Edmonton Chamber of Voluntary Organizations

Financial Statements

December 31, 2023

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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, 2023, 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, 2023, 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.

Grove Mackay LLP

Edmonton, Canada
March 28, 2024

Chartered Professional Accountants

Edmonton Chamber of Voluntary Organizations

Statement of Operations

For the year ended December 31,	2023	2022
Revenues		
Operating grants (note 10)	**$ 401,522**	$ 386,642
Project grants (note 10)	**396,026**	214,867
City of Edmonton - FCSS (note 10)	**426,691**	196,066
Educational services and other	**129,696**	74,591
Expense reimbursements	**62,266**	140,030
Membership fees	**47,285**	37,150
Interest	**14,599**	8,917
	1,478,085	1,058,263
Expenditures		
Amortization	**4,504**	3,867
Fiscal agent	**43,730**	15,000
Governance	**5,208**	22,794
Human resources	**808,770**	690,535
Marketing and communications	**45,343**	25,088
Office operations	**63,691**	63,485
Organizational operations	**49,426**	35,964
Research and analysis	**220,777**	27,081
Sector services	**191,399**	128,946
	1,432,848	1,012,760
Excess of revenues over expenditures	**$ 45,237**	$ 45,503

Edmonton Chamber of Voluntary Organizations

Statement of Changes in Net Assets

For the year ended December 31,

	Unrestricted	Capital assets	Internally restricted reserve	Total 2023	Total 2022
Balance, beginning of year	$ 386,083	$ 5,698	$ 152,754	**$ 544,535**	$ 499,032
Excess (deficiency) of revenues over expenditures	47,065	(4,504)	2,676	**45,237**	45,503
Purchase of capital assets	(8,671)	8,671	-	**-**	-
Balance, end of year	**$ 424,477**	**$ 9,865**	**$ 155,430**	**$ 589,772**	$ 544,535

Edmonton Chamber of Voluntary Organizations

Statement of Financial Position

December 31,	**2023**	2022
Assets		
Current		
Cash	**$ 920,679**	$ 807,594
Accounts receivable (note 3)	**51,157**	35,486
Prepaid expenses	**7,661**	7,500
Restricted cash (note 4)	**155,430**	152,754
	1,134,927	1,003,334
Equipment and leaseholds (note 5)	**9,865**	5,698
	$ 1,144,792	$ 1,009,032
Liabilities		
Current		
Accounts payable and accrued liabilities (note 6)	**$ 117,311**	$ 38,575
Unearned contributions (note 7)	**397,709**	385,922
Current portion of loan payable (note 8)	**40,000**	40,000
	555,020	464,497
Net Assets		
Unrestricted	**424,477**	386,083
Capital assets	**9,865**	5,698
Internally restricted reserve	**155,430**	152,754
	589,772	544,535
	$ 1,144,792	$ 1,009,032

Commitments (note 9)

Approved on behalf of the Board:

______________________ Chairperson ______________________ Treasurer

Edmonton Chamber of Voluntary Organizations

Statement of Cash Flows

For the year ended December 31,		2023		2022
Cash provided by (used for)				
Operating activities				
Excess of revenues over expenditures	**$**	**45,237**	$	45,503
Item not affecting cash				
Amortization		**4,504**		3,867
		49,741		49,370
Change in non-cash working capital items				
Accounts receivable		**(15,671)**		21,861
Prepaid expenses		**(161)**		(7,500)
Accounts payable and accrued liabilities		**78,736**		(1,335)
Unearned contributions		**11,787**		21,275
		124,432		83,671
Investing activities				
Restricted cash		**(2,676)**		(1,560)
Purchase of equipment		**(8,671)**		-
		(11,347)		(1,560)
Increase in cash		**113,085**		82,111
Cash, beginning of year		**807,594**		725,483
Cash, end of year	**$**	**920,679**	$	807,594

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. 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.

One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal.

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

2. Significant accounting policies (continued)

(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.

(e) Financial instruments

Initial measurement
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.

Financial assets or liabilities originated or exchanged in related party transactions except for those that involve parties whose sole relationship with the Organization 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 the instrument does, the cost is determined using the instruments undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise cost is determined using the consideration transferred or received by the Organization in the transaction.

Transactions, with parties whose sole relationship with the Organization is in the capacity of management, are accounted for as arm’s length transactions.

Subsequent measurement
The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in debt instruments, equity instruments and forward exchange contracts that are quoted in an active market, which are measured at fair value without any adjustment for transaction costs. Changes in fair value are recognized in net income in the period in which they occur.

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.

2. Significant accounting policies (continued)

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 cost for financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument and 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 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 requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(g) Cash and cash equivalents

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

3. Accounts receivable

	2023	2022
Trade receivables	**$ 41,068**	$ 15,621
GST receivable	**10,089**	9,508
Government emergency funding receivable	**-**	10,357
	$ 51,157	$ 35,486

4. Restricted cash

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

5. Equipment and leaseholds

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Furniture and fixtures	**$ 13,489**	**$ 9,838**	**$ 3,651**	$ 5,492
Leasehold improvements	**10,885**	**10,885**	**-**	-
Computer equipment	**21,477**	**15,263**	**6,214**	206
	$ 45,851	**$ 35,986**	**$ 9,865**	$ 5,698

6. Accounts payable and accrued liabilities

	2023	2022
Trade payables	**$ 101,138**	$ 24,777
Government remittances	**16,173**	13,798
	$ 117,311	$ 38,575

7. 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:

	2023	2022
Balance, beginning of year	**$ 385,922**	$ 364,647
Less: amounts recognized as revenue during the year	**(368,454)**	(336,617)
Add: amounts received relating to a subsequent period	**380,241**	357,892
	$ 397,709	$ 385,922

8. Loan payable

The Organization received a total of $60,000 under the Government of Canada COVID response Canada Emergency Business Account (CEBA) loan program, of which 33% of the total value is forgivable if fully repaid by January 18, 2024. If the loan is not repaid by January 18, 2024 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. Subsequent to year end, the loan was repaid on January 17, 2024.

9. 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 2025. The Organization's share of base rent and operating costs is approximately $2,092 per month.

Estimated principal repayments are as follows:

2024	$ 25,109
2025	2,092
	$ 27,201

10. Grants

	2023	2022
City of Edmonton	**$ 91,638**	$ 91,638
Edmonton Community Foundation	**100,000**	100,000
Government of Alberta	**157,598**	135,000
United Way	**30,000**	30,000
Alberta Jobs Now	**11,393**	-
Canada Summer Jobs Grant	**13,300**	-
Deferred revenue - opening	**75,813**	105,817
Deferred revenue - closing	**(78,220)**	(75,813)
Operating grants	**$ 401,522**	$ 386,642

	2023	2022
Government of Alberta - CIP	**$ 44,750**	$ -
City of Edmonton - EIRC	**41,730**	125,000
City of Edmonton - Other	**46,637**	55,500
Canadian Mental Health Association	**13,043**	6,386
Stollery Foundation	**-**	80,000
Suncor Operations Grant	**100,000**	-
Other	**25,000**	-
Deferred revenue - opening	**310,109**	258,090
Deferred revenue - closing	**(185,243)**	(310,109)
Project grants	**$ 396,026**	$ 214,867

	2023	2022
Reimaging the Social Services	**$ 325,000**	$ 124,000
Volunteerism	-	72,066
Too Critical to Fail	**235,937**	-
Deferred revenue - closing	**(134,246)**	-
City of Edmonton - FCSS	**$ 426,691**	$ 196,066

FCSS funds are allocated to the *"Reimaging the Social Services Community in Edmonton through a Social Justice Lens"* programs and the *"Too Critical to Fail - Nonprofit Resilience In Edmonton"* program. The funds 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.

11. Financial instruments

Transacting in and holding of financial instruments exposes the Organization to certain financial risks and uncertainties. These risks include below:

(a) 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 the 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 Organization's borrowing arrangements are concentrated with a single Canadian financial institution.

There has not been any changes to the Organization’s exposure to liquidity risk from the prior year.

(b) 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 exposure to credit risk relates to accounts receivable and arises from the possibility that a debtor does not fulfil its obligations.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Organization is exposed to market risk as follows:

(i) 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 Organization's interest-bearing financial instruments include fixed rate Guaranteed Investment Certificates. The fair values of fixed rate financial instruments fluctuate as market rates of interest change. The Organization does not employ derivative financial instruments to hedge its exposure to interest rate risk.

Increased economic uncertainty and changing inflation rates due to a range of economic factors has resulted in a change in interest rate risk from the prior year. Uncertain economic conditions including events may result in a change in market rates both nationally and internationally. The Organization cannot predict changes in market rates.