

Financial Statements of

**CANADIAN ASSOCIATION OF GOVERNMENT
FINANCE OFFICERS**

And Independent Practitioner's Review Engagement Report
thereon

Year ended June 30, 2023

**KPMG LLP**

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INDEPENDENT PRACTITIONER'S 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, 2023, 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.

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.



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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, 2023, 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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slanted style. Below the signature is a long, horizontal, slightly curved line that underlines the text.

Chartered Professional Accountants

Victoria, Canada

October 27, 2023

CANADIAN ASSOCIATION OF GOVERNMENT FINANCE OFFICERS

Statement of Financial Position

June 30, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,021	\$ 67,130
Accounts receivable	19,940	14,025
Government remittances receivable	15,428	2,090
Short-term investments (note 2)	279,924	269,339
Prepaid expenses	38,743	43,615
	<u>\$ 369,056</u>	<u>\$ 396,199</u>

Liabilities and Members' Equity

Current liabilities:		
Accounts payable	\$ 265	\$ 1,530
Deferred contributions (note 3)	38,155	18,000
	<u>38,420</u>	<u>19,530</u>
Members' equity	330,636	376,669
	<u>\$ 369,056</u>	<u>\$ 396,199</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, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Conference income	\$ 154,353	\$ 162,451
Interest income	10,585	1,117
Other income	6,250	8,394
Professional development income	-	39,496
	<u>171,188</u>	<u>211,458</u>
General and administrative expenses:		
Office and general	146,159	120,683
Conference (recovery)	56,707	(327)
Professional fees	5,473	5,307
Travel	4,774	5,400
Bad debts	3,150	-
Advertising	1,299	-
Insurance	-	1,078
Foreign exchange differences	(341)	-
	<u>217,221</u>	<u>132,141</u>
Excess (deficiency) of revenues over expenses	(46,033)	79,317
Members' equity, beginning of year	376,669	297,352
Members' equity, end of year	<u>\$ 330,636</u>	<u>\$ 376,669</u>

See accompanying notes to financial statements.

CANADIAN ASSOCIATION OF GOVERNMENT FINANCE OFFICERS

Statement of Cash Flows

Year ended June 30, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ (46,033)	\$ 79,317
Changes in non-cash operating working capital:		
Accounts receivable	(5,915)	20,358
Prepaid expenses	4,872	(43,615)
Accounts payable	(1,265)	1,143
Deferred contributions	20,155	(80,500)
Government remittances receivable	(13,338)	(4,714)
	(41,524)	(28,011)
Investing:		
Purchase of short-term investments	(10,585)	(1,095)
Decrease in cash and cash equivalents	(52,109)	(29,106)
Cash and cash equivalents, beginning of year	67,130	96,236
Cash and cash equivalents, end of year	\$ 15,021	\$ 67,130

See accompanying notes to financial statements.

CANADIAN ASSOCIATION OF GOVERNMENT FINANCE OFFICERS

Notes to Financial Statements

Year ended June 30, 2023

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, 2023

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.

Professional development income earned from hosting virtual sessions is recognized when the sessions take place.

Other income is for job posting advertisements and the commission received is recognized on a monthly basis. In addition, rental income related to a sponsored conference booth is also included in other income and is recognized in the period the conference takes place.

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.

2. Short-term investments:

Short-term investments are comprised of \$274,924 (2022 - \$269,339) in MFA Money Market Funds and a \$5,000 (2022 - \$5,000) guaranteed investment certificate with interest of 3%, maturing on February 5, 2024.

CANADIAN ASSOCIATION OF GOVERNMENT FINANCE OFFICERS

Notes to Financial Statements (continued)

Year ended June 30, 2023

3. Deferred contributions:

Deferred contributions represent funds received from sponsors and prepaid registrations for the 2023 fall conference.

4. Related party transactions:

F.H Black Inc., a company owned by a board member of the Association provided sponsorship and speaking services to the Association in the amount of \$8,000 in relation to the Fall 2022 conference. In addition, a further \$9,524 was received in relation to the Fall 2023 conference. The amounts are measured at the exchange amount agreed to by both parties. At June 30, 2023, the amount received for the Fall 2023 conference is recorded in deferred contributions and will be recognized as conference income in November 2023, the month in which the conference takes place.

5. 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 its financial assets and liabilities.