

EDMONTON SOCIAL PLANNING COUNCIL

Financial Statements

Year Ended December 31, 2013

EDMONTON SOCIAL PLANNING COUNCIL
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Year Ended December 31, 2013

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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, 2013 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 fundraising and 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 the Edmonton Social Planning Council as at December 31, 2013 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 8, 2014



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EDMONTON SOCIAL PLANNING COUNCIL
Statement of Financial Position
December 31, 2013

	2013	2012
ASSETS		
CURRENT		
Cash and short-term investments (Note 3)	\$ 283,981	\$ 162,277
Accounts receivable	2,774	4,437
Prepaid expenses	5,408	7,816
	<u>292,163</u>	<u>174,530</u>
EQUIPMENT (Note 4)	<u>558</u>	<u>2,377</u>
	<u>\$ 292,721</u>	<u>\$ 176,907</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 25,281	\$ 28,847
Deferred contributions (Note 5)	188,709	68,558
	<u>213,990</u>	<u>97,405</u>
NET ASSETS		
Invested in equipment	558	2,377
Internally restricted (Note 6)	9,204	9,204
Unrestricted	68,969	67,921
	<u>78,731</u>	<u>79,502</u>
	<u>\$ 292,721</u>	<u>\$ 176,907</u>
LEASE COMMITMENTS (Note 7)		

APPROVED BY THE BOARD

Vasant Chotai Director
Douglas Morrison Director

EDMONTON SOCIAL PLANNING COUNCIL

Statement of Operations

Year Ended December 31, 2013

	2013	2012
REVENUE		
United Way	\$ 207,600	\$ 207,600
Project revenue <i>(Note 8)</i>	48,667	39,718
Casino	47,273	43,174
City of Edmonton	32,900	28,747
Edmonton Community Foundation	30,000	27,500
Interest and other	6,133	5,213
Memberships	3,600	1,987
Donations	3,115	4,272
Community Spirit grant	2,424	6,245
Publications	1,050	1,078
Fundraising	-	6,404
Government of Alberta	-	2,842
	382,762	374,780
EXPENSES		
Salaries and benefits	243,905	255,109
Project expenses <i>(Note 9)</i>	50,665	39,523
Office	35,302	22,836
Building occupancy	26,440	25,830
Professional fees	10,932	17,798
Bank charges and interest	2,841	2,244
Insurance	2,631	2,592
Recruitment and education	2,410	276
Amortization	1,819	1,820
Website maintenance	1,580	1,025
Meetings and volunteer appreciation	1,373	1,696
Travel	1,359	1,172
Memberships and dues	1,154	784
Vibrant Communities Edmonton	588	130
Program costs	534	997
	383,533	373,832
REVENUE (UNDER) OVER EXPENSES	\$ (771)	\$ 948

EDMONTON SOCIAL PLANNING COUNCIL
Statement of Changes in Net Assets
Year Ended December 31, 2013

	Invested in Equipment	Internally Restricted	Unrestricted	2013	2012
NET ASSETS - BEGINNING OF YEAR	\$ 2,377	\$ 9,204	\$ 67,921	\$ 79,502	\$ 78,554
Revenue (under) over expenses	(1,819)	-	1,048	(771)	948
NET ASSETS - END OF YEAR	\$ 558	\$ 9,204	\$ 68,969	\$ 78,731	\$ 79,502

EDMONTON SOCIAL PLANNING COUNCIL**Statement of Cash Flows****Year Ended December 31, 2013**

	<u>2013</u>	<u>2012</u>
OPERATING ACTIVITIES		
Revenue (under) over expenses	\$ (771)	\$ 948
Item not affecting cash:		
Amortization	<u>1,819</u>	<u>1,820</u>
	<u>1,048</u>	<u>2,768</u>
Changes in non-cash working capital items <i>(Note 11)</i>	<u>120,656</u>	<u>23,589</u>
INCREASE IN CASH	121,704	26,357
Cash and short-term investments - beginning of year	<u>162,277</u>	<u>135,920</u>
CASH AND SHORT-TERM INVESTMENTS - END OF YEAR	<u>\$ 283,981</u>	<u>\$ 162,277</u>
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	<u>\$ 1,296</u>	<u>\$ 1,598</u>
CASH AND SHORT-TERM INVESTMENTS CONSIST OF		
Cash	\$ 171,529	\$ 55,829
Short-term investments	<u>112,452</u>	<u>106,448</u>
	<u>\$ 283,981</u>	<u>\$ 162,277</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2013

1. NATURE OF OPERATIONS

The Edmonton Social Planning Council is a non-profit 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. 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 term deposits with maturity dates of less than six months.

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

Revenue Recognition

Edmonton Social Planning 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.

Revenue from publications are recognized at time of sale.

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, 2013

2. SUMMARY OF 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 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.

3. RESTRICTED CASH

Cash includes \$73,598 (2012--\$38,395) 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. EQUIPMENT

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Computer equipment	\$ 2,938	\$ 2,938	\$ -	\$ 979
Furniture and equipment	52,113	51,555	558	1,398
	\$ 55,051	\$ 54,493	\$ 558	\$ 2,377

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:

	2013	2012
City of Edmonton-Poverty Elimination	\$ 80,219	\$ -
Casino proceeds	70,543	38,395
Edmonton Community Foundation-Poverty Reduction	12,919	14,986
Stollery Foundation	12,697	-
CEASE	3,934	7,899
Vibrant Communities Edmonton	3,018	3,476
Government of Alberta-Children's Charter	2,549	-
Edmonton Community Foundation	2,500	2,500
Quality of Life	330	654
UCSN BBQ	-	648
	\$ 188,709	\$ 68,558

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2013

6. INTERNALLY RESTRICTED

Edmonton Social Planning Council Board has internally restricted \$9,204 to be used for future operating costs in the event of unanticipated funding loss.

7. LEASE COMMITMENTS

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

	Office	Photocopier	Total
2014	\$ 12,008	\$ 7,080	\$ 19,088
2015	12,100	7,080	19,180
2016	12,100	-	12,100
2017	13,016	-	13,016
2018	2,200	-	2,200
	<u>\$ 51,424</u>	<u>\$ 14,160</u>	<u>\$ 65,584</u>

8. PROJECT REVENUE

	2013	2012
City of Edmonton-Poverty Elimination	\$ 15,531	\$ -
Stollery Foundation	13,402	-
Edmonton Community Foundation-Vital Signs	11,000	-
CEASE	3,965	1,786
City of Edmonton-Focus Group for Children's Charter	2,250	-
Edmonton Community Foundation-Poverty Reduction	2,068	5,602
Government of Alberta-Children's Charter	451	-
Homeward Trust	-	14,375
Social Enterprise Fund	-	8,204
Government of Alberta	-	6,001
United Way	-	2,750
City of Edmonton	-	1,000
	<u>\$ 48,667</u>	<u>\$ 39,718</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2013

9. PROJECT EXPENSES

	<u>2013</u>	<u>2012</u>
Wages	\$ 32,018	\$ 10,906
Focus groups	6,306	9,899
Administration	4,455	2,400
Researcher	3,749	1,885
Meeting costs	1,892	1,788
Reporting	1,495	8,377
Travel	750	2,107
Software and website maintenance	-	2,000
Office	-	161
	<u>\$ 50,665</u>	<u>\$ 39,523</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 2013 were \$14,967 (2012--\$13,738).

11. CHANGES IN NON-CASH WORKING CAPITAL

Changes in non-cash working capital items and their effect of increasing (decreasing) cash are as follows:

	<u>2013</u>	<u>2012</u>
Accounts receivable	\$ 1,663	\$ (1,353)
Prepaid expenses	2,408	(4,054)
Accounts payable and accrued liabilities	(3,566)	1,461
Deferred contributions	<u>120,151</u>	<u>27,535</u>
	<u>\$ 120,656</u>	<u>\$ 23,589</u>

EDMONTON SOCIAL PLANNING COUNCIL

Notes to Financial Statements

Year Ended December 31, 2013

12. FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash, 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, 2013.

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, 2013.

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 1.5% (2012--1.15% to 1.75%).
