

**Edmonton Chamber of
Voluntary Organizations**

Financial Statements

December 31, 2021

Edmonton Chamber of Voluntary Organizations

Financial Statements

December 31, 2021

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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, 2021, 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, 2021, 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 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 28, 2022

Chartered Professional Accountants

Edmonton Chamber of Voluntary Organizations

Statement of Operations

| For the year ended December 31, | 2021 | 2020 |
|---|------------------|-------------------|
| Revenues | | |
| Operating grants (note 12) | \$ 339,095 | \$ 412,063 |
| Project grants (note 12) | 92,836 | 183,682 |
| City of Edmonton - FCSS (note 12) | 199,814 | 117,319 |
| Membership fees | 31,315 | 37,192 |
| Interest | 1,943 | 1,366 |
| Fees and miscellaneous | 43,888 | 67,960 |
| Expense reimbursements | 102,956 | 63,909 |
| Government emergency funding (note 2) | 240,845 | 266,158 |
| | 1,052,692 | 1,149,649 |
| Expenditures | | |
| Amortization | 4,172 | 6,077 |
| Governance | 5,934 | 5,004 |
| Human resources | 695,232 | 643,923 |
| Marketing and communications | 31,707 | 20,994 |
| Office operations | 77,921 | 72,660 |
| Organizational operations | 49,185 | 24,335 |
| Research and analysis | 29,333 | 33,412 |
| Sector services | 90,645 | 114,169 |
| | 984,129 | 920,574 |
| Excess of revenues over expenditures | \$ 68,563 | \$ 229,075 |

Edmonton Chamber of Voluntary Organizations

Statement of Changes in Net Assets

For the year ended December 31,

| | Unrestricted Capital assets | | Internally restricted reserve | Total 2021 | Total 2020 |
|---|-----------------------------|-----------------|-------------------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 315,864 | \$ 13,737 | \$ 100,868 | \$ 430,469 | \$ 201,394 |
| Excess (deficiency) of revenues over expenditures | 72,409 | (4,172) | 326 | 68,563 | 229,075 |
| Transfer between funds | (50,000) | - | 50,000 | - | - |
| Balance, end of year | \$ 338,273 | \$ 9,565 | \$ 151,194 | \$ 499,032 | \$ 430,469 |

Edmonton Chamber of Voluntary Organizations

Statement of Financial Position

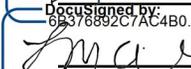
| December 31, | 2021 | 2020 |
|---|-------------------|------------|
| Assets | | |
| Current | | |
| Cash | \$ 725,483 | \$ 294,904 |
| Accounts receivable (note 5) | 57,347 | 242,927 |
| Restricted cash (note 6) | 151,194 | 100,868 |
| | 934,024 | 638,699 |
| Equipment and leaseholds (note 7) | 9,565 | 13,737 |
| | \$ 943,589 | \$ 652,436 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities (note 8) | \$ 39,910 | \$ 46,034 |
| Unearned contributions (note 9) | 364,647 | 145,933 |
| | 404,557 | 191,967 |
| Loan payable (note 10) | 40,000 | 30,000 |
| | 444,557 | 221,967 |
| Net Assets | | |
| Unrestricted | 338,273 | 315,864 |
| Capital assets | 9,565 | 13,737 |
| Internally restricted reserve | 151,194 | 100,868 |
| | 499,032 | 430,469 |
| | \$ 943,589 | \$ 652,436 |

Commitments (note 11)

Approved on behalf of the Board:

DocuSigned by:

 _____ Chairperson

DocuSigned by:

 _____ Treasurer

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Edmonton Chamber of Voluntary Organizations

Statement of Cash Flows

| For the year ended December 31, | 2021 | 2020 |
|--|-------------------|------------|
| Cash provided by (used for) | | |
| Operating activities | | |
| Excess of revenues over expenditures | \$ 68,563 | \$ 229,075 |
| Item not affecting cash | | |
| Amortization | 4,172 | 6,077 |
| | 72,735 | 235,152 |
| Change in non-cash working capital items | | |
| Accounts receivable | 185,580 | (168,411) |
| Accounts payable and accrued liabilities | (6,124) | (7,318) |
| Unearned contributions | 218,714 | (74,827) |
| | 470,905 | (15,404) |
| Financing activity | | |
| Net proceeds of loan payable | 10,000 | 30,000 |
| Investing activities | | |
| Restricted cash | (50,326) | (411) |
| Purchase of equipment and leaseholds | - | (8,446) |
| | (50,326) | (8,857) |
| Increase in cash | 430,579 | 5,739 |
| Cash, beginning of year | 294,904 | 289,165 |
| Cash, end of year | \$ 725,483 | \$ 294,904 |

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2021

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

The COVID-19 pandemic has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, social distancing, restrictions on business operations and isolation/quarantine periods have caused material disruptions to communities and businesses, resulting in a slowdown of the global economy.

In response the Organization pursued government assistance programs and received \$204,017 under the Canada Emergency Wage Subsidy program, \$10,357 under the Canada Hiring Recovery program, \$16,471 under the Canada Emergency Rent Subsidy program and \$10,000 under the Canada Emergency Business Account program. The Organization continues to pursue available subsidies subsequent to year end.

Edmonton Chamber of Voluntary Organization also implemented remote work arrangements for those able to do so, and implemented stringent health and safety procedures and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic on the Organization's operations.

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 development and the impact on the financial results and condition on the Organization and its operations in future periods.

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2021

3. Change in accounting policy

Financial instruments – Financial instruments originated or exchanged in a related party transaction

The Organization adopted the amendments to Financial Instruments, Section 3856, relating to the recognition of financial instruments originated or exchanged in a related party transaction.

Under these new requirements, a financial instrument originated or exchanged in a related party transaction is initially measured at cost, which is determined depending on whether the financial instrument has repayment terms. If it does, cost is determined using its undiscounted cash flows, excluding interest payments, less any impairment losses. Otherwise, cost is determined using the consideration transferred or received by the Organization. Subsequent measurement is based on how the instrument was initially measured. In general, a financial instrument is subsequently measured at cost less any reduction for impairment, or at fair value.

According to the transition provisions, financial instruments originated or exchanged in a related party transaction that exist at the date these amendments are applied for the first time, January 1, 2021, are measured as follows:

- The cost of an instrument that has repayment terms is determined using its undiscounted cash flows, excluding interest payments, less any impairment as at the beginning of the earliest comparative period, January 1, 2020.
- The cost of an instrument that does not have repayment terms is deemed to be its carrying amount in the Organization's financial statements, less any impairment, as at the same date.

The adoption of these new requirements had no impact on the Organizations' financial statements.

4. 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.

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2021

4. Significant accounting policies (continued)

(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, 2021

4. Significant accounting policies (continued)

(e) Financial instruments

Initial measurement

Financial assets and liabilities originated or exchanged in arm's length transactions are initially measured at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the company is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If there are repayment terms, the cost is determined using its undiscounted cash flows, excluding interest, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Organization in the transaction.

Subsequent measurement

As specified below, the Organization subsequently measures all its financial assets and liabilities at cost or 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.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

Impairment

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 during the period 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.

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2021

4. Significant accounting policies (continued)

(f) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

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.

5. Accounts receivable

| | 2021 | 2020 |
|---|------------------|-------------------|
| Trade receivables | \$ 42,504 | \$ 188,985 |
| GST receivable | 4,486 | 12,558 |
| Government emergency funding receivable | 10,357 | 48,941 |
| Allowance for doubtful account | - | (7,557) |
| | \$ 57,347 | \$ 242,927 |

6. Restricted cash

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

7. Equipment and leaseholds

| | 2021 | | | 2020 |
|------------------------|------------------|--------------------------|-----------------|------------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Furniture and fixtures | \$ 13,489 | \$ 6,625 | \$ 6,864 | \$ 8,791 |
| Leasehold improvements | 10,885 | 10,885 | - | 1,088 |
| Computer equipment | 12,806 | 10,105 | 2,701 | 3,858 |
| | \$ 37,180 | \$ 27,615 | \$ 9,565 | \$ 13,737 |

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

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8. Accounts payable and accrued liabilities

| | 2021 | 2020 |
|------------------------|------------------|------------------|
| Trade payables | \$ 24,682 | \$ 29,433 |
| Government remittances | 15,228 | 16,601 |
| | \$ 39,910 | \$ 46,034 |

9. 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:

| | 2021 | 2020 |
|---|-------------------|-------------------|
| Balance, beginning of year | \$ 145,933 | \$ 220,760 |
| Less: amounts recognized as revenue during the year | (117,844) | (163,308) |
| Add: amounts received relating to a subsequent period | 336,558 | 88,481 |
| | \$ 364,647 | \$ 145,933 |

10. Loan payable

During the year, the Organization received an additional \$20,000 under the Government of Canada COVID response Canada Emergency Business Account (CEBA) loan program. 33% of the total value is forgivable if fully repaid by December 31, 2023. If the loan is not repaid by December 31, 2023 the full \$60,000 is converted to a term loan repayable in interest only payments at a rate of 5% per annum, with the principal due December 31, 2025.

11. Commitments

The Organization and two other organizations are joint tenants on an office lease in which a new agreement was made and expires in January 2023. The Organization's share of base rent and operating costs is approximately \$2,763 per month.

Estimated principal repayments are as follows:

| | |
|------|------------------|
| 2022 | \$ 33,156 |
| 2023 | 2,763 |
| | \$ 35,919 |

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2021

12. Grants

| | 2021 | 2020 |
|---|-------------------|-------------------|
| City of Edmonton | \$ 91,644 | \$ 191,638 |
| Edmonton Community Foundation | 100,003 | 100,000 |
| Government of Alberta | 135,000 | 135,000 |
| United Way | 33,730 | 32,460 |
| Deferred revenue - opening | 84,535 | 37,500 |
| Deferred revenue - closing | (105,817) | (84,535) |
| Operating grants | \$ 339,095 | \$ 412,063 |
| | 2021 | 2020 |
| Alberta Health Services | \$ 12,775 | \$ 12,773 |
| City of Edmonton - EIRC | 150,000 | - |
| City of Edmonton - Other | 49,000 | 51,750 |
| Community Partner Contributions | 1,500 | 1,000 |
| Stollery Foundation | 80,000 | - |
| United Way | - | 15,000 |
| Deferred revenue - opening | 57,651 | 160,810 |
| Deferred revenue - closing | (258,090) | (57,651) |
| Project grants | \$ 92,836 | \$ 183,682 |
| | 2021 | 2020 |
| Governance, Leadership and Strategic Adaptation | \$ 124,000 | \$ 49,000 |
| Volunteerism | 72,067 | 72,066 |
| Deferred revenue - opening | 3,747 | - |
| Deferred revenue - closing | - | (3,747) |
| City of Edmonton - FCSS | \$ 199,814 | \$ 117,319 |

FCSS funds are allocated to the Volunteer Edmonton and Governance, Leadership and Strategic Adaptation programs and are spent on eligible direct costs used to operate these programs. Hourly time an employee charges to work on the program is allocated to personal expenses. A percentage of the Organization's rent is allocated to occupancy costs. Supplies purchased to operate the program are allocated to program supplies.

Edmonton Chamber of Voluntary Organizations

Notes to the Financial Statements

December 31, 2021

13. Financial instruments

Transacting in and holding of financial instruments exposes the Organization to certain financial risks and uncertainties. Significant risks to which the Organization is exposed as at December 31, 2021 include:

(a) Credit risk

The Organization's credit risk is mainly related to accounts receivable. The Organization provides credit to its clients in the normal course of operations.

(b) Liquidity risk

The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and loan payable. Management believes this risk is minimized through regular review of expected cash flows.