

EDMONTON SOCIAL PLANNING COUNCIL

Financial Statements

Year Ended December 31, 2020

EDMONTON SOCIAL PLANNING COUNCIL
Index to Financial Statements
Year Ended December 31, 2020

	Page
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 13

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, 2020, 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, 2020, 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 as at December 31, 2020.

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.

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
April 13, 2021



CHARTERED PROFESSIONAL ACCOUNTANTS

EDMONTON SOCIAL PLANNING COUNCIL
Statement of Financial Position
December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash and short-term investments <i>(Note 3)</i>	\$ 347,404	\$ 435,000
Accounts receivable	10,888	10,464
Prepaid expenses	6,021	6,069
	364,313	451,533
EQUIPMENT <i>(Note 4)</i>	6,143	6,533
	\$ 370,456	\$ 458,066
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 30,215	\$ 33,849
Deferred contributions <i>(Note 5)</i>	118,374	225,642
	148,589	259,491
NET ASSETS		
Internally restricted <i>(Note 6)</i>	127,730	104,438
Invested in equipment	6,143	6,533
Unrestricted	87,994	87,604
	221,867	198,575
	\$ 370,456	\$ 458,066
LEASE COMMITMENT <i>(Note 7)</i>		
EXTRAORDINARY EVENT <i>(Note 12)</i>		

APPROVED BY THE BOARD

 Director
 Director

EDMONTON SOCIAL PLANNING COUNCIL
Statement of Operations
Year Ended December 31, 2020

	2020	2019
REVENUE		
United Way	\$ 215,976	\$ 215,976
City of Edmonton - FCSS grant	100,000	100,000
Stollery Foundation	56,400	-
Project revenue (Note 8)	45,523	78,108
Edmonton Community Foundation	40,000	32,869
Alberta Living Wage Network	32,293	-
Casino	29,980	46,563
City of Edmonton	16,500	16,500
Employment grants	5,449	4,690
Donations	4,707	4,378
Memberships	3,175	2,835
Interest and other	2,177	5,230
	<u>552,180</u>	<u>507,149</u>
EXPENSES		
Salaries and benefits	361,940	298,965
Project expenses (Note 9)	43,761	88,938
Administration	35,455	33,832
Alberta Living Wage Network	32,293	-
Building occupancy	27,387	25,953
Professional fees	12,137	12,066
Amortization	4,546	3,161
Endowment contribution (Note 11)	4,000	1,000
Insurance	2,765	2,540
Staff development	2,021	5,590
Meetings and volunteer appreciation	1,267	2,399
Memberships and dues	1,236	2,111
Travel	80	1,609
	<u>528,888</u>	<u>478,164</u>
REVENUE OVER EXPENSES	<u>\$ 23,292</u>	<u>\$ 28,985</u>

EDMONTON SOCIAL PLANNING COUNCIL
Statement of Changes in Net Assets
Year Ended December 31, 2020

	Internally Restricted	Invested In Equipment	Unrestricted	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 104,438	\$ 6,533	\$ 87,604	\$ 198,575	\$ 169,590
Transfer (Note 6)	23,292	-	(23,292)	-	-
Purchase of equipment	-	4,156	(4,156)	-	-
Revenue over (under) expenses	-	(4,546)	27,838	23,292	28,985
NET ASSETS - END OF YEAR	\$ 127,730	\$ 6,143	\$ 87,994	\$ 221,867	\$ 198,575



EDMONTON SOCIAL PLANNING COUNCIL
Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Revenue over expenses	\$ 23,292	\$ 28,985
Item not affecting cash:		
Amortization	4,546	3,161
	<u>27,838</u>	<u>32,146</u>
Changes in non-cash working capital items:		
Accounts receivable	(424)	15,805
Prepaid expenses	48	87
Accounts payable and accrued liabilities	(3,634)	16,187
Deferred contributions	(107,268)	118,212
	<u>(111,278)</u>	<u>150,291</u>
	<u>(83,440)</u>	<u>182,437</u>
INVESTING ACTIVITY		
Purchase of equipment	(4,156)	(4,396)
	<u>(87,596)</u>	<u>178,041</u>
(DECREASE) INCREASE IN CASH	(87,596)	178,041
Cash and short-term investments - beginning of year	435,000	256,959
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	\$ 347,404	\$ 435,000
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 1,780	\$ 1,571
CASH AND SHORT-TERM INVESTMENTS CONSIST OF		
Cash	\$ 253,519	\$ 286,988
Short-term investments	93,885	148,012
	<u>\$ 347,404</u>	<u>\$ 435,000</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2020

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.

(continues)

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2020

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 useful life of equipment, 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 \$39,425 (2019--\$69,405) 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	2020 Net book value	2019 Net book value
Furniture and equipment	\$ 4,769	\$ 2,862	\$ 1,907	\$ 2,861
Computer equipment	10,777	6,541	4,236	3,672
	<u>\$ 15,546</u>	<u>\$ 9,403</u>	<u>\$ 6,143</u>	<u>\$ 6,533</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:

	2020	2019
Edmonton Community Foundation	\$ 40,000	\$ 40,000
Casino proceeds	39,425	69,405
Alberta Living Wage Network	37,307	55,850
Learning Centre Literacy Association	1,642	3,681
Stollery Foundation	-	56,400
Edmonton Community Foundation--Sustainability project	-	306
	<u>\$ 118,374</u>	<u>\$ 225,642</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2020

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 \$19,292 (2019--\$913) was transferred to the fund. The total of the fund is \$108,730 (2019--\$89,438).

During the year, an additional \$3,000 (2019--\$0) was transferred to the special projects fund for a total in the fund of \$10,000. The staff development fund remained consistent at \$8,000. An additional capital fund was set up in the current year with an initial transfer of \$1,000.

Total of all four funds amounts to \$127,730 (2019--\$104,438) All four funds require Board approval for the use of funds. Total transfers in the current year amount to \$23,292 (2019--\$913).

7. LEASE COMMITMENT

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

2021	\$	14,544
2022		14,544
2023		<u>2,424</u>
	\$	<u>31,512</u>

8. PROJECT REVENUE

	<u>2020</u>	<u>2019</u>
Edmonton Community Foundation--Vital Signs project	\$ 16,374	\$ 18,733
Muttarts Foundation - Anti Racism project	10,000	-
Edmonton Community Foundation - Anti Racism project	10,000	-
Edmonton Seniors Coordinating Council - Diversity Research	3,804	-
Edmonton Community Foundation - student bursary project	3,000	3,000
Learning Centre Literacy Association	2,039	4,319
Edmonton Community Foundation--Sustainability project	306	2,255
Homeward Trust--Community Based Research	-	17,962
City of Edmonton--Age Friendly Indigenous Research	-	11,588
Edmonton Federation of Community Leagues	-	10,804
Edmonton Poverty Profile	-	7,900
Max Bell Foundation	-	1,547
	<u>\$ 45,523</u>	<u>\$ 78,108</u>

EDMONTON SOCIAL PLANNING COUNCIL
Notes to Financial Statements
Year Ended December 31, 2020

9. PROJECT EXPENSES

	<u>2020</u>	<u>2019</u>
Wages	\$ 39,196	\$ 77,386
Printing, office and other expenses	4,565	8,167
Professional fees	-	2,234
Meeting costs	-	928
Focus groups	-	223
	<u>\$ 43,761</u>	<u>\$ 88,938</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 2020 were \$19,317 (2019--\$14,846). 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 \$4,000 (2019--\$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. No income was received in the current year (2019--\$380).

12. EXTRAORDINARY EVENT

In March 2020, the Alberta Government declared a state of emergency due to the COVID-19 pandemic. In order to prevent the spread of the virus, public health orders required many businesses to close or limit capacity and for individuals to work from home if possible. The Council was able to allow staff to work from home and instituted social distancing protocols at the office. The pandemic did not impact the operations of the Council as they were still able to complete projects and funding levels remained consistent.

EDMONTON SOCIAL PLANNING COUNCIL
Notes to Financial Statements
Year Ended December 31, 2020

13. FINANCIAL INSTRUMENTS

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

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, 2020.

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, 2020.

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 0.35% to 1.9% (2019--0.5% to 2.0%).
