

Alberta Association of Police Governance
Financial Statements
December 31, 2022

Independent Auditor's Report

To the Members of Alberta Association of Police Governance:

Opinion

We have audited the financial statements of Alberta Association of Police Governance (the "Association"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets 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, 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.

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.

Calgary, Alberta

May 8, 2023

MNP LLP

Chartered Professional Accountants

Alberta Association of Police Governance Statement of Financial Position

As at December 31, 2022

	2022	2021
Assets		
Current		
Cash	42,460	59,642
Short-term investments (Note 3)	84,267	83,848
Accounts receivable	5,000	10,000
Prepaid expenses	1,914	4,220
	133,641	157,710
Liabilities		
Current		
Accounts payable and accruals	5,300	7,494
Deferred contributions (Note 5)	12,500	12,936
	17,800	20,430
Net Assets	115,841	137,280
	133,641	157,710

Approved on behalf of the Board

e-Signed by Rachel Hopf

2023-05-08 12:46:31:31 MDT

Director

e-Signed by Ian Sanderson

2023-05-09 08:08:00:00 MDT

Director

Alberta Association of Police Governance Statement of Operations and Changes in Net Assets

For the year ended December 31, 2022

	2022	2021
Revenue		
Grant revenue <i>(Note 4)</i>	50,000	50,000
Conference income	18,803	12,791
Donations	12,335	10,865
Memberships	6,200	6,300
Goods and Services Tax rebate	1,326	1,493
Interest income	740	1,443
	89,404	82,892
Expenses		
Subcontracts	40,200	38,400
Conferences	27,350	17,189
Professional fees	18,656	3,885
Travel and hosting	13,249	4,384
Goods and Services Tax	4,299	3,206
Licences and memberships	2,726	2,588
Insurance	1,940	1,641
Telephone	913	940
Office	752	1,704
Advertising	619	1,300
Bank charges and interest	139	133
Repairs and maintenance	-	431
	110,843	75,801
(Deficiency) excess of revenue over expenses	(21,439)	7,091
Unrestricted net assets, beginning of year	137,280	130,189
Unrestricted net assets, end of year	115,841	137,280

The accompanying notes are an integral part of these financial statements

Alberta Association of Police Governance

Statement of Cash Flows

For the year ended December 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
(Deficiency) excess of revenue over expenses	(21,439)	7,091
Changes in working capital accounts		
Accounts receivable	5,000	28,060
Prepaid expenses	2,306	(59)
Accounts payable and accruals	(2,194)	3,794
Deferred contributions	(436)	4,542
	(16,763)	43,428
Investing		
Investment in GIC	-	(30,000)
Interest reinvested in short-term investments	(419)	(1,416)
	(419)	(31,416)
Increase (decrease) in cash resources	(17,182)	12,012
Cash resources, beginning of year	59,642	47,630
Cash resources, end of year	42,460	59,642

The accompanying notes are an integral part of these financial statements

Alberta Association of Police Governance Notes to the Financial Statements

For the year ended December 31, 2022

1. Incorporation and nature of the operations

Alberta Association of Police Governance (the "Association") was incorporated under the Societies Act on February 4, 2003 with the objective of supporting excellence in civilian governance of police services in Alberta. The Association is registered as a not-for-profit organization under the Income Tax Act ("the Act") and, as such, is exempt from income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Memberships are recorded when received and are recognized as revenue over the related membership period. Conference income is recognized upon completion of the conference. Deposits on conferences are deferred until the conference occurs.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has made no such elections.

The Association subsequently measures its short-term investments and other financial assets and liabilities 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 the excess of revenue over expenses for the current period. 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 of its financial assets measured at cost or amortized cost. An impairment of financial assets carried at amortized cost is recognized in excess of revenue over expenses when the asset's carrying amount exceeds the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

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. Where an impairment charge is subsequently reversed, the carrying amount of the financial asset is increased to the revised recoverable amount to the extent that it does not exceed the carrying amount that would have been determined had no impairment charge been recognized in previous periods. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

Alberta Association of Police Governance
Notes to the Financial Statements
For the year ended December 31, 2022

2. Significant accounting policies *(Continued from previous page)*

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 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 reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

3. Short-term investments

Included in short-term investments are automatically renewing annual GICs in the amount of \$84,267 (2021 - \$83,848) earning interest at a rate of 0.75% (2021 - 0.50%) per annum.

4. Grant revenue

The Association's government grant funding period ends on March 31 each year. The current year's grant of \$50,000 was received before year-end and, as such, deferred revenue in the amount of \$12,500 (2021 - \$12,500) was recorded at December 31, 2022.

5. Deferred contributions

Deferred contributions consist of unearned grant revenue of \$12,500 as disclosed in note 4.

6. Income taxes

The Association is registered as a not-for-profit organization under the *Income Tax Act* (the "Act") and, as such, is exempt from income taxes. In order to maintain its status as a not-for-profit under the Act, the Association must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

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 rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

8. Economic dependence

The Association is dependant upon funding from the Alberta Justice and Solicitor General for a significant portion of its revenue. As at the date of these financial statements, the funding has been renewed for a further two years.