Edmonton Chamber of Voluntary Organizations

Financial Statements

December 31, 2019

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	Page
Independent Auditors' Report	3 - 4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 13

Crowe MacKay LLP
2410 Manulife Place
10180 - 101 St.
Edmonton, AB T5J 3S4
Main +1 (780)420-0626
Fax +1 (780)425-8780
www.crowemackay.ca

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, 2019, 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, 2019, 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.

Crowe MacKay LLP

Edmonton, Canada
March 31, 2020

Chartered Professional Accountants

Edmonton Chamber of Voluntary Organizations

Statement of Operations

For the year ended December 31,	2019	2018
Revenues		
Operating grants (note 8)	**$ 474,098**	$ 266,598
Project grants (note 8)	**221,640**	395,263
Membership fees	**45,293**	38,375
Interest	**3,788**	1,541
Fees and miscellaneous	**202,320**	112,575
Expense reimbursements	**68,185**	57,963
	1,015,324	872,315
Expenditures		
Amortization	**5,384**	3,011
Governance	**5,315**	11,333
Human resources	**636,628**	523,376
Marketing and communications	**35,683**	26,532
Office operations	**63,235**	72,231
Organizational operations	**29,232**	35,517
Research and analysis	**10,676**	8,408
Sector services	**208,047**	116,215
	994,200	796,623
Excess of revenues over expenditures	**$ 21,124**	$ 75,692

Edmonton Chamber of Voluntary Organizations

Statement of Changes in Net Assets

For the year ended December 31, 2019

	Unrestricted	Capital assets	Internally restricted reserve	Total 2019	Total 2018
Balance, beginning of year	$ 92,367	$ 8,161	$ 79,742	**$ 180,270**	$ 104,578
Excess (deficiency) of revenues over expenditures	25,806	(5,384)	702	**21,124**	75,692
Purchase of assets	(8,591)	8,591	-	**-**	-
Transfers	(20,013)	-	20,013	**-**	-
Balance, end of year	**$ 89,569**	**$ 11,368**	**$ 100,457**	**$ 201,394**	$ 180,270

Edmonton Chamber of Voluntary Organizations

Statement of Financial Position

December 31,	2019	2018
Assets		
Current		
Cash	$ 289,165	$ 215,119
Accounts receivable (note 3)	74,516	19,902
Restricted cash (note 4)	100,457	79,742
	464,138	314,763
Equipment and leaseholds (note 5)	11,368	8,161
	$ 475,506	$ 322,924
Liabilities		
Current		
Accounts payable and accrued liabilities (note 6)	$ 53,352	$ 26,263
Unearned contributions (note 7)	220,760	116,391
	274,112	142,654
Net Assets		
Unrestricted	89,569	92,367
Capital assets	11,368	8,161
Internally restricted reserve	100,457	79,742
	201,394	180,270
	$ 475,506	$ 322,924

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,	2019	2018
Cash provided by (used for)		
Operating activities		
Excess of revenues over expenditures	$ 21,124	$ 75,692
Item not affecting cash		
Amortization	5,384	3,011
	26,508	78,703
Change in non-cash working capital items		
Accounts receivable	(54,614)	7,066
Accounts payable and accrued liabilities	27,089	3,245
Unearned contributions	104,369	(196,481)
	103,352	(107,467)
Investing activities		
Restricted cash	(20,715)	5,684
Purchase of equipment and leaseholds	(8,591)	-
	(29,306)	5,684
Increase (decrease) in cash	74,046	(101,783)
Cash, beginning of year	215,119	316,902
Cash, end of year	$ 289,165	$ 215,119

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.

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

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.

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.

2. Significant accounting policies (continued)

(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

	2019	2018
Trade receivables	**$ 67,494**	$ 15,359
Government remittances	**7,022**	4,543
	$ 74,516	$ 19,902

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

			2019	2018
	Cost	**Accumulated amortization**	**Net book value**	Net book value
Furniture and fixtures	**$ 5,043**	**$ 3,556**	**$ 1,487**	$ 1,859
Leasehold improvements	**10,885**	**7,620**	**3,265**	5,442
Computer equipment	**12,806**	**6,190**	**6,616**	860
	$ 28,734	**$ 17,366**	**$ 11,368**	$ 8,161

6. Accounts payable and accrued liabilities

	2019	2018
Trade payables	**$ 41,461**	$ 15,485
Government remittances	**11,891**	10,778
	$ 53,352	$ 26,263

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:

	2019	2018
Balance, beginning of year	**$ 116,391**	$ 312,872
Less: amounts recognized as revenue during the year	**(82,358)**	(271,950)
Add: amounts received relating to a subsequent period	**186,727**	75,469
	$ 220,760	$ 116,391

8. Grants

	2019	2018
City of Edmonton	**$ 191,638**	$ 91,638
Edmonton Community Foundation	**100,000**	-
Government of Alberta	**150,000**	150,000
United Way	**32,460**	32,460
Deferred revenue - opening	**37,500**	30,000
Deferred revenue - closing	**(37,500)**	(37,500)
Operating grants	**$ 474,098**	$ 266,598

8. Grants (continued)

	2019	2018
Alberta Health Services	**$ 12,774**	$ 12,653
City of Edmonton - FCSS	**121,066**	110,977
City of Edmonton - Other	**35,000**	3,000
Community Partner Contributions	**14,719**	4,000
Edmonton Community Foundation	**10,000**	50,002
Government of Alberta	**110,000**	-
Suncor	**-**	10,650
Deferred revenue - opening	**78,891**	282,872
Deferred revenue - closing	**(160,810)**	(78,891)
Project grants	**$ 221,640**	$ 395,263

9. Commitments

The Organization and two other organizations are joint tenants on an office lease that expires January 31, 2021. The Organization's share of base rent and operating costs is approximately $2,763 per month.

2020	$ 33,156
2021	2,763
	$ 35,919

10. Financial instruments

Transacting in and holding of financial instruments exposes the Organization to certain financial risks and uncertainties. These risks, which have not changed from the previous period, 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.

(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 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.