

EDMONTON SOCIAL PLANNING COUNCIL

Financial Statements

Year Ended December 31, 2012

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Year Ended December 31, 2012

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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, 2012 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 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.

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 charitable organizations, the Council derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenue 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, current assets and 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 Edmonton Social Planning Council as at December 31, 2012 and the results of its operations and its cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Edmonton Social Planning Council adopted Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at December 31, 2011 and January 1, 2011 and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Edmonton, Alberta
April 9, 2013



CHARTERED ACCOUNTANTS

EDMONTON SOCIAL PLANNING COUNCIL
Statement of Financial Position
December 31, 2012

	December 31 2012	December 31 2011	January 1 2011
ASSETS			
CURRENT			
Cash and short-term investments (Note 4)	\$ 162,277	\$ 135,920	\$ 162,079
Accounts receivable	4,437	3,084	2,449
Prepaid expenses	7,816	3,762	3,723
	<u>174,530</u>	<u>142,766</u>	<u>168,251</u>
EQUIPMENT (Note 5)	2,377	4,197	3,967
	<u>\$ 176,907</u>	<u>\$ 146,963</u>	<u>\$ 172,218</u>
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities	\$ 28,847	\$ 27,386	\$ 17,529
Deferred contributions (Note 6)	68,558	41,023	59,160
	<u>97,405</u>	<u>68,409</u>	<u>76,689</u>
NET ASSETS			
Invested in equipment	2,377	4,197	3,967
Internally restricted (Note 7)	9,204	9,204	29,989
Unrestricted	67,921	65,153	61,573
	<u>79,502</u>	<u>78,554</u>	<u>95,529</u>
	<u>\$ 176,907</u>	<u>\$ 146,963</u>	<u>\$ 172,218</u>
LEASE COMMITMENTS (Note 8)			

APPROVED BY THE BOARD

Douglas Morrison Director
Vasant Chotai Director

EDMONTON SOCIAL PLANNING COUNCIL**Statement of Operations****Year Ended December 31, 2012**

	2012	2011
REVENUE		
United Way	\$ 207,600	\$ 207,600
Casino	43,174	43,763
Project revenue (Note 9)	39,718	25,401
City of Edmonton	28,747	28,144
Edmonton Community Foundation	27,500	30,000
Fundraising	6,404	-
Community Spirit grant	6,245	6,166
Interest and other	5,213	4,431
Donations	4,272	4,040
Government of Alberta	2,842	2,891
Memberships	1,987	3,044
Publications	1,078	1,136
	374,780	356,616
EXPENSES		
Salaries and benefits	255,109	255,945
Project expenses (Note 10)	39,523	25,401
Building occupancy	25,830	29,325
Office	22,836	31,019
Professional fees	17,798	16,029
Insurance	2,592	2,596
Bank charges and interest	2,244	2,386
Amortization	1,820	2,708
Meetings and volunteer appreciation	1,696	1,541
Travel	1,172	715
Website maintenance	1,025	1,025
Program costs	997	870
Memberships and dues	784	720
Recruitment and education	276	1,887
Vibrant Communities	130	1,424
	373,832	373,591
REVENUE OVER (UNDER) EXPENSES	\$ 948	\$ (16,975)

EDMONTON SOCIAL PLANNING COUNCIL**Statement of Changes in Net Assets****Year Ended December 31, 2012**

	Invested in Equipment	Internally Restricted	Unrestricted	2012	2011
NET ASSETS - BEGINNING OF YEAR	\$ 4,197	\$ 9,204	\$ 65,153	\$ 78,554	\$ 95,529
Revenue over (under) expenses	(1,820)	-	2,768	948	(16,975)
NET ASSETS - END OF YEAR	\$ 2,377	\$ 9,204	\$ 67,921	\$ 79,502	\$ 78,554

EDMONTON SOCIAL PLANNING COUNCIL**Statement of Cash Flows****Year Ended December 31, 2012**

	2012	2011
OPERATING ACTIVITIES		
Revenue over (under) expenses	\$ 948	\$ (16,975)
Item not affecting cash:		
Amortization	1,820	2,708
	2,768	(14,267)
Changes in non-cash working capital items (Note 12)	23,589	(8,954)
	26,357	(23,221)
INVESTING ACTIVITY		
Purchase of equipment	-	(2,938)
INCREASE (DECREASE) IN CASH	26,357	(26,159)
Cash and short-term investments - beginning of year	135,920	162,079
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	\$ 162,277	\$ 135,920
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 1,598	\$ 1,370
CASH CONSISTS OF		
Cash	\$ 55,829	\$ 51,972
Short-term investments	106,448	83,948
	\$ 162,277	\$ 135,920

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2012

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.

2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective January 1, 2012, the Council has elected to apply the Canadian accounting standards for not-for-profit organizations. These are the first financial statements prepared in accordance with these standards.

The new standards were applied retrospectively and resulted in no changes to assets, liabilities and beginning net assets.

3. SUMMARY OF 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 is defined as cash on hand, cash on deposit net of cheques issued and outstanding at the reporting date and term deposits with maturity dates of less than six months.

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:

Computer equipment	3 years
Furniture and equipment	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.

(continues)

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2012

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

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, allowance for doubtful accounts and deferred contributions. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

4. RESTRICTED CASH

Cash includes \$38,395 (2011--\$4,077) 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.

5. EQUIPMENT

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Computer equipment	\$ 2,938	\$ 1,959	\$ 979	\$ 1,959
Furniture and equipment	52,113	50,715	1,398	2,238
	<u>\$ 55,051</u>	<u>\$ 52,674</u>	<u>\$ 2,377</u>	<u>\$ 4,197</u>

EDMONTON SOCIAL PLANNING COUNCIL**Notes to Financial Statements****Year Ended December 31, 2012****6. 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:

	2012	2011
Casino proceeds	\$ 38,395	\$ 4,077
Edmonton Community Foundation-Poverty Reduction	14,986	20,588
CEASE	7,899	4,485
Vibrant Communities Edmonton	3,476	2,608
Edmonton Community Foundation	2,500	-
Quality of Life	654	413
UCSN BBQ	648	648
Social Enterprise Fund	-	8,204
	<u>\$ 68,558</u>	<u>\$ 41,023</u>

7. INTERNALLY RESTRICTED

Edmonton Social Planning Council Board has internally restricted \$9,204 to be used for future operating costs in the event of unanticipated funding loss.

8. LEASE COMMITMENTS

The Council leases office space in Edmonton under an agreement that expires February 2018 and leases a photocopier expiring December 2015. Future minimum lease payments are as follows:

	Office	Photocopier	Total
2013	\$ 11,550	\$ 7,080	\$ 18,630
2014	12,008	7,080	19,088
2015	12,100	7,080	19,180
2016	12,100	-	12,100
2017	13,016	-	13,016
2018	2,200	-	2,200
	<u>\$ 62,974</u>	<u>\$ 21,240</u>	<u>\$ 84,214</u>

EDMONTON SOCIAL PLANNING COUNCIL**Notes to Financial Statements****Year Ended December 31, 2012****9. PROJECT REVENUE**

	2012	2011
Homeward Trust	\$ 14,375	\$ -
Social Enterprise Fund	8,204	15,715
Government of Alberta	6,001	-
Edmonton Community Foundation	5,602	4,411
United Way	2,750	-
CEASE	1,786	715
City of Edmonton	1,000	-
Community Investment grant	-	4,560
	<u>\$ 39,718</u>	<u>\$ 25,401</u>

10. PROJECT EXPENSES

	2012	2011
Wages	\$ 10,906	\$ 4,721
Focus groups	9,899	-
Reporting	8,377	2,258
Administration	2,400	-
Travel	2,107	2,527
Software and website maintenance	2,000	7,900
Researcher	1,885	5,525
Meeting costs	1,788	2,405
Office	161	65
	<u>\$ 39,523</u>	<u>\$ 25,401</u>

11. 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 2012 were \$13,738 (2011--\$15,346).

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2012

12. CHANGES IN NON-CASH WORKING CAPITAL

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

	2012	2011
Accounts receivable	\$ (1,353)	\$ (635)
Prepaid expenses	(4,054)	(39)
Accounts payable and accrued liabilities	1,461	9,857
Deferred contributions	27,535	(18,137)
	<u>\$ 23,589</u>	<u>\$ (8,954)</u>

13. FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash, 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, 2012.

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, 2012.

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 1.15% to 1.75% (2011--1.25% to 1.70%).