

**Edmonton Chamber of
Voluntary Organizations**

Financial Statements

December 31, 2020

Edmonton Chamber of Voluntary Organizations

Financial Statements

December 31, 2020

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Independent Auditors' Report

To the Members of Edmonton Chamber of Voluntary Organizations

Opinion

We have audited the financial statements of Edmonton Chamber of Voluntary Organizations, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Organization 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, Canada
March 29, 2021



Chartered Professional Accountants

Edmonton Chamber of Voluntary Organizations

Statement of Operations

For the year ended December 31,	2020	2019
Revenues		
Operating grants (note 10)	\$ 412,063	\$ 474,098
Project grants (note 10)	301,001	221,640
Membership fees	37,192	45,293
Interest	1,366	3,788
Fees and miscellaneous	67,960	202,320
Expense reimbursements	63,909	68,185
Government emergency funding (note 11)	266,158	-
	1,149,649	1,015,324
Expenditures		
Amortization	6,077	5,384
Governance	5,004	5,315
Human resources	643,923	636,628
Marketing and communications	20,994	35,683
Office operations	72,660	63,235
Organizational operations	24,335	29,232
Research and analysis	33,412	10,676
Sector services	114,169	208,047
	920,574	994,200
Excess of revenues over expenditures	\$ 229,075	\$ 21,124

Edmonton Chamber of Voluntary Organizations

Statement of Changes in Net Assets

For the year ended December 31,

	Unrestricted Capital assets		Internally restricted reserve	Total 2020	Total 2019
Balance, beginning of year	\$ 89,569	\$ 11,368	\$ 100,457	\$ 201,394	\$ 180,270
Excess (deficiency) of revenues over expenditures	234,741	(6,077)	411	229,075	21,124
Purchase of assets	(8,446)	8,446	-	-	-
Balance, end of year	\$ 315,864	\$ 13,737	\$ 100,868	\$ 430,469	\$ 201,394

Edmonton Chamber of Voluntary Organizations**Statement of Financial Position**

December 31, **2020** **2019**

Assets**Current**

Cash	\$ 294,904	\$ 289,165
Accounts receivable (note 4)	242,927	74,516
Restricted cash (note 5)	100,868	100,457

638,699 **464,138****Equipment and leaseholds (note 6)****13,737** **11,368**

\$ 652,436 **\$ 475,506**

Liabilities**Current**

Accounts payable and accrued liabilities (note 7)	\$ 46,034	\$ 53,352
Unearned contributions (note 8)	145,933	220,760

191,967 **274,112****Loan payable (note 9)****30,000** **-**

221,967 **274,112**

Net Assets

Unrestricted	315,864	89,569
Capital assets	13,737	11,368
Internally restricted reserve	100,868	100,457

430,469 **201,394**

\$ 652,436 **\$ 475,506**

Commitments (note 12)

Approved on behalf of the Board:



Chairperson



Treasurer

Edmonton Chamber of Voluntary Organizations

Statement of Cash Flows

For the year ended December 31,	2020	2019
Cash provided by (used for)		
Operating activities		
Excess of revenues over expenditures	\$ 229,075	\$ 21,124
Item not affecting cash		
Amortization	6,077	5,384
	235,152	26,508
Change in non-cash working capital items		
Accounts receivable	(168,411)	(54,614)
Accounts payable and accrued liabilities	(7,318)	27,089
Unearned contributions	(74,827)	104,369
	(15,404)	103,352
Financing activity		
Proceeds of loan payable	30,000	-
Investing activities		
Restricted cash	(411)	(20,715)
Purchase of equipment and leaseholds	(8,446)	(8,591)
	(8,857)	(29,306)
Increase in cash	5,739	74,046
Cash, beginning of year	289,165	215,119
Cash, end of year	\$ 294,904	\$ 289,165

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2020

1. Nature of operations

Edmonton Chamber of Voluntary Organizations was incorporated under the Alberta Companies Act as a non-profit organization in 2002.

The objectives of the Organization are to advance by promoting the study, understanding and appreciation of Canada's voluntary sector and the role of the volunteer, by strengthening the effectiveness and capacity of the voluntary sector and the role of the volunteer.

The Organization is a registered charity under the Income Tax Act of Canada and as long as it continues to meet the requirements of the Act, is not taxable.

2. COVID-19 pandemic

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks, including Canadian federal, provincial, territorial and municipal governments, have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic, the Organization has pursued available government assistance programs, implemented remote work arrangements for those able to do so and implemented stringent health and safety procedures. Management has been proactive and diligent in addressing the implementation of infection prevention and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic and the related economic contraction on the Organization.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the Organization's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these developments and the impact on the financial results and conditions on the Organization and its operations in future periods.

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2020

3. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Interest income is recorded on the accrual basis.

Fees, memberships and miscellaneous revenue are recognized as income in the year received.

(b) Equipment and leaseholds

Equipment and leaseholds are recorded at cost. The Organization provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the assets over their estimated useful lives, as set out below.

When equipment and leaseholds are sold or retired, the related cost and accumulated amortization are removed from the accounts and any gain or loss is charged against earnings in the period.

Furniture and fixtures	20% Declining balance
Leasehold improvements	5 years Straight-line
Computer equipment	30% Declining balance

(c) Impairment of long-lived assets

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(d) Contributed services

Board members contributed time to assist the Organization in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2020

3. Significant accounting policies (continued)

(e) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

The Organization subsequently measures the following financial assets and financial liabilities at amortized cost:

Financial assets measured at amortized cost include cash, restricted cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and loan payable.

The Organization subsequently measures no financial assets and financial liabilities at fair value.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

(f) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions, including assumptions about the future effects of the COVID-19 pandemic, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. COVID-19 is considered an indication of impairment and has impacted the assumptions underlying the forecasted cash flows used in performing the organization's impairment analysis of its long-lived assets. Actual impairment and other results could differ from these and other estimates.

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits.

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2020

4. Accounts receivable

	2020	2019
Trade receivables	\$ 181,428	\$ 67,494
GST receivable	12,558	7,022
Government emergency funding receivable	48,941	-
	\$ 242,927	\$ 74,516

5. Restricted cash

The Board of Directors established an internally restricted reserve fund for the Organization which is represented by a bank account.

6. Equipment and leaseholds

	2020			2019
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 13,489	\$ 4,698	\$ 8,791	\$ 1,487
Leasehold improvements	10,885	9,797	1,088	3,265
Computer equipment	12,806	8,948	3,858	6,616
	\$ 37,180	\$ 23,443	\$ 13,737	\$ 11,368

7. Accounts payable and accrued liabilities

	2020	2019
Trade payables	\$ 29,433	\$ 41,461
Government remittances	16,601	11,891
	\$ 46,034	\$ 53,352

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

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8. Unearned contributions

Unearned contributions represents funds received for programs and will be recognized as revenue in the fiscal year in which the related expenses are incurred. Changes in deferred contributions are as follows:

	2020	2019
Balance, beginning of year	\$ 220,760	\$ 116,391
Less: amounts recognized as revenue during the year	(163,308)	(82,358)
Add: amounts received relating to a subsequent period	88,481	186,727
	\$ 145,933	\$ 220,760

9. Loan payable

The Organization received an interest-free Canada Emergency Business Account (CEBA) loan under the Government of Canada COVID response programs of \$40,000, of which 25% is forgivable if fully repaid by December 31, 2022. The forgivable portion of \$10,000 has been included in revenue.

10. Grants

	2020	2019
City of Edmonton	\$ 191,638	\$ 191,638
Edmonton Community Foundation	100,000	100,000
Government of Alberta	135,000	150,000
United Way	32,460	32,460
Deferred revenue - opening	37,500	37,500
Deferred revenue - closing	(84,535)	(37,500)
Operating grants	\$ 412,063	\$ 474,098

	2020	2019
Alberta Health Services	\$ 12,773	\$ 12,774
City of Edmonton - FCSS	169,816	121,066
City of Edmonton - Other	3,000	35,000
Community Partner Contributions	1,000	14,719
Edmonton Community Foundation	-	10,000
Government of Alberta	-	110,000
United Way	15,000	-
Deferred revenue - opening	160,810	78,891
Deferred revenue - closing	(61,398)	(160,810)
Project grants	\$ 301,001	\$ 221,640

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2020

11. Government emergency funding

In response to the COVID-19 pandemic, the Organization has pursued available government assistance programs. During the year the Organization received \$4,261 under the Temporary Wage Subsidy (TWS) program, \$251,897 under the Canada Emergency Wage Subsidy (CEWS) program and has recognized \$10,000 of the forgivable loan under the Canada Emergency Business Account (CEBA) program.

12. Commitments

The Organization and two other organizations are joint tenants on an office lease that expired January 31, 2021. The Organization's share of base rent and operating costs is approximately \$2,763 per month. A new lease agreement is currently being negotiated.

2021	\$ 2,763
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13. Financial instruments

Transacting in and holding of financial instruments exposes the Organization to certain financial risks and uncertainties. COVID-19 (see note 2) has resulted in an increase in risk of these financial instruments. The Organization cannot predict changes in these risks or the impact on operating results. Such changes related to the COVID-19 pandemic, could have a material effect in the Organization's operations and financial condition. These risks include:

(a) 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 Organization's main credit risk relates to its accounts receivable.

The COVID-19 pandemic has resulted in an increase in credit risk for the Organization. If a key supplier or customer experiences financial difficulty or fails to comply with their contractual obligations, which may occur as the COVID-19 pandemic continues, this could result in significant financial loss to the Organization.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization's exposure to liquidity risk relates to accounts payable and accrued liabilities and loan payable and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. Management believes this risk is minimized through regular review of expected cash flows.

The COVID-19 pandemic has resulted in a change to the liquidity risk from the prior period. Uncertain economic conditions caused by the COVID-19 pandemic may impact the Organization's ability to collect cash inflows from sales.