

EDMONTON SOCIAL PLANNING COUNCIL

Financial Statements

Year Ended December 31, 2019

EDMONTON SOCIAL PLANNING COUNCIL
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Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Edmonton Social Planning Council

Qualified Opinion

We have audited the financial statements of Edmonton Social Planning Council (the Council), which comprise the statement of financial position as at December 31, 2019, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2019, 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 Qualified Opinion

In common with many charitable organizations, the Council derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Council. Therefore, we were not able to determine whether any adjustments might be necessary to operations, assets or net assets.

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 Council 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

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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 Council'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 Council'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 Council 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.

Edmonton, Alberta
March 10, 2020





CHARTERED ACCOUNTANTS

EDMONTON SOCIAL PLANNING COUNCIL
Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash and short-term investments (Note 3)	\$ 435,000	\$ 256,959
Accounts receivable	10,464	26,269
Prepaid expenses	6,069	6,156
	<u>451,533</u>	<u>289,384</u>
EQUIPMENT (Note 4)	<u>6,533</u>	<u>5,298</u>
	<u>\$ 458,066</u>	<u>\$ 294,682</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 33,849	\$ 17,662
Deferred contributions (Note 5)	225,642	107,430
	<u>259,491</u>	<u>125,092</u>
NET ASSETS		
Internally restricted (Note 6)	104,438	103,525
Invested in equipment	6,533	5,298
Unrestricted	87,604	60,767
	<u>198,575</u>	<u>169,590</u>
	<u>\$ 458,066</u>	<u>\$ 294,682</u>
LEASE COMMITMENT (Note 7)		

APPROVED BY THE BOARD


 _____ Director

 _____ Director

EDMONTON SOCIAL PLANNING COUNCIL**Statement of Operations****Year Ended December 31, 2019**

	2019	2018
REVENUE		
United Way	\$ 215,976	\$ 215,979
FCSS grant	100,000	-
Project revenue (Note 8)	78,108	96,096
Casino	46,563	31,565
Edmonton Community Foundation	32,869	35,890
City of Edmonton	16,500	16,500
Interest and other	5,230	3,821
Employment grant	4,690	5,564
Donations	4,378	3,395
Memberships	2,835	2,790
	<u>507,149</u>	<u>411,600</u>
EXPENSES		
Salaries and benefits	298,965	206,185
Project expenses (Note 9)	88,938	106,475
Administration	33,832	26,000
Building occupancy	25,953	24,109
Professional fees	12,066	10,996
Staff development	5,590	2,056
Amortization	3,161	1,696
Insurance	2,540	2,389
Meetings and volunteer appreciation	2,399	2,896
Memberships and dues	2,111	1,517
Travel	1,609	1,540
Endowment contribution (Note 11)	1,000	-
Vibrant Communities Edmonton	-	250
Program costs	-	127
Moving costs	-	8,532
	<u>478,164</u>	<u>394,768</u>
REVENUE OVER EXPENSES	<u>\$ 28,985</u>	<u>\$ 16,832</u>

EDMONTON SOCIAL PLANNING COUNCIL

Statement of Changes in Net Assets

Year Ended December 31, 2019

	Internally Restricted	Invested In Equipment	Unrestricted	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 103,525	\$ 5,298	\$ 60,767	\$ 169,590	\$ 152,758
Transfer (Note 6)	913	-	(913)	-	-
Purchase of equipment	-	4,396	(4,396)	-	-
Revenue over (under) expenses	-	(3,161)	32,146	28,985	16,832
NET ASSETS - END OF YEAR	\$ 104,438	\$ 6,533	\$ 87,604	\$ 198,575	\$ 169,590

EDMONTON SOCIAL PLANNING COUNCIL**Statement of Cash Flows****Year Ended December 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Revenue over expenses	\$ 28,985	\$ 16,832
Item not affecting cash:		
Amortization	3,161	1,696
	<u>32,146</u>	<u>18,528</u>
Changes in non-cash working capital items:		
Accounts receivable	15,805	(23,859)
Prepaid expenses	87	2,829
Accounts payable and accrued liabilities	16,187	5,331
Deferred contributions	118,212	(74,315)
	<u>150,291</u>	<u>(90,014)</u>
	<u>182,437</u>	<u>(71,486)</u>
INVESTING ACTIVITY		
Purchase of equipment	(4,396)	(6,994)
INCREASE (DECREASE) IN CASH	178,041	(78,480)
Cash and short-term investments - beginning of year	<u>256,959</u>	<u>335,439</u>
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	\$ 435,000	\$ 256,959
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 1,571	\$ 1,429
CASH AND SHORT-TERM INVESTMENTS CONSIST OF		
Cash	\$ 286,988	\$ 167,236
Short-term investments	<u>148,012</u>	<u>89,723</u>
	<u>\$ 435,000</u>	<u>\$ 256,959</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2019

1. NATURE OF OPERATIONS

The Edmonton Social Planning Council is a charitable 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.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and short-term investments

Cash and short-term investments are defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date and cashable term deposits.

Equipment

Equipment is stated at cost less accumulated amortization. Equipment is amortized over their estimated useful lives using the straight-line method at the following rates:

Furniture and equipment	5 years
Computer equipment	3 years

Contributed goods and services

Volunteers contribute time to assist the Council in carrying out its services. Due to the difficulty in determining their fair value, contributed goods and volunteer services are not recognized in the financial statements.

Revenue recognition

The 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.

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

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date.

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EDMONTON SOCIAL PLANNING COUNCIL**Notes to Financial Statements****Year Ended December 31, 2019****2. SIGNIFICANT ACCOUNTING POLICIES (continued)**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 amounts reported in the financial statements. Significant estimates include amortization, accrued liabilities and deferred contributions. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

3. RESTRICTED CASH

Cash includes \$69,405 (2018--\$41,271) of casino funds which can only be used in accordance with the terms of the gaming licences issued by the Alberta Gaming, Liquor and Cannabis Commission.

4. EQUIPMENT

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Furniture and equipment	\$ 4,769	\$ 1,908	\$ 2,861	\$ 3,815
Computer equipment	6,621	2,949	3,672	1,483
	<u>\$ 11,390</u>	<u>\$ 4,857</u>	<u>\$ 6,533</u>	<u>\$ 5,298</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 consist of the following:

	2019	2018
Casino proceeds	\$ 69,405	\$ 41,271
Stollery Foundation	56,400	-
Alberta Living Wage Network	55,850	10,000
Edmonton Community Foundation	40,000	32,869
Learning Centre Literacy Association	3,681	-
Edmonton Community Foundation--Sustainability project	306	2,561
City of Edmonton--Age Friendly Indigenous Research	-	11,588
Homeward Trust--Community Based Research	-	4,462
Edmonton Community Foundation--Vital Signs project	-	2,358
Vibrant Communities Edmonton	-	2,321
	<u>\$ 225,642</u>	<u>\$ 107,430</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2019

6. INTERNALLY RESTRICTED

The Council has established an internally restricted fund to be used for future operating costs in the event of an unanticipated funding loss. The fund is held in cashable term deposits. A Board decision was made to transfer any income earned from the term deposits to the fund. During the year \$913 (2018--\$970) was transferred to the fund. The total of the fund is \$89,438 (2018--\$88,525).

The Board also set up two additional funds, a staff development fund of \$8,000 (2018--\$8,000) and a special projects fund of \$7,000 (2018--\$7,000). All three funds require Board approval for the use of funds.

7. LEASE COMMITMENT

The Council leases office space in Edmonton under an agreement that expires February 2023. Future minimum lease payments are as follows:

2020	\$	14,544
2021		14,544
2022		14,544
2023		2,424
	\$	<u>46,056</u>

8. PROJECT REVENUE

	2019	2018
Edmonton Community Foundation--Vital Signs project	\$ 18,733	\$ 14,016
Homeward Trust--Community Based Research	17,962	2,038
City of Edmonton--Age Friendly Indigenous Research	11,588	30,832
Edmonton Federation of Community Leagues	10,804	-
Edmonton Poverty Profile	7,900	2,205
Learning Centre Literacy Association	4,319	-
Edmonton Community Foundation - student bursary	3,000	-
Edmonton Community Foundation--Sustainability project	2,255	32,289
Max Bell Foundation	1,547	-
Alberta Council of Women Shelters	-	11,102
Edmonton Food Bank	-	3,614
	<u>\$ 78,108</u>	<u>\$ 96,096</u>

EDMONTON SOCIAL PLANNING COUNCIL
Notes to Financial Statements
Year Ended December 31, 2019

9. PROJECT EXPENSES

	2019	2018
Wages	\$ 77,386	\$ 73,154
Printing, office and other expenses	8,167	125
Professional fees	2,234	-
Meeting costs	928	1,000
Focus groups	223	522
Consultant	-	31,674
	<u>\$ 88,938</u>	<u>\$ 106,475</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 2019 were \$14,846 (2018--\$12,042). Employees contribute 4% to the plan.

11. ENDOWMENT CONTRIBUTION

The Council established a permanent endowment with the Edmonton Community Foundation. The Council made an initial \$10,000 contribution. An additional \$1,000 donation was made in the current year. The endowment is held and administered by the Edmonton Community Foundation. The Council is the specified recipient of the income earned on this fund, but has no access to the principal amount of the investment. Income received in the current year was \$380 (2018--\$400) and is included in interest and other.

EDMONTON SOCIAL PLANNING COUNCIL
Notes to Financial Statements
Year Ended December 31, 2019

12. FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash and short-term investments, accounts receivable, accounts payable and accrued liabilities and deferred contributions.

The Council is exposed to the following risks through its financial instruments:

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 Council's main credit risk relates to accounts receivable. Accounts receivable are generally amounts due from government agencies. It is management's opinion that there is no significant credit risk as of December 31, 2019.

Liquidity risk

Liquidity risk arises from the possibility that the Council might encounter difficulty in settling its debts or in meeting its obligations related to financial liabilities. It is management's opinion that there is no significant liquidity risk as of December 31, 2019.

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 Council is exposed to interest rate risk arising on its interest bearing assets. The effective interest rate on short-term investments varied during the year from 0.5% to 2.0% (2018—0.65% to 1.5%).
