

Financial Statements of

**CANADIAN ASSOCIATION OF
GOVERNMENT FINANCE OFFICERS**

And Independent Practitioners' Review Engagement
Report thereon

Year ended June 30, 2020
(Unaudited)



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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of Canadian Association of Government Finance Officers

We have reviewed the accompanying financial statements of Canadian Association of Government Finance Officers, which comprise the statement of financial position as at June 30, 2020, the statements of operations and members' equity and cash flows for the year then ended, and notes, comprising 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 the financial statements do not present fairly, in all material respects, the financial position of Canadian Association of Government Finance Officers as at June 30, 2020, 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.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada

September 10, 2020

CANADIAN ASSOCIATION OF GOVERNMENT FINANCE OFFICERS

Statement of Financial Position

June 30, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 73,215	\$ 43,176
Accounts receivable	-	224
Taxes receivable	1,917	-
Short-term investments (note 2)	262,633	258,545
Prepaid expenses	-	12,000
	<u>\$ 337,765</u>	<u>\$ 313,945</u>

Liabilities and Members' Equity

Current liabilities:		
Accounts payable	\$ 343	\$ 3,252
Deferred contributions (note 3)	63,900	66,360
Taxes payable	-	299
	<u>64,243</u>	<u>69,911</u>
Deferred contributions (note 3)	8,400	16,800
Members' equity	265,122	227,234
Contingencies (note 5)		
	<u>\$ 337,765</u>	<u>\$ 313,945</u>

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

CANADIAN ASSOCIATION OF GOVERNMENT FINANCE OFFICERS

Statement of Operations and Members' Equity

Year ended June 30, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Revenue:		
Conference income	\$ 295,604	\$ 193,053
Interest income	4,097	4,186
Other income	2,519	5,750
	<u>302,220</u>	<u>202,989</u>
General and administrative expenses:		
Conference	120,395	133,695
Office and general	132,914	111,059
Professional fees	5,635	3,215
Travel	4,293	5,516
Insurance	1,095	1,652
	<u>264,332</u>	<u>255,137</u>
Excess (deficiency) of revenue over expenses	37,888	(52,148)
Members' equity, beginning of year	227,234	279,382
Members' equity, end of year	<u>\$ 265,122</u>	<u>\$ 227,234</u>

See accompanying notes to financial statements.

CANADIAN ASSOCIATION OF GOVERNMENT FINANCE OFFICERS

Statement of Cash Flows

Year ended June 30, 2020, with comparative information for 2019
(Unaudited)

	2020	2019
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 37,888	\$ (52,148)
Accounts receivable	224	(224)
Prepaid expenses	12,000	(2,802)
Accounts payable	(2,909)	(2,717)
Deferred contributions	(10,860)	15,160
Taxes receivable	(2,216)	(2,062)
	34,127	(44,793)
Financing:		
Short-term investments	(4,088)	(154,124)
Increase (decrease) in cash and cash equivalents	30,039	(198,917)
Cash and cash equivalents, beginning of year	43,176	242,093
Cash and cash equivalents, end of year	\$ 73,215	\$ 43,176

See accompanying notes to financial statements.

CANADIAN ASSOCIATION OF GOVERNMENT FINANCE OFFICERS

Notes to Financial Statements

Year ended June 30, 2020
(Unaudited)

Nature of operations:

Canadian Association of Government Finance Officers (the "Association") is an organization with the mission to promote excellence in local government through support and development of finance professionals. The Association is exempt from income tax under section 149 of the Income Tax Act.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value and all changes in the fair value are recognized in excess of revenues over expenses in the period incurred. 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 not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments that are 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.

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 period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

CANADIAN ASSOCIATION OF GOVERNMENT FINANCE OFFICERS

Notes to Financial Statements (continued)

Year ended June 30, 2020
(Unaudited)

1. Significant accounting policies (continued):

(b) Revenue recognition:

The Association follows the deferral method of accounting. 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.

Conference fees and sponsorship income are recognized as revenue when the conferences are held. Contributed conference attendances for host delegates and in-kind sponsorships are recognized at the measurable exchange amounts, generally the value of registration or the sponsorship level provided.

Other income is for job posting advertisements and the commission received is recognized on a monthly basis.

The Association receives interest income from investments and interest income on operating bank account funds. Interest income is recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Use of estimates:

The preparation of the 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 year. Estimates include liabilities for future conference incentives. Actual results could differ from these estimates.

2. Short-term investments:

Short-term investments are comprised of MFA Money Market Funds.

CANADIAN ASSOCIATION OF GOVERNMENT FINANCE OFFICERS

Notes to Financial Statements (continued)

Year ended June 30, 2020
(Unaudited)

3. Deferred contributions:

Deferred contributions represent conference incentives, funds received from sponsors and prepaid registrations for the 2020 fall conference.

4. Financial risks and concentration of risk:

It is management's opinion that the Association is not exposed to significant interest rate, currency or credit risks arising from these financial assets and liabilities.

5. Impact of COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and remains ongoing. The pandemic has resulted in the Association having to re-imagine its annual conference which will have an impact on the financial results of the Association in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Association are not known at this time.