

**Alberta Municipal Health & Safety Association**  
**Financial Statements**  
*December 31, 2023*

Draft - For Discussion Purposes Only

## Management's Responsibility

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To the Members of Alberta Municipal Health & Safety Association:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors ("the Board") is composed entirely of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

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Craig Hrynchuk, Executive Director

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# Independent Auditor's Report

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To the Members of Alberta Municipal Health & Safety Association:

## Opinion

We have audited the financial statements of Alberta Municipal Health & Safety Association (the "Association"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, 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, 2023, 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 10, 2024

Chartered Professional Accountants

# Alberta Municipal Health & Safety Association

## Statement of Financial Position

*As at December 31, 2023*

	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents <i>(Note 3)</i>	1,385,752	563,406
Accounts receivable	143,996	204,785
Short term investments <i>(Note 4)</i>	1,074,381	1,354,077
Goods and services tax receivable	20,155	3,078
Prepaid expenses and deposits	107,732	119,585
	2,732,016	2,244,931
<b>Restricted cash</b> <i>(Note 5)</i>	597,897	468,347
<b>Capital assets</b> <i>(Note 6)</i>	976,722	1,066,302
	4,306,635	3,779,580
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	250,628	281,193
Fees received in advance <i>(Note 7)</i>	83,081	149,373
	333,709	430,566
<b>Deferred contributions</b> <i>(Note 8)</i>	597,897	468,347
	931,606	898,913
<b>Commitments</b> <i>(Note 9)</i>		
<b>Contingencies</b> <i>(Note 10)</i>		
<b>Net Assets</b>		
Unrestricted	2,398,307	1,814,365
Invested in capital assets	976,722	1,066,302
	3,375,029	2,880,667
	4,306,635	3,779,580

Approved on behalf of the Board

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Corey Nesdoly, Vice-Chair

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Jason Wallsmith, Treasurer/Secretary

*The accompanying notes are an integral part of these financial statements*

# Alberta Municipal Health & Safety Association

## Statement of Operations

For the year ended December 31, 2023

	2023 <i>Budget</i> <i>(unaudited)</i>	2023	2022
<b>Revenue</b>			
WCB grant	2,356,214	2,356,214	1,800,000
Program registrations	975,000	1,059,026	808,052
Deferred revenue recognized (Note 8)	-	262,575	132,391
Other	50,002	142,862	180,752
Decrease in WCB funds held on deposit	-	136,395	(58,223)
Interest	-	92,642	28,441
Sale of materials	-	12,454	10,113
	<b>3,381,216</b>	<b>4,062,168</b>	<b>2,901,526</b>
<b>Expenses</b>			
Advertising	100,600	37,280	125,080
Bad debts	2,000	307	352
Bank charges and interest	11,000	6,439	6,548
Contract services	160,000	331,342	257,818
IT, Web & Software	310,190	265,090	255,328
Insurance	-	7,527	7,174
Office equipment lease	5,000	5,026	3,622
Office expenses	100,000	98,339	87,521
Professional development	-	8,438	21,047
Rent (Note 11)	180,000	193,882	153,342
Repairs and maintenance	-	33,310	19,847
Salaries and benefits (Note 11)	2,108,755	1,473,284	1,286,166
Telephone	-	29,196	33,345
Travel and subsistence	30,000	29,851	19,696
	<b>3,007,545</b>	<b>2,519,311</b>	<b>2,276,886</b>
<b>Program development and training</b>			
Instructors and resource people	192,500	197,634	221,035
Preparation and materials	175,000	140,212	101,050
Travel and facility rent	82,000	105,610	76,560
Special projects expenses	-	347,750	174,917
	<b>449,500</b>	<b>791,206</b>	<b>573,562</b>
<b>Board expenses</b>			
	<b>3,000</b>	<b>470</b>	<b>-</b>
	<b>452,500</b>	<b>791,676</b>	<b>573,562</b>
<b>Total expenses</b>			
	<b>3,460,045</b>	<b>3,310,987</b>	<b>2,850,448</b>
<b>Excess of revenue over expenses from operations</b>			
	<b>(78,829)</b>	<b>751,181</b>	<b>51,078</b>

*Continued on next page*

The accompanying notes are an integral part of these financial statements

## Alberta Municipal Health & Safety Association Statement of Operations

*For the year ended December 31, 2023*

	2023 <i>Budget</i> <i>(unaudited)</i>	2023	2022
<b>Excess of revenue over expenses from operations</b> <i>(Continued from previous page)</i>	<b>(78,829)</b>	<b>751,181</b>	51,078
<b>Other expenses</b>			
Loss on disposal of assets	-	<b>(12,359)</b>	-
Amortization expense	-	<b>(244,460)</b>	(214,778)
<b>Excess (deficiency) of revenue over expenses</b>	<b>(78,829)</b>	<b>494,362</b>	(163,700)

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*The accompanying notes are an integral part of these financial statements*

**Alberta Municipal Health & Safety Association**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2023*

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	<b>2023</b>	2022
<b>Net assets, beginning of year</b>	1,814,365	1,066,302	<b>2,880,667</b>	3,044,367
<b>Excess (deficiency) of revenue over expenses</b>	751,181	(256,819)	<b>494,362</b>	(163,700)
<b>Purchase of capital assets</b>	(167,239)	167,239	-	-
<b>Net assets, end of year</b>	<b>2,398,307</b>	<b>976,722</b>	<b>3,375,029</b>	2,880,667

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# Alberta Municipal Health & Safety Association

## Statement of Cash Flows

*For the year ended December 31, 2023*

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	494,362	(163,700)
Amortization	244,460	214,778
Bad debts	307	352
Loss on disposal of Capital Assets	12,359	-
	<b>751,488</b>	<b>51,430</b>
Changes in working capital accounts		
Accounts receivable	60,482	(19,905)
Government assistance receivable	-	94,849
Goods and Services Tax receivable	(17,077)	3,626
Prepaid expenses and deposits	11,853	16,378
Accounts payable and accrued liabilities	(30,565)	36,634
Fees received in advance	(65,540)	134,335
Deferred contributions	129,550	136,693
	<b>840,191</b>	<b>454,040</b>
<b>Investing</b>		
Purchase of short term investments	(1,040,959)	(760,828)
Proceeds on disposal of short term investments	1,313,448	-
Purchase of capital assets	(167,240)	(195,457)
	<b>105,249</b>	<b>(956,285)</b>
<b>Increase (decrease) in cash resources</b>	<b>945,440</b>	<b>(502,245)</b>
<b>Cash resources, beginning of year</b>	<b>1,031,753</b>	<b>1,533,998</b>
<b>Cash resources, end of year</b>	<b>1,977,193</b>	<b>1,031,753</b>
<b>Cash resources are composed of:</b>		
Cash and cash equivalents (Note 3)	1,385,752	563,406
Short term investments total	(7,207)	-
Restricted cash (Note 3), (Note 5)	598,648	468,347
	<b>1,977,193</b>	<b>1,031,753</b>

The accompanying notes are an integral part of these financial statements

# Alberta Municipal Health & Safety Association

## Notes to the Financial Statements

For the year ended December 31, 2023

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### 1. Incorporation and nature of the organization

The Alberta Municipal Health & Safety Association (the "Association") was incorporated on July 12, 1991 under the Societies Act of the Province of Alberta and is registered as a Society. Therefore, the Association is exempt from income taxes under the Income Tax Act (the "Act"). In order to maintain its status as a registered Society under the Act, the Association must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Association provides safety training and training materials to all municipalities in Alberta.

### 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 Standards for Not-For-Profit Organizations, as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks, redeemable investments and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### **Government assistance**

Government assistance is recognized when there is reasonable assurance that the conditions attached to the government assistance will be met and that the assistance will be received. Government assistance is recognized against costs over the periods necessary to match it with the related costs that it is intended to compensate.

#### **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Computer equipment	3 years
Database and web-based tools	4 to 10 years
Furniture and fixtures	4 years
Leasehold improvements	5 - 10 years

#### **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.

Unrestricted investment income is recognized as revenue when earned.

WCB grant revenue is recognized when received.

On-line program registration revenue is recognized when performance obligations are satisfied by the participant taking the on line course within two years of registration. Amounts are recorded as fees received in advance until the earlier of the participant taking the course online or 24 months after paying the registration fee.

Program materials revenue is recognized when programs are finished and materials are sold. Restricted grant revenue is recognized when qualifying expenditures are incurred.

# Alberta Municipal Health & Safety Association

## Notes to the Financial Statements

For the year ended December 31, 2023

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

#### **Employee future benefits**

During 2023 fiscal year, the Association's employee future benefit programs consisted of the Alberta Local Authorities Pension Plan ("LAPP") where the Association and employee each contribute a percentage of the employee's salary to the plan. Employee contributions to both the the LAPP are at a rate of 7.45% up to the Year's Maximum Pensionable Earnings ("YMPE") as established by the Canada Pension Plan and 11.23% (2022 - 11.80%) thereafter to an earnings cap of \$195,313 (2022 - \$190,470). Contributions by the Association are at a rate of 8.45% up to the YMPE and 11.23% (2022 - 8.45% and 12.80% respectively) thereafter to the earnings cap stated above. The YMPE for the year is \$66,600 (2022 - \$64,900). During the year, the Association contributed \$121,559 (2022 - \$124,338) to the LAPP.

#### **Financial instruments**

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

#### **Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Association's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured 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 excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

#### **Related party financial instruments**

The Association initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in an active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Association has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

# Alberta Municipal Health & Safety Association

## Notes to the Financial Statements

For the year ended December 31, 2023

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

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

#### Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors and no asset is individually significant. Management considers various external factors in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the assets at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

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. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses in the year the reversal occurs.

#### Measurement uncertainty (use of estimates)

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 revenues and expenses during the reporting period.

Funds held on deposit by (indebtedness to) by WCB on behalf of the Association is based on WCB estimated annual surpluses (deficits) that are not finalized prior to the release of the Association's financial statements. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Program registration fees received in advance are recorded on the assumption that all course fees received in advance will be taken. Amortization is based on the estimated useful lives of capital assets.

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

# Alberta Municipal Health & Safety Association

## Notes to the Financial Statements

*For the year ended December 31, 2023*

### 3. Cash

	2023	2022
General bank account	73,529	169,499
Special projects account	747,515	263,258
Redeemable Guaranteed Investment Certificates ("GICs")	570,447	-
Contingency account	661,961	805,194
Funds held on deposit by (indebtedness to) WCB on behalf of the Association	(69,803)	(206,198)
Less: amounts classified as restricted cash ( <i>Note 5</i> )	(597,897)	(468,347)
	<b>1,385,752</b>	<b>563,406</b>

Redeemable GICs represent two GICs issued by financial institutions, bearing interest rates from 4.75% to 4.95% per annum and mature within the next fiscal year.

The special projects account consists of funds internally designated for use in specific projects approved by the Board of Directors.

### 4. Short term investments

Short term investments represent GICs issued by financial institutions, bearing interest rates from 4.75% to 5.15% per annum (2022 - 0.95% to 4.0% per annum) and mature within the next fiscal year.

### 5. Restricted cash

Restricted cash has been designated for use in specific projects as follows:

		2023	2022
Deferred contributions	(Note 8)	597,897	468,347
		<b>597,897</b>	<b>468,347</b>

### 6. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	62,797	52,652	10,145	19,657
Database and web-based tools	2,205,336	1,242,150	963,186	1,041,277
Furniture and fixtures	12,644	9,253	3,391	921
Leasehold improvements	42,462	42,462	-	4,447
	<b>2,323,239</b>	<b>1,346,517</b>	<b>976,722</b>	<b>1,066,302</b>

### 7. Fees received in advance

	2023	2022
Course registration fees	82,330	149,373
Membership fees	751	-
	<b>83,081</b>	<b>149,373</b>

**Alberta Municipal Health & Safety Association**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2023*

**8. Deferred contributions**

Deferred contributions consist of unspent funding received and externally restricted for use in completing special projects approved by donors. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are incurred. Changes in the deferred contribution balance are as follows:

	2023	2022
<b>Government of Alberta - Working Mind First Responder</b>		
Balance, beginning of year	93,107	-
Received during the year	-	163,335
Recognized as revenue during the year	(93,107)	(70,228)
Balance, end of year	-	93,107
<b>Creative sentencing agreement - lawn maintenance</b>		
Balance, beginning of year	-	33,221
Recognized as revenue during the year	-	(33,221)
Balance, end of year	-	-
<b>WCB leasehold improvement funding</b>		
Balance, beginning and end of year	298,434	298,434
<b>Aquatic Safety Awareness Campaign</b>		
Balance, beginning of year	23,070	-
Received during the year	-	30,000
Recognized as revenue during the year	(13,484)	(6,930)
Balance, end of year	9,586	23,070
<b>KMS Audit &amp; Action Plan</b>		
Balance, beginning of year	7,959	-
Received during the year	-	8,500
Recognized as revenue during the year	(7,959)	(541)
Balance, end of year	-	7,959
<b>British Columbia Municipal Safety Association</b>		
Balance, beginning of year	45,777	-
Received during the year	-	66,500
Recognized as revenue during the year	(22,445)	(20,723)
Balance, end of year	23,332	45,777
<b>Supporting Psychological Health in First Responders</b>		
Received during the year	392,125	-
Recognized as revenue during the year	(125,580)	-
Balance, end of year	266,545	-
Total	597,897	468,347

# Alberta Municipal Health & Safety Association

## Notes to the Financial Statements

For the year ended December 31, 2023

### 9. Commitments

The Association has entered into premises lease agreements at its Sherwood Park and Calgary locations. The Sherwood Park lease expires December 31, 2028, and the Calgary lease expires September 30, 2028. The estimated minimum annual payments until maturity are as follows:

2024	157,254
2025	157,254
2026	157,254
2027	157,254
Thereafter, to December 31, 2028	138,703
	<hr/>
	767,719

### 10. Contingencies

The Association has a contingent liability with respect to outstanding online course registration fees received for courses that have been paid, but the participants have not taken the course within an expected two year timeframe. Due to the uncertainty of determining the liability, if any, for these unclaimed courses, no amounts have been accrued in the financial statements for course registration fees received more than two years ago.

In the opinion of management, final determination of these outstanding courses will not materially affect the Association's financial position or results of operations.

Effective January 1, 2023, all new courses issued will have an expiration date to use by customers of two years.

### 11. Government assistance

In April 2020, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") in order to help employers retain staff members and/or to recall employees in response to challenges posed by the COVID-19 pandemic.

Management determined, in consultation with external advisors, that the Association met the employer eligibility criteria and applied for the CEWS. The Association has recorded a net subsidy lowering salaries and benefits expenses by \$nil (2022 - \$107,843).

During the year ended December 31, 2022, the Association applied for the Canada Emergency Rent Subsidy ("CERS"), which is intended to provide rent assistance to small businesses that experienced financial hardship due to COVID-19. The Association has recorded a net subsidy lowering rent expense by \$nil (2022 - \$26,161).

### 12. 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.

### 13. Economic dependence

The Association's primary source of revenue is an operating grant from the Workers' Compensation Board of Alberta ("WCB"). The grant funding is dependant upon WCB approval of the Association's annual business plan. As at the date of the financial statements, the Association has obtained approval of the 2024 annual business plan.

### 14. Budget information

The budget information presented in these financial statements has been approved by the Board of Directors, is unaudited, and presented for information purposes only.