

**EDMONTON SOCIAL PLANNING COUNCIL**

**Financial Statements**

**Year Ended December 31, 2011**

**EDMONTON SOCIAL PLANNING COUNCIL**  
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**Year Ended December 31, 2011**

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**INDEPENDENT AUDITORS' REPORT**

To the Members of  
Edmonton Social Planning Council

***Report on the Financial Statements***

We have audited the accompanying financial statements of Edmonton Social Planning Council, which comprise the statement of financial position as at December 31, 2011, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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 generally accepted accounting principles, 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

***Basis for Qualified Opinion***

In common with many non-profit organizations, the Council derives revenue from various sources such as donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from these sources was limited to the amounts recorded in the records of the Council and we were not able to determine whether any adjustments might be necessary to operations, assets or net assets.

***Qualified Opinion***

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2011 and the results of its operations and its cash flows for the year ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta  
April 10, 2012


*Peterson Walker LLP*  
CHARTERED ACCOUNTANTS

**EDMONTON SOCIAL PLANNING COUNCIL**  
**Statement of Financial Position**  
**December 31, 2011**

	2011	2010
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short-term investments (Note 3)	\$ 135,920	\$ 162,079
Accounts receivable	3,084	2,449
Prepaid expenses	3,762	3,723
	<u>142,766</u>	<u>168,251</u>
PROPERTY AND EQUIPMENT (Note 4)	4,197	3,967
	<u>\$ 146,963</u>	<u>\$ 172,218</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 27,386	\$ 17,529
Deferred contributions (Note 5)	41,023	59,160
	<u>68,409</u>	<u>76,689</u>
<b>NET ASSETS</b>		
Invested in property and equipment	4,197	3,967
Internally restricted (Note 6)	9,204	29,989
Unrestricted	65,153	61,573
	<u>78,554</u>	<u>95,529</u>
	<u>\$ 146,963</u>	<u>\$ 172,218</u>
<b>LEASE COMMITMENTS (Note 7)</b>		

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

# EDMONTON SOCIAL PLANNING COUNCIL

## Statement of Operations

Year Ended December 31, 2011

	Budget 2011 (Unaudited)	2011	2010
<b>REVENUE</b>			
United Way	\$ 213,828	\$ 207,600	\$ 207,600
Foundation grants (Note 8)	35,200	50,841	94,229
Casino	46,800	43,763	37,751
City of Edmonton	20,000	28,144	19,250
Community Spirit grant	6,850	6,166	2,106
Community Initiatives Program	3,211	4,560	20,440
Interest and other	2,290	4,431	1,929
Donations and fundraising	6,600	4,040	16,277
Memberships	4,500	3,044	3,721
Government of Alberta	-	2,891	1,680
Publications	3,350	1,136	1,237
Internally restricted net assets	20,785	-	-
	363,414	356,616	406,220
<b>EXPENSES</b>			
Salaries and benefits	280,774	255,945	259,901
Office	23,412	31,017	28,636
Building occupancy	32,358	29,325	27,578
Professional fees	18,250	16,029	14,295
Social Return on Investment project	-	15,715	21,081
Community Initiatives Program	-	4,560	20,440
Poverty reduction project	-	4,412	-
Amortization	-	2,708	2,618
Insurance	2,600	2,596	2,559
Bank charges and interest	2,520	2,386	1,928
Recruitment and education	900	1,887	793
Meetings and volunteer appreciation	1,100	1,542	984
Vibrant communities	-	1,424	-
Website development	-	1,025	854
Publications and resources	-	870	1,333
Memberships and dues	500	720	739
Transportation	1,000	715	362
Building Blocks for Families project	-	715	-
	363,414	373,591	384,101
<b>REVENUE (UNDER) OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ (16,975)</b>	<b>\$ 22,119</b>

**EDMONTON SOCIAL PLANNING COUNCIL**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2011**

	Invested in Property and Equipment	Internally Restricted	Unrestricted	2011	2010
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 3,967	\$ 29,989	\$ 61,573	\$ <b>95,529</b>	\$ 73,410
Transfer (Note 6)	-	(20,785)	20,785	-	-
Purchase of equipment	2,938	-	(2,938)	-	-
Revenue (under) over expenses	(2,708)	-	(14,267)	(16,975)	22,119
<b>NET ASSETS - END OF YEAR</b>	\$ 4,197	\$ 9,204	\$ 65,153	\$ <b>78,554</b>	\$ 95,529

**EDMONTON SOCIAL PLANNING COUNCIL****Statement of Cash Flows****Year Ended December 31, 2011**

	2011	2010
<b>OPERATING ACTIVITIES</b>		
Revenue (under) over expenses	\$ (16,975)	\$ 22,119
Item not affecting cash:		
Amortization	2,708	2,618
	(14,267)	24,737
Changes in non-cash working capital items (Note 9)	(8,954)	37,747
	(23,221)	62,484
<b>INVESTING ACTIVITY</b>		
Purchase of equipment	(2,938)	(2,788)
<b>(DECREASE) INCREASE IN CASH</b>	(26,159)	59,696
Cash and short-term investments - beginning of year	162,079	102,383
<b>CASH AND SHORT-TERM INVESTMENTS - END OF YEAR</b>	\$ 135,920	\$ 162,079
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ 1,370	\$ 999

## EDMONTON SOCIAL PLANNING COUNCIL

### Notes to Financial Statements

Year Ended December 31, 2011

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#### 1. NATURE OF OPERATIONS

The Edmonton Social Planning Council is a non-profit organization incorporated under the Societies Act (Alberta) and is exempt from income taxes. The Council provides resources to the community in the areas of non-profit management, applied research and community organization.

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Cash and short-term investments

Cash and short-term investments consist primarily of commercial paper and deposits with an original maturity date of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

##### Property and equipment

Property and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives using the straight-line method at the following rates:

Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	5 years

##### Revenue recognition

Edmonton Social Planning Council follows the deferral method of accounting for contributions. Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception that contributions to fund a specific future period's expenses are included in revenue in that later period. Grants received for the acquisition of equipment are deferred and amortized to revenue on the same basis as the related equipment.

Memberships are recognized as revenue during the membership period to which they apply.

Revenue from publications are recognized at time of sale.

##### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

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#### 3. RESTRICTED CASH

Cash includes \$4,077 (2010--\$48,234) of casino funds which can only be used in accordance with the terms of the gaming licences issued by the Alberta Gaming and Liquor Commission.

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**EDMONTON SOCIAL PLANNING COUNCIL****Notes to Financial Statements****Year Ended December 31, 2011****4. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Computer equipment	\$ 2,938	\$ 979	\$ 1,959	\$ -
Furniture and equipment	52,113	49,875	2,238	3,078
Leasehold improvements	8,890	8,890	-	889
	<u>\$ 63,941</u>	<u>\$ 59,744</u>	<u>\$ 4,197</u>	<u>\$ 3,967</u>

**5. DEFERRED CONTRIBUTIONS**

A portion of receipts received in the year are deferred to be recognized as revenue in future years as the related expenses are incurred. Deferred contributions consists of the following:

	2011	2010
Poverty Reduction	\$ 20,588	\$ -
Social Enterprise Fund	8,204	3,918
Building Blocks for Families	4,485	-
Casino proceeds	4,077	48,234
Vibrant Communities Edmonton	2,608	-
UCSN BBQ	648	964
Quality of Life	413	1,484
Community Initiatives Program	-	4,560
	<u>\$ 41,023</u>	<u>\$ 59,160</u>

**6. INTERNALLY RESTRICTED**

Edmonton Social Planning Council Board made a motion to use \$20,785 of internally restricted net assets to make salaries more competitive in the 2011 and thus transferred the amount to unrestricted net assets. The remaining balance in internally restricted net assets is to be used for future operating costs.

**EDMONTON SOCIAL PLANNING COUNCIL****Notes to Financial Statements****Year Ended December 31, 2011****7. LEASE COMMITMENTS**

The Council leases office space in Edmonton under an agreement that expires February 2013 and leases a photocopier expiring December 2015. Future minimum lease payments are as follows:

	Office	Photocopier	Total
2012	\$ 23,310	\$ 7,080	\$ 30,390
2013	3,885	7,080	10,965
2014	-	7,080	7,080
2015	-	7,080	7,080
	<u>\$ 27,195</u>	<u>\$ 28,320</u>	<u>\$ 55,515</u>

**8. FOUNDATION GRANTS**

	2011	2010
Edmonton Community Foundation	\$ 30,000	\$ 72,808
Social Enterprise Fund	15,715	21,082
Poverty Reduction	4,411	-
Building Blocks for Families	715	-
Food Services Network	-	339
	<u>\$ 50,841</u>	<u>\$ 94,229</u>

**9. CHANGES IN NON-CASH WORKING CAPITAL**

Changes in non-cash working capital items and their effect of increasing (decreasing) cash are as follows:

	2011	2010
Accounts receivable	\$ (635)	\$ 11,159
Prepaid expenses	(39)	3,885
Accounts payable and accrued liabilities	9,857	(7,733)
Deferred contributions	(18,137)	30,436
	<u>\$ (8,954)</u>	<u>\$ 37,747</u>

**10. REGISTERED PENSION PLAN**

Employees of the Council participate in a defined contribution registered pension plan administered by Manulife Financial Corporation. The Council is required to make current service contributions to the plan of 6% of pensionable earnings. The current contributions made by the Council to the plan in 2011 were \$15,346 (2010--\$14,769).

## **EDMONTON SOCIAL PLANNING COUNCIL**

### **Notes to Financial Statements**

**Year Ended December 31, 2011**

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#### **11. BUDGET INFORMATION**

The comparative budget information on the statement of operations is provided for information purposes only. It has not been audited.

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#### **12. FINANCIAL INSTRUMENTS**

For cash and short-term investments, accounts receivable and accounts payable, the carrying value of these financial instruments approximate their fair value due to their short-term maturity or capacity for prompt liquidation.

The effective interest rate on short-term investments varied during the year from 1.25% to 1.70% (2010 -- 0.85% to 1.45%).

The Council does not believe it is subject to any significant concentrations of credit risk. Cash and short-term investments are in place with major financial institutions. Accounts receivable are generally amounts due from government agencies and funding agencies.

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#### **13. CAPITAL MANAGEMENT**

The Council's goal in managing capital is to safeguard its ability to continue as a going-concern so that it can continue to provide services to the members. To accomplish this goal, the Council has established policies to preserve the financial condition of the Council and protect its assets by setting limitations on the expenditure of funds, incurrence of debt and investment of funds. The Board meets regularly to review the Council's financial position.

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#### **14. FUTURE ACCOUNTING CHANGES**

In December of 2010, the Accounting Standards Board of the Canadian Institute of Chartered Accountants approved the adoption of new accounting standards for not-for-profit organizations to be effective for fiscal years commencing on or after January 1, 2012. Management and the Board will ensure the Council complies with the new standards.

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