

**EDMONTON SOCIAL PLANNING COUNCIL**

**Financial Statements**

**Year Ended December 31, 2014**

**EDMONTON SOCIAL PLANNING COUNCIL**

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**Year Ended December 31, 2014**

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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, 2014 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 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 Edmonton Social Planning Council as at December 31, 2014 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.



CHARTERED ACCOUNTANTS

Edmonton, Alberta  
April 14, 2015

**EDMONTON SOCIAL PLANNING COUNCIL**  
**Statement of Financial Position**  
**December 31, 2014**

	2014	2013
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short-term investments (Note 3)	\$ 214,203	\$ 283,981
Accounts receivable	1,214	2,774
Prepaid expenses	3,283	5,408
	<u>218,700</u>	<u>292,163</u>
EQUIPMENT (Note 4)	-	558
	<u>\$ 218,700</u>	<u>\$ 292,721</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 19,166	\$ 25,281
Deferred contributions (Note 5)	101,782	188,709
	<u>120,948</u>	<u>213,990</u>
<b>NET ASSETS</b>		
Invested in equipment	-	558
Internally restricted (Note 6)	66,367	9,204
Unrestricted	31,385	68,969
	<u>97,752</u>	<u>78,731</u>
	<u>\$ 218,700</u>	<u>\$ 292,721</u>
<b>LEASE COMMITMENTS (Note 7)</b>		

**APPROVED BY THE BOARD**

Gregory Meggison Director

Vasant Chohan Director (President).

**EDMONTON SOCIAL PLANNING COUNCIL**  
**Statement of Operations**  
**Year Ended December 31, 2014**

	2014	2013
<b>REVENUE</b>		
United Way	\$ 207,600	\$ 207,600
Project revenue (Note 8)	112,951	48,667
City of Edmonton	32,000	32,900
Casino	23,333	47,273
Edmonton Community Foundation	22,884	30,000
Memberships	3,200	3,600
Donations	3,150	3,115
Interest and other	2,199	6,133
Publications	645	1,050
Community Spirit grant	-	2,424
	<u>407,962</u>	<u>382,762</u>
<b>EXPENSES</b>		
Salaries and benefits	230,711	243,905
Project expenses (Note 9)	101,237	50,665
Building occupancy	24,149	26,440
Professional fees	12,024	10,932
Administration	8,344	35,302
Travel	3,667	1,359
Insurance	2,764	2,631
Bank charges and interest	2,088	2,841
Meetings and volunteer appreciation	1,486	1,373
Memberships and dues	1,187	1,154
Amortization	558	1,819
Program costs	302	534
Website maintenance	240	1,580
Vibrant Communities Edmonton	184	588
Recruitment and education	-	2,410
	<u>388,941</u>	<u>383,533</u>
<b>REVENUE OVER (UNDER) EXPENSES</b>	<u>\$ 19,021</u>	<u>\$ (771)</u>

**EDMONTON SOCIAL PLANNING COUNCIL**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2014**

	Invested in Equipment	Internally Restricted	Unrestricted	2014	2013
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 558	\$ 9,204	\$ 68,969	\$ 78,731	\$ 79,502
Transfer (Note 6)	-	56,787	(56,787)	-	-
Revenue over (under) expenses	(558)	376	19,203	19,021	(771)
<b>NET ASSETS - END OF YEAR</b>	\$ -	\$ 66,367	\$ 31,385	\$ 97,752	\$ 78,731

**EDMONTON SOCIAL PLANNING COUNCIL****Statement of Cash Flows****Year Ended December 31, 2014**

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Revenue over (under) expenses	\$ 19,021	\$ (771)
Item not affecting cash:		
Amortization	558	1,819
	<u>19,579</u>	<u>1,048</u>
Changes in non-cash working capital items:		
Accounts receivable	1,560	1,663
Prepaid expenses	2,125	2,408
Accounts payable and accrued liabilities	(6,115)	(3,566)
Deferred contributions	(86,927)	120,151
	<u>(89,357)</u>	<u>120,656</u>
<b>(DECREASE) INCREASE IN CASH</b>	<b>(69,778)</b>	<b>121,704</b>
Cash and short-term investments - beginning of year	<u>283,981</u>	<u>162,277</u>
<b>CASH AND SHORT-TERM INVESTMENTS - END OF YEAR</b>	<b>\$ 214,203</b>	<b>\$ 283,981</b>
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest received	<u>\$ 1,573</u>	<u>\$ 1,296</u>
<b>CASH AND SHORT-TERM INVESTMENTS CONSIST OF</b>		
Cash	\$ 100,902	\$ 171,529
Short-term investments	<u>113,301</u>	<u>112,452</u>
	<u>\$ 214,203</u>	<u>\$ 283,981</u>

## EDMONTON SOCIAL PLANNING COUNCIL

### Notes to Financial Statements

Year Ended December 31, 2014

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#### 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.

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#### 2. 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 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:

Computer equipment	3 years
Furniture and equipment	5 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.

Publications revenue is recognized at the time of sale.

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## EDMONTON SOCIAL PLANNING COUNCIL

### Notes to Financial Statements

Year Ended December 31, 2014

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#### 2. 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.

##### 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, accrued liabilities and deferred contributions. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

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#### 3. RESTRICTED CASH

Cash includes \$47,210 (2013--\$73,598) 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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#### 4. EQUIPMENT

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Computer equipment	\$ 2,938	\$ 2,938	\$ -	\$ -
Furniture and equipment	52,113	52,113	-	558
	<u>\$ 55,051</u>	<u>\$ 55,051</u>	<u>\$ -</u>	<u>\$ 558</u>

**EDMONTON SOCIAL PLANNING COUNCIL****Notes to Financial Statements****Year Ended December 31, 2014****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:

	2014	2013
Casino proceeds	\$ 47,210	\$ 70,543
Edmonton Community Foundation	19,616	2,500
Edmonton Community Foundation-Poverty Reduction	12,627	12,919
Stollery Foundation	8,529	12,697
City of Edmonton-Poverty Elimination	7,167	80,219
CEASE	3,544	3,934
Vibrant Communities Edmonton	2,759	3,018
Quality of Life	330	330
Government of Alberta-Children's Charter	-	2,549
	<u>\$ 101,782</u>	<u>\$ 188,709</u>

**6. INTERNALLY RESTRICTED**

The Council has established an internally restricted fund to be used for future operating costs in the event of unanticipated funding loss. The funds are held in cashable term deposits. During the year, the Board decided to transfer \$56,787 from unrestricted net assets to internally restricted net assets. A Board decision was also made to transfer any income earned from the term deposits to the fund. The total of the fund is \$66,367 (2013--\$9,204).

**7. LEASE COMMITMENTS**

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

	Office	Photocopier	Total
2015	\$ 12,100	\$ 5,664	\$ 17,764
2016	12,100	5,664	17,764
2017	13,016	5,664	18,680
2018	2,200	5,664	7,864
	<u>\$ 39,416</u>	<u>\$ 22,656</u>	<u>\$ 62,072</u>

**EDMONTON SOCIAL PLANNING COUNCIL****Notes to Financial Statements****Year Ended December 31, 2014****8. PROJECT REVENUE**

	<b>2014</b>	<b>2013</b>
City of Edmonton-Poverty Elimination	\$ <b>73,052</b>	\$ 15,531
Edmonton Chambers of Voluntary Organizations	<b>15,000</b>	-
Edmonton Community Foundation-Vital Signs	<b>10,000</b>	11,000
Realtors Association of Edmonton	<b>7,500</b>	-
Stollery Foundation	<b>4,168</b>	13,402
Government of Alberta-Children's Charter	<b>2,549</b>	451
CEASE	<b>390</b>	3,965
Edmonton Community Foundation-Poverty Reduction	<b>292</b>	2,068
City of Edmonton-Focus Group for Children's Charter	-	2,250
	<b>\$ 112,951</b>	<b>\$ 48,667</b>

**9. PROJECT EXPENSES**

	<b>2014</b>	<b>2013</b>
Poverty Elimination Symposium	\$ <b>53,294</b>	\$ -
Wages	<b>21,117</b>	32,018
Administration	<b>13,428</b>	4,455
Consulting	<b>6,700</b>	-
Meeting costs	<b>6,008</b>	1,892
Focus groups	<b>600</b>	6,306
Travel	<b>90</b>	750
Researcher	-	3,749
Reporting	-	1,495
	<b>\$ 101,237</b>	<b>\$ 50,665</b>

**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 2014 were \$12,837 (2013--\$14,967).

## EDMONTON SOCIAL PLANNING COUNCIL

### Notes to Financial Statements

Year Ended December 31, 2014

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#### 11. 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, 2014.

##### 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, 2014.

##### 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 1.3% (2013--1.15% to 1.5%).

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