

**EDMONTON SOCIAL PLANNING COUNCIL**

**Financial Statements**

**Year Ended December 31, 2015**

**EDMONTON SOCIAL PLANNING COUNCIL**  
**Index to Financial Statements**  
**Year Ended December 31, 2015**

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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, 2015 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, 2015 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 12, 2016

CHARTERED ACCOUNTANTS



Members of  
The Institute of Chartered Accountants of Alberta

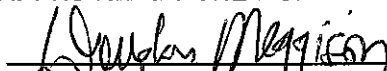
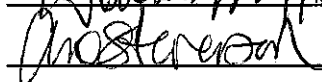
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**EDMONTON SOCIAL PLANNING COUNCIL**  
**Statement of Financial Position**  
**December 31, 2015**

|  | 2015              | 2014              |
|--|-------------------|-------------------|
| <b>ASSETS</b>                            |                   |                   |
| <b>CURRENT</b>                           |                   |                   |
| Cash and short-term investments (Note 3) | \$ 248,893        | \$ 214,203        |
| Accounts receivable                      | 14,701            | 1,214             |
| Prepaid expenses                         | 3,860             | 3,283             |
|  | <u>\$ 267,454</u> | <u>\$ 218,700</u> |
| <b>LIABILITIES AND NET ASSETS</b>        |                   |                   |
| <b>CURRENT</b>                           |                   |                   |
| Accounts payable and accrued liabilities | \$ 15,281         | \$ 19,166         |
| Deferred contributions (Note 4)          | 134,663           | 101,782           |
|  | <u>149,944</u>    | <u>120,948</u>    |
| <b>NET ASSETS</b>                        |                   |                   |
| Internally restricted                    | 66,942            | 66,367            |
| Unrestricted (Note 5)                    | 50,568            | 31,385            |
|  | <u>117,510</u>    | <u>97,752</u>     |
|  | <u>\$ 267,454</u> | <u>\$ 218,700</u> |

LEASE COMMITMENT (Note 6)

APPROVED BY THE BOARD

 Director  
 Director

**EDMONTON SOCIAL PLANNING COUNCIL**  
**Statement of Operations**  
**Year Ended December 31, 2015**

|                                     | 2015             | 2014             |
|-------------------------------------|------------------|------------------|
| <b>REVENUE</b>                      |                  |                  |
| United Way                          | \$ 207,600       | \$ 207,600       |
| Project revenue (Note 7)            | 61,553           | 112,951          |
| Edmonton Community Foundation       | 40,712           | 22,884           |
| Casino                              | 37,186           | 23,333           |
| City of Edmonton                    | 17,000           | 32,000           |
| Donations                           | 3,229            | 3,150            |
| Memberships                         | 2,980            | 3,200            |
| Interest and other                  | 1,560            | 2,199            |
| Publications                        | 779              | 645              |
|                                     | <u>372,599</u>   | <u>407,962</u>   |
| <b>EXPENSES</b>                     |                  |                  |
| Salaries and benefits               | 234,618          | 230,711          |
| Project expenses (Note 8)           | 59,117           | 101,237          |
| Building occupancy                  | 23,996           | 24,149           |
| Professional fees                   | 9,827            | 12,024           |
| Administration                      | 7,595            | 8,344            |
| Travel                              | 4,511            | 3,667            |
| Anniversary costs                   | 2,583            | -                |
| Insurance                           | 2,532            | 2,764            |
| Staff development                   | 2,429            | -                |
| Meetings and volunteer appreciation | 2,213            | 1,486            |
| Bank charges and interest           | 1,477            | 2,088            |
| Memberships and dues                | 1,219            | 1,187            |
| Website maintenance                 | 611              | 240              |
| Program costs                       | 113              | 302              |
| Vibrant Communities Edmonton        | -                | 184              |
| Amortization                        | -                | 558              |
|                                     | <u>352,841</u>   | <u>388,941</u>   |
| <b>REVENUE OVER EXPENSES</b>        | <u>\$ 19,758</u> | <u>\$ 19,021</u> |

**EDMONTON SOCIAL PLANNING COUNCIL**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2015**

|                                   | Internally<br>Restricted | Unrestricted | 2015       | 2014      |
|-----------------------------------|--------------------------|--------------|------------|-----------|
| NET ASSETS - BEGINNING OF<br>YEAR | \$ 66,367                | \$ 31,385    | \$ 97,752  | \$ 78,731 |
| Revenue over expenses             | 575                      | 19,183       | 19,758     | 19,021    |
| NET ASSETS - END OF YEAR          | \$ 66,942                | \$ 50,568    | \$ 117,510 | \$ 97,752 |

**EDMONTON SOCIAL PLANNING COUNCIL****Statement of Cash Flows****Year Ended December 31, 2015**

|   | 2015              | 2014              |
|---|-------------------|-------------------|
| <b>OPERATING ACTIVITIES</b>                           |                   |                   |
| Revenue over expenses                                 | \$ 19,758         | \$ 19,021         |
| Item not affecting cash:                              |                   |                   |
| Amortization  | -                 | 558               |
|   | <u>19,758</u>     | <u>19,579</u>     |
| Changes in non-cash working capital items:            |                   |                   |
| Accounts receivable                                   | (13,487)          | 1,560             |
| Prepaid expenses                                      | (577)             | 2,125             |
| Accounts payable and accrued liabilities              | (3,885)           | (6,115)           |
| Deferred contributions                                | <u>32,881</u>     | <u>(86,927)</u>   |
|   | <u>14,932</u>     | <u>(89,357)</u>   |
| <b>INCREASE (DECREASE) IN CASH</b>                    | <b>34,690</b>     | <b>(69,778)</b>   |
| Cash and short-term investments - beginning of year   | <u>214,203</u>    | <u>283,981</u>    |
| <b>CASH AND SHORT-TERM INVESTMENTS - END OF YEAR</b>  | <b>\$ 248,893</b> | <b>\$ 214,203</b> |
| <br><b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>       |                   |                   |
| Interest received                                     | <u>\$ 1,154</u>   | <u>\$ 1,573</u>   |
| <br><b>CASH AND SHORT-TERM INVESTMENTS CONSIST OF</b> |                   |                   |
| Cash  | \$ 95,685         | \$ 100,902        |
| Short-term investments                                | <u>153,208</u>    | <u>113,301</u>    |
|   | <u>\$ 248,893</u> | <u>\$ 214,203</u> |

## EDMONTON SOCIAL PLANNING COUNCIL

### Notes to Financial Statements

Year Ended December 31, 2015

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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. 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.

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## EDMONTON SOCIAL PLANNING COUNCIL

### Notes to Financial Statements

Year Ended December 31, 2015

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#### 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.

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#### 3. RESTRICTED CASH

Cash includes \$92,756 (2014--\$47,210) 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. 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:

|  | 2015              | 2014              |
|--|-------------------|-------------------|
| Casino proceeds                                  | \$ 92,756         | \$ 47,210         |
| Edmonton Community Foundation                    | 18,904            | 19,616            |
| Edmonton Community Foundation--Poverty Reduction | 10,986            | 12,627            |
| Stollery Foundation                              | 5,344             | 8,529             |
| CEASE  | 2,906             | 3,544             |
| Vibrant Communities Edmonton                     | 2,759             | 2,759             |
| Edmonton Community Foundation--GSA project       | 678               | -                 |
| Quality of Life                                  | 330               | 330               |
| City of Edmonton--Poverty Elimination            | -                 | 7,167             |
|  | <u>\$ 134,663</u> | <u>\$ 101,782</u> |

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#### 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. The total of the fund is \$66,942 (2014--\$66,367).

**EDMONTON SOCIAL PLANNING COUNCIL****Notes to Financial Statements****Year Ended December 31, 2015****6. LEASE COMMITMENT**

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

|      |    |               |
|------|----|---------------|
| 2016 | \$ | 12,100        |
| 2017 |    | 13,016        |
| 2018 |    | <u>2,200</u>  |
|      | \$ | <u>27,316</u> |

**7. PROJECT REVENUE**

|  | <u>2015</u>      | <u>2014</u>       |
|--|------------------|-------------------|
| Capital Region Housing Corporation               | \$ 18,000        | \$ -              |
| Edmonton Community Foundation--Vital Signs       | 16,000           | 10,000            |
| Alberta Real Estate Foundation                   | 14,000           | -                 |
| City of Edmonton--Poverty Elimination            | 7,167            | 73,052            |
| Stollery Foundation                              | 3,185            | 4,168             |
| Edmonton Community Foundation--Poverty Reduction | 1,640            | 292               |
| Edmonton Community Foundation--GSA project       | 923              | -                 |
| CEASE  | 638              | 390               |
| Edmonton Chambers of Voluntary Organizations     | -                | 15,000            |
| Realtors Association of Edmonton                 | -                | 7,500             |
| Government of Alberta--Children's Charter        | -                | 2,549             |
|  | <u>\$ 61,553</u> | <u>\$ 112,951</u> |

**8. PROJECT EXPENSES**

|                                  | <u>2015</u>      | <u>2014</u>       |
|----------------------------------|------------------|-------------------|
| Wages                            | \$ 32,851        | \$ 21,117         |
| Administration                   | 13,546           | 13,428            |
| Focus groups                     | 9,898            | 600               |
| Consulting                       | 1,128            | 6,700             |
| Software and website maintenance | 941              | -                 |
| Meeting costs                    | 723              | 6,008             |
| Research                         | 30               | -                 |
| Poverty Elimination Symposium    | -                | 53,294            |
| Travel                           | -                | 90                |
|                                  | <u>\$ 59,117</u> | <u>\$ 101,237</u> |

## EDMONTON SOCIAL PLANNING COUNCIL

### Notes to Financial Statements

Year Ended December 31, 2015

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#### 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 7% of pensionable earnings. The current contributions made by the Council to the plan in 2015 were \$15,956 (2014--\$12,837).

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#### 10. 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, 2015.

##### 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, 2015.

##### 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 0.85% to 1.3% (2014--1.15% to 1.3%).

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