

EDMONTON SOCIAL PLANNING COUNCIL
Financial Statements
Year Ended December 31, 2017

EDMONTON SOCIAL PLANNING COUNCIL
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Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S 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, 2017 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.

Auditor's 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, 2017 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.



Edmonton, Alberta
April 10, 2018

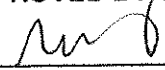
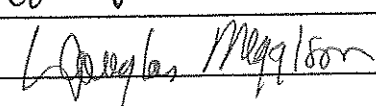
CHARTERED ACCOUNTANTS

EDMONTON SOCIAL PLANNING COUNCIL
Statement of Financial Position
December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash and short-term investments (Note 3)	\$ 335,439	\$ 227,521
Accounts receivable	2,410	963
Prepaid expenses	8,985	4,186
	<u>\$ 346,834</u>	<u>\$ 232,670</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 12,331	\$ 16,070
Deferred contributions (Note 4)	181,745	96,526
	<u>194,076</u>	<u>112,596</u>
NET ASSETS		
Internally restricted (Note 5)	102,555	67,464
Unrestricted	50,203	52,610
	<u>152,758</u>	<u>120,074</u>
	<u>\$ 346,834</u>	<u>\$ 232,670</u>

LEASE COMMITMENT (Note 6)

APPROVED BY THE BOARD

 Director
 Director

EDMONTON SOCIAL PLANNING COUNCIL
Statement of Operations
Year Ended December 31, 2017

	2017	2016
REVENUE		
United Way	\$ 214,928	\$ 210,714
Casino	59,308	37,267
Edmonton Community Foundation	45,109	33,213
Project revenue (Note 7)	31,708	25,471
City of Edmonton	17,000	17,500
Donations	3,132	2,782
Interest and other	2,553	5,048
Memberships	2,495	2,800
Publications	373	211
Employment grant	-	3,528
	<u>376,606</u>	<u>338,534</u>
EXPENSES		
Salaries and benefits	228,237	230,458
Project expenses (Note 8)	35,611	33,214
Administration	28,767	24,690
Building occupancy	19,483	23,927
Professional fees	10,095	9,557
Endowment contribution (Note 10)	10,000	-
Travel	4,191	4,725
Insurance	2,427	2,437
Staff development	1,738	2,190
Memberships and dues	1,399	1,369
Meetings and volunteer appreciation	1,255	1,930
Website maintenance	456	702
Program costs	170	87
Bank charges and interest	93	505
Vibrant Communities Edmonton	-	179
	<u>343,922</u>	<u>335,970</u>
REVENUE OVER EXPENSES	<u>\$ 32,684</u>	<u>\$ 2,564</u>

EDMONTON SOCIAL PLANNING COUNCIL
Statement of Changes in Net Assets
Year Ended December 31, 2017

	Internally Restricted	Unrestricted	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 67,464	\$ 52,610	\$ 120,074	\$ 117,510
Transfer (Note 5)	35,000	(35,000)	-	-
Revenue over expenses	91	32,593	32,684	2,564
NET ASSETS - END OF YEAR	\$ 102,555	\$ 50,203	\$ 152,758	\$ 120,074

EDMONTON SOCIAL PLANNING COUNCIL**Statement of Cash Flows****Year Ended December 31, 2017**

	2017	2016
OPERATING ACTIVITIES		
Revenue over expenses	\$ 32,684	\$ 2,564
Changes in non-cash working capital items:		
Accounts receivable	(1,447)	13,738
Prepaid expenses	(4,799)	(326)
Accounts payable and accrued liabilities	(3,739)	789
Deferred contributions	85,219	(38,137)
	<u>75,234</u>	<u>(23,936)</u>
INCREASE (DECREASE) IN CASH	107,918	(21,372)
Cash and short-term investments - beginning of year	<u>227,521</u>	<u>248,893</u>
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	\$ 335,439	\$ 227,521
 CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	<u>\$ 874</u>	<u>\$ 1,263</u>
 CASH AND SHORT-TERM INVESTMENTS CONSIST OF		
Cash	\$ 196,651	\$ 99,925
Short-term investments	<u>138,788</u>	<u>127,596</u>
	<u>\$ 335,439</u>	<u>\$ 227,521</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2017

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:

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.

(continues)

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2017

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 \$73,978 (2016--\$55,435) 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.

4. 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:

	2017	2016
Casino proceeds	\$ 72,837	\$ 55,435
City of Edmonton	42,420	-
Edmonton Community Foundation--Sustainability project	34,824	-
Edmonton Community Foundation	28,759	33,869
Vibrant Communities Edmonton	2,575	2,575
Quality of Life	330	330
Edmonton Community Foundation--Poverty Reduction	-	2,335
CEASE	-	1,982
	<u>\$ 181,745</u>	<u>\$ 96,526</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2017

5. 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 \$20,000 was transferred to the fund. The total of the fund is \$87,555 (2016--\$67,464). The Board also set up two additional funds during the year, a staff development fund and a special projects fund. \$8,000 was transferred to the staff development fund and \$7,000 was transferred to the special projects fund. All three funds require Board approval for the use of funds.

6. LEASE COMMITMENT

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

2018	\$ 14,320
2019	14,544
2020	14,544
2021	14,544
2022	14,544
2023	2,424
	<u>\$ 74,920</u>

7. PROJECT REVENUE

	2017	2016
Edmonton Community Foundation--Vital Signs	\$ 14,000	\$ 10,551
City of Edmonton	9,315	-
Edmonton Community Foundation--Sustainability project	4,076	-
Edmonton Community Foundation--Poverty Reduction	2,335	8,651
CEASE	1,982	924
Stollery Foundation	-	5,345
	<u>\$ 31,708</u>	<u>\$ 25,471</u>

EDMONTON SOCIAL PLANNING COUNCIL
Notes to Financial Statements
Year Ended December 31, 2017

8. PROJECT EXPENSES

	2017	2016
Wages	\$ 31,004	\$ 23,796
Consultant	3,770	-
Meeting costs	453	69
Focus groups	316	1,953
Administration	68	448
Research	-	6,180
Travel	-	768
	\$ 35,611	\$ 33,214

9. 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 2017 were \$12,352 (2016--\$13,512). Employees contribute 4% to the plan.

10. ENDOWMENT CONTRIBUTION

The Council established a permanent endowment with the Edmonton Community Foundation during the year. 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.

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2017

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, 2017.

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, 2017.

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 1.0% (2016--1.3% to 2.1%).
