

EDMONTON SOCIAL PLANNING COUNCIL

Financial Statements

Year Ended December 31, 2018

EDMONTON SOCIAL PLANNING COUNCIL

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Year Ended December 31, 2018

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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, 2018, 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, 2018, 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.

Peterson Walker LLP

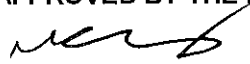
Edmonton, Alberta
May 14, 2019

CHARTERED ACCOUNTANTS

EDMONTON SOCIAL PLANNING COUNCIL
Statement of Financial Position
December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash and short-term investments (Note 3)	\$ 256,959	\$ 335,439
Accounts receivable	26,269	2,410
Prepaid expenses	6,156	8,985
	<u>289,384</u>	<u>346,834</u>
EQUIPMENT (Note 4)	<u>5,298</u>	<u>-</u>
	<u>\$ 294,682</u>	<u>\$ 346,834</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 17,662	\$ 12,331
Deferred contributions (Note 5)	107,430	181,745
	<u>125,092</u>	<u>194,076</u>
NET ASSETS		
Internally restricted (Note 6)	103,525	102,555
Invested in equipment	5,298	-
Unrestricted	60,767	50,203
	<u>169,590</u>	<u>152,758</u>
	<u>\$ 294,682</u>	<u>\$ 346,834</u>
LEASE COMMITMENT (Note 7)		

APPROVED BY THE BOARD

 Director

 Director

EDMONTON SOCIAL PLANNING COUNCIL**Statement of Operations****Year Ended December 31, 2018**

	2018	2017
REVENUE		
United Way	\$ 215,979	\$ 214,928
Project revenue (Note 8)	96,096	31,708
Edmonton Community Foundation	35,890	45,109
Casino	31,565	59,308
City of Edmonton	16,500	17,000
Employment grant	5,564	-
Interest and other	3,656	2,553
Donations	3,395	3,132
Memberships	2,790	2,495
Publications	165	373
	<u>411,600</u>	<u>376,606</u>
EXPENSES		
Salaries and benefits	206,185	228,237
Project expenses (Note 9)	106,475	35,611
Administration	24,986	28,767
Building occupancy	24,109	19,483
Professional fees	10,996	10,095
Moving costs	8,532	-
Meetings and volunteer appreciation	3,023	1,255
Insurance	2,389	2,427
Staff development	2,056	1,738
Amortization	1,696	-
Travel	1,540	4,191
Memberships and dues	1,517	1,399
Website maintenance	887	456
Vibrant Communities Edmonton	250	-
Program costs	127	170
Bank charges and interest	-	93
Endowment contribution (Note 11)	-	10,000
	<u>394,768</u>	<u>343,922</u>
REVENUE OVER EXPENSES	<u>\$ 16,832</u>	<u>\$ 32,684</u>

EDMONTON SOCIAL PLANNING COUNCIL**Statement of Changes in Net Assets****Year Ended December 31, 2018**

	Internally Restricted	Invested In Equipment	Unrestricted	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 102,555	\$ -	\$ 50,203	\$ 152,758	\$ 120,074
Purchase of equipment	-	6,994	(6,994)	-	-
Revenue over (under) expenses	970	(1,696)	17,558	16,832	32,684
NET ASSETS - END OF YEAR	<u>\$ 103,525</u>	<u>\$ 5,298</u>	<u>\$ 60,767</u>	<u>\$ 169,590</u>	<u>\$ 152,758</u>

EDMONTON SOCIAL PLANNING COUNCIL**Statement of Cash Flows****Year Ended December 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
Revenue over expenses	\$ 16,832	\$ 32,684
Item not affecting cash:		
Amortization	1,696	-
	<u>18,528</u>	<u>32,684</u>
Changes in non-cash working capital items:		
Accounts receivable	(23,859)	(1,447)
Prepaid expenses	2,829	(4,799)
Accounts payable and accrued liabilities	5,331	(3,739)
Deferred contributions	(74,315)	85,219
	<u>(90,014)</u>	<u>75,234</u>
	<u>(71,486)</u>	<u>107,918</u>
INVESTING ACTIVITY		
Purchase of equipment	(6,994)	-
	<u>(78,480)</u>	<u>107,918</u>
(DECREASE) INCREASE IN CASH	(78,480)	107,918
Cash and short-term investments - beginning of year	335,439	227,521
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	\$ 256,959	\$ 335,439
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 1,429	\$ 874
CASH AND SHORT-TERM INVESTMENTS CONSIST OF		
Cash	\$ 167,236	\$ 196,651
Short-term investments	89,723	138,788
	<u>\$ 256,959</u>	<u>\$ 335,439</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2018

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.

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, 2018

2. 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, 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 \$41,271 (2017--\$73,978) 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	2018 Net book value	2017 Net book value
Computer equipment	\$ 2,225	\$ 742	\$ 1,483	\$ -
Furniture and equipment	4,769	954	3,815	-
	<u>\$ 6,994</u>	<u>\$ 1,696</u>	<u>\$ 5,298</u>	<u>\$ -</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2018

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:

	2018	2017
Casino proceeds	\$ 41,271	\$ 72,837
Edmonton Community Foundation	32,869	28,759
City of Edmonton--Age Friendly Indigenous Research	11,588	42,420
Alberta Living Wage Network	10,000	-
Homeward Trust--Community Based Research	4,462	-
Edmonton Community Foundation--Sustainability project	2,561	34,824
Edmonton Community Foundation--Vital Signs project	2,358	-
Vibrant Communities Edmonton	2,321	2,575
Quality of Life	-	330
	<u>\$ 107,430</u>	<u>\$ 181,745</u>

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 \$970 (2017--\$91) was transferred to the fund. The total of the fund is \$88,525 (2017--\$87,555).

The Board also set up two additional funds, a staff development fund of \$8,000 (2017--\$8,000) and a special projects fund of \$7,000 (2017--\$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:

2019	\$ 14,544
2020	14,544
2021	14,544
2022	14,544
2023	2,424
	<u>\$ 60,600</u>

EDMONTON SOCIAL PLANNING COUNCIL**Notes to Financial Statements****Year Ended December 31, 2018****8. PROJECT REVENUE**

	2018	2017
Edmonton Community Foundation--Sustainability project	\$ 32,289	\$ 4,076
City of Edmonton--Age Friendly Indigenous Research	30,832	9,315
Edmonton Community Foundation--Vital Signs project	14,016	14,000
Alberta Council of Women Shelters	11,102	-
Edmonton Food Bank	3,614	-
Edmonton Poverty Profile	2,205	-
Homeward Trust--Community Based Research	2,038	-
Edmonton Community Foundation--Poverty Reduction	-	2,335
CEASE	-	1,982
	<u>\$ 96,096</u>	<u>\$ 31,708</u>

9. PROJECT EXPENSES

	2018	2017
Wages	\$ 73,154	\$ 31,004
Consultant	31,674	3,770
Meeting costs	1,000	453
Focus groups	522	316
Administration	125	68
	<u>\$ 106,475</u>	<u>\$ 35,611</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 2018 were \$12,042 (2017--\$12,352). 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. 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 \$400 and is included in interest and other.

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2018

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, 2018.

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, 2018.

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 0.65% to 1.5% (2017--0.65% to 1.0%).
