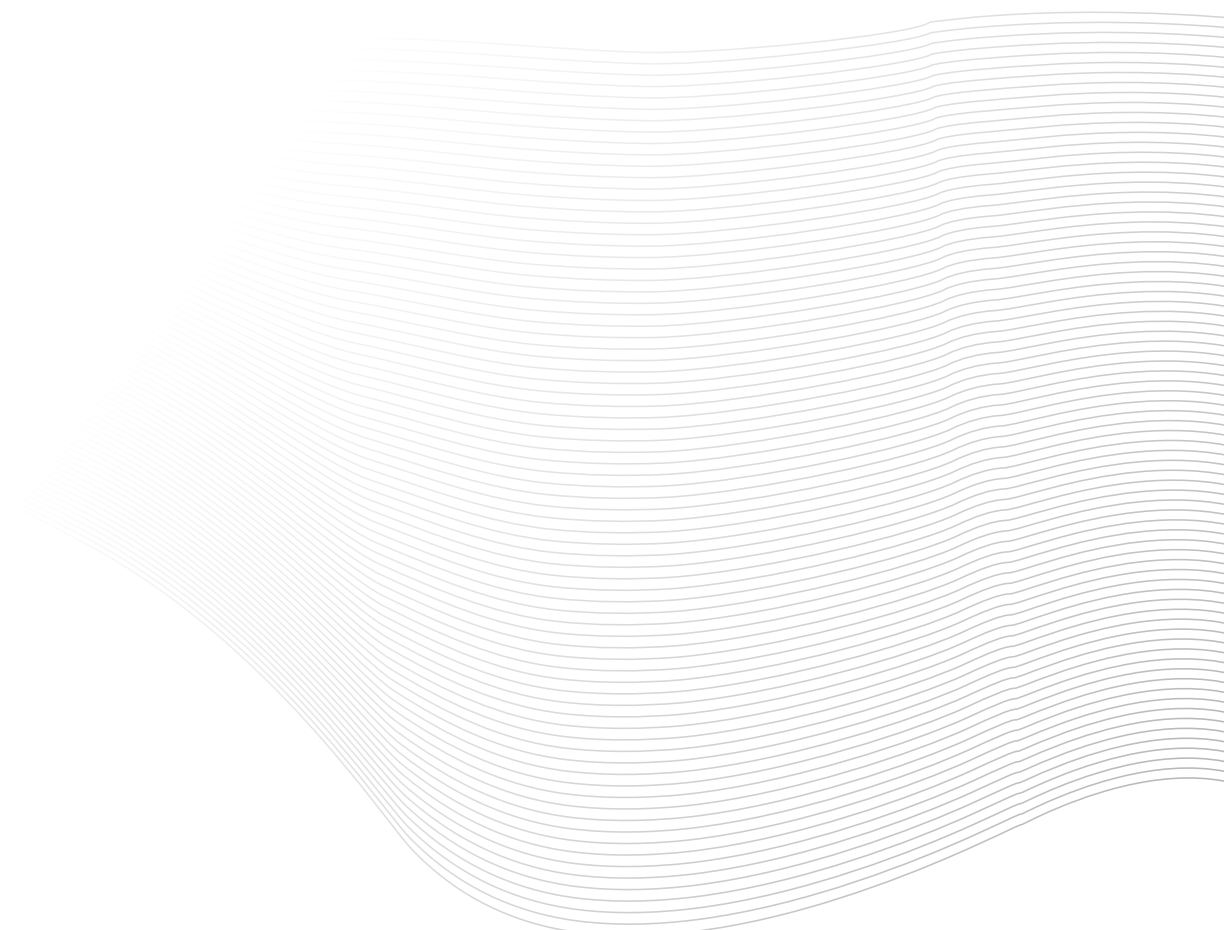
- All revenue generating events and classes were moved online, with minimal disruption.. Virtual platforms were introduced and remote working / digital technologies were adopted with some hardware costs incurred;
- Fixed costs were reduced, some costs were deferred to maintain cash flow and government support programs were utilized where the Association qualified;
- A shared schedule for training was developed with two other Prairie Institutes to reduce program costs, and a marketing plan was mobilized;
- Operational costs were reduced and contracts were deployed to ensure operational stability;
- A new strategy was developed to ensure stability and pursue revenue diversification where possible.

The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or liability balances, which may also have a direct impact on the operating results and financial position of the Association in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Association is not known at this time.

12. Comparative information:

Prior year comparative information has been adjusted to conform to current year presentation.







SUPPLY CHAIN CANADA

supplychaincanada.com

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INSTITUTES

Alberta

British Columbia

Manitoba

New Brunswick

Newfoundland & Labrador

Northern Territories

Nova Scotia

Ontario

Quebec

Saskatchewan