

IAP2 Canada



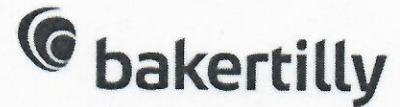
Financial Statements
For the year ended December 31, 2022



IAP2 Canada
Financial Statements
For the year ended December 31, 2022

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Baker Tilly Ottawa LLP
Chartered Professional Accountants
400-301 Moodie Drive
Ottawa, ON
Canada K2H 9C4

T: +1 613 820.8010
F: +1 613 820.0465

ottawa@bakertilly.ca
www.bakertilly.ca

Independent Auditor's Report

To the Members of
IAP2 Canada

Opinion

We have audited the financial statements of IAP2 Canada, which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations 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.

Other Matter

The comparative amounts for the year ended December 31, 2021 were neither audited nor reviewed.

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.

Baker Tilly Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
June 7, 2023
Ottawa, Ontario

IAP2 Canada
Statement of Financial Position

December 31 (Unaudited)
2022 2021

Assets

Current

Cash	\$	191,107	\$	159,422
Investments (Note 2)		183,584		182,008
Accounts receivable		72,308		3,573
Prepaid expenses		2,312		38,015
		449,311		383,018

Capital assets

		1,308		-
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	\$	450,619	\$	383,018
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Liabilities and Net Assets

Current

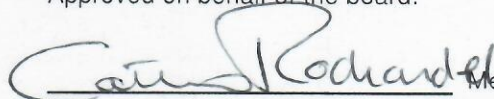
Accounts payable and accrued liabilities	\$	151,895	\$	95,525
HST / QST payable		19,616		25,125
Deferred revenue (Note 3)		79,596		77,459
Chapter funds held in trust		48,491		42,895
		299,598		241,004

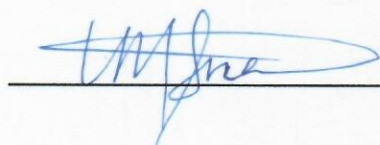
Unrestricted

		151,021		142,014
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	\$	450,619	\$	383,018
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Approved on behalf of the board:

 Member

 Member

IAP2 Canada
Statement of Changes in Net Assets

<u>For the year ended December 31</u>	<u>2022</u>	<u>(Unaudited)</u>	<u>2021</u>
Balance, beginning of year	\$ 142,014	\$	169,872
Excess (deficiency) of revenue over expenditures for the year	<u>9,007</u>	<u>(27,858)</u>	
Balance, end of year	\$ 151,021	\$	142,014

IAP2 Canada Statement of Operations

For the year ended December 31	2022	(Unaudited) 2021
Revenue		
Training	\$ 391,197	\$ 500,656
Memberships	183,574	160,373
Conference registrations	293,127	2,775
Symposium	-	217
Programs	72,614	22,845
Interest income	1,950	132
Miscellaneous income	44	4,182
	942,506	691,180
Expenditures		
Administration	303,746	230,715
Amortization	132	-
Bank charges	557	509
Board expenses	29,124	4,626
Chapter support	10,024	10,000
Committees & task forces	1,333	1,620
Communication and marketing	2,831	6,988
Insurance	3,487	4,426
International support	93,779	124,190
Miscellaneous	136	62
Professional fees	35,851	39,650
Programs and conferences	286,006	24,847
Technology	38,085	40,672
Training	128,408	216,380
	933,499	704,685
Excess (deficiency) of revenue over expenditures before undernoted item	9,007	(13,505)
Write off of QST tax credits	-	14,353
Excess (deficiency) of revenue over expenditures for the year	\$ 9,007	\$ (27,858)

IAP2 Canada Statement of Cash Flows

For the year ended December 31	2022	(Unaudited) 2021
Cash flows from operating activities		
Excess (deficiency) of revenue over expenditures for the year	\$ 9,007	\$ (27,858)
Adjustment for non-cash item		
Amortization	132	-
	9,139	(27,858)
Change in non-cash working capital items		
Investments	(1,576)	(100,132)
Accounts receivable	(68,735)	(3,573)
Prepaid expenses	35,703	528
Accounts payable and accrued liabilities	56,370	72,122
HST / QST payable	(5,509)	(4,741)
Deferred revenue	2,137	12,600
Chapter funds held in trust	5,596	16,506
	33,125	(34,548)
Cash flows from investing activities		
Purchase of capital assets	(1,440)	-
Increase (decrease) in cash during the year	31,685	(34,548)
Cash, beginning of year	159,422	193,970
Cash, end of year	\$ 191,107	\$ 159,422

IAP2 Canada

Notes to the Financial Statements

December 31, 2022

1. Significant Accounting Policies

Nature of Association IAP2 Canada (the Association) is incorporated under the Canada Not-for-profit Corporations Act. IAP2 Canada is an Association of members who seek to promote and improve the practice of public participation in relation to individuals, governments, institution, and other entities that effect the public interest in nations throughout the world. The Association carries its mission to serve the learning needs of members through events, publications, and communication technology, promote a results oriented research agenda and use research to support educational and advocacy goals and provide technical assistance to improve public participation.

The Association is a not-for-profit organization and management has determined the Association is exempt from payment of income tax under Section 149(1)(l) of the Income Tax Act.

Basis of Presentation These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.

Use of Estimates The preparation of financial statements in accordance 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 at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates and assumptions as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

Significant estimates include assumptions used in determining the collectability of accounts receivable, accruals for certain liabilities, and the amount of revenue to recognize versus defer for memberships.

Financial Instruments Financial instruments are financial assets or liabilities of the Association where, in general, the Association has the right to receive cash or another financial asset from another party or the Association has the obligation to pay another party cash or other financial asset.

IAP2 Canada Notes to the Financial Statements

December 31, 2022

1. **Significant Accounting Policies (continued)**

**Financial Instruments
(continued)**

Measurement of arm's length financial instruments

The Association initially measures its arm's length financial assets and liabilities at fair value. The Association subsequently measures arm's length financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Arm's length financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, investments not traded in an active market, and accounts payable and accrued liabilities. There are no financial assets or liabilities measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

Transaction costs

The Association recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**Contributed Goods and
Services**

These financial statements do not reflect the value associated with the numerous hours contributed by volunteers to assist the Association in carrying out its service delivery activities.

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.

IAP2 Canada
Notes to the Financial Statements

December 31, 2022

1. Significant Accounting Policies (continued)

Revenue Recognition (continued)

Membership fees are recognized as revenue proportionately over the fiscal year to which they relate.

Training, conference registrations, symposium, and program revenue is recorded when earned.

Unrestricted investment income is recognized as revenue when earned.

2. Investments

Investments consist of guaranteed investment certificates with interest ranging from 0.4% to 0.8%, maturing between February 2023 and May 2023.

3. Deferred Revenue

	2022	2021
Membership fees	\$ 76,751	\$ 77,459
Other	2,845	-
	\$ 79,596	\$ 77,459

4. Financial Instruments Risks And Uncertainties

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations as at December 31, 2022:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to this risk mainly in respect of its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, HST / QST payable, and chapter funds held in trust.

IAP2 Canada
Notes to the Financial Statements

December 31, 2022

4. Financial Instruments Risks And Uncertainties (continued)

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its investments with fixed interest rates.

Change in risks

There are no significant changes in the Association's risk exposure from the previous year.
