

Financial Statements of

**SOCIAL PLANNING COUNCIL
OF WINNIPEG**

March 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Social Planning Council of Winnipeg

Opinion

We have audited the financial statements of Social Planning Council of Winnipeg. (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, 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 ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's 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 audit 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.

Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 auditor's 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 auditor's 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.

Chartered Professional Accountants

Winnipeg, Manitoba
date, 2020

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SOCIAL PLANNING COUNCIL OF WINNIPEG
Statement of Operations
Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
REVENUE		
Special projects	\$ 661,197	\$ 809,757
United Way of Winnipeg	317,822	317,538
Affiliation fees	1,099	637
Earned fee for service	47,297	56,834
Amortization of deferred leasehold improvements	4,725	4,725
Other	61,688	65,632
	<u>1,093,828</u>	<u>1,255,123</u>
EXPENSES		
Special projects	647,351	812,682
Salaries, wages and benefits	282,637	239,688
Office and maintenance	81,176	79,834
Discretionary events and conferences	17,022	12,546
Administration	49,148	32,438
Amortization of fixed assets	6,892	8,061
Documentary costs	22,307	16,000
	<u>1,106,533</u>	<u>1,201,249</u>
EXCESS OF (EXPENSES OVER REVENUE)		
REVENUE OVER EXPENSES FOR THE YEAR	\$ (12,705)	\$ 53,874

SOCIAL PLANNING COUNCIL OF WINNIPEG
Statement of Changes in Fund Balances
Year Ended March 31, 2020

	Unrestricted Fund	Revenue Stabilization Fund	Technology Replacement Fund	100th Documentary Fund	Total 2020	Total 2019
Balance, beginning of year	\$ 157,328	\$ 60,000	\$ 5,000	\$ 9,000	\$ 231,328	\$ 177,454
Excess of (expenses over revenue) revenue over expenses	9,602	-	-	(22,307)	(12,705)	53,874
Interfund transfers (Note 8)	(13,307)	-	-	13,307	-	-
Balance, end of year	\$ 153,623	\$ 60,000	\$ 5,000	\$ -	\$ 218,623	\$ 231,328


SOCIAL PLANNING COUNCIL OF WINNIPEG

Statement of Financial Position

March 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Cash	\$ 294,034	\$ 276,222
Accounts receivable	154,437	65,480
Prepaid expenses	8,751	23,123
	<u>457,222</u>	<u>364,825</u>
FIXED ASSETS (Note 3)	25,987	32,879
	<u>\$ 483,209</u>	<u>\$ 397,704</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 31,546	\$ 26,113
Deferred special projects revenue (Note 4)	209,414	111,912
Current portion of deferred leasehold improvements (Note 5)	4,725	4,725
	<u>245,685</u>	<u>142,750</u>
DEFERRED LEASEHOLD IMPROVEMENTS (Note 5)	18,901	23,626
	<u>264,586</u>	<u>166,376</u>
COMMITMENTS (Note 6)		
FUND BALANCES		
REVENUE STABILIZATION	60,000	60,000
TECHNOLOGY REPLACEMENT	5,000	5,000
100TH DOCUMENTARY FUND	-	9,000
UNRESTRICTED	153,623	157,328
	<u>218,623</u>	<u>231,328</u>
	<u>\$ 483,209</u>	<u>\$ 397,704</u>

APPROVED BY THE BOARD


..... President
..... Treasurer

SOCIAL PLANNING COUNCIL OF WINNIPEG
Statement of Cash Flows
Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Excess of (expenses over revenue)		
revenue over expenses for the year	\$ (12,705)	\$ 53,874
Items not affecting cash		
Amortization of deferred leasehold improvements	(4,725)	(4,725)
Amortization of fixed assets	6,892	8,061
Recognition of deferred special projects revenue	(662,333)	(812,925)
	<u>(672,871)</u>	<u>(755,715)</u>
Changes in non-cash operating working capital items		
Accounts receivable	(88,957)	(292)
Prepaid expenses	14,372	(14,438)
Accounts payable and accrued liabilities	5,433	14,054
	<u>(742,023)</u>	<u>(756,391)</u>
FINANCING ACTIVITY		
Special projects contributions received	<u>759,835</u>	<u>807,570</u>
NET INCREASE IN CASH POSITION	17,812	51,179
CASH POSITION, BEGINNING OF YEAR	276,222	225,043
CASH POSITION, END OF YEAR	\$ 294,034	\$ 276,222

SOCIAL PLANNING COUNCIL OF WINNIPEG
Notes to the Financial Statements
March 31, 2020

1. DESCRIPTION OF OPERATIONS

The Social Planning Council of Winnipeg ("Planning Council") is a membership organization in the voluntary sector committed to providing leadership in social planning and effecting social policy changes. This involves working with diverse communities in identifying and assessing community issues, needs and resources and working with policy makers, funders, service providers, ethno-cultural and Aboriginal groups, and the general public in Winnipeg to respond to those issues and needs in a manner consistent with its fundamental principles of human service planning.

The Planning Council is a non-profit company and is exempt from Income Taxes under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) *Revenue recognition*

The Planning Council follows the deferral method of accounting for grants received. The Planning Council administers or conducts certain special projects. The excess revenue on completed projects serves to offset the Planning Council's costs related to special projects such as salaries and wages, office, maintenance and administration. Special project revenue designated for future projects is deferred until such time as the funds are expended.

b) *Revenue Stabilization Fund*

The Revenue Stabilization Fund represents funds designated by the Board of Directors, which may be used for purposes deemed necessary to the advancement of the objectives of the Planning Council at the discretion of the Board of Directors.

c) *Technology Replacement Fund*

The Technology Replacement Fund represents funds which may be used for equipment deemed necessary at the discretion of the Board of Directors.

d) *Research Fund*

The Research Fund may be used for research activities deemed necessary at the discretion of the Board of Directors.

e) *100th Anniversary Documentary Fund*

The 100th Anniversary Documentary Fund was established to fund the costs of production for the 100th Anniversary documentary.

SOCIAL PLANNING COUNCIL OF WINNIPEG

Notes to the Financial Statements

March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

f) *Financial instruments (continued)*

Financial assets and financial liabilities are initially recognized at fair value when the Planning Council becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Planning Council recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

g) *Fixed assets*

Fixed assets are recorded at cost and are amortized over their estimated useful lives. Amortization is provided on a straight-line basis over 5 years for computers, equipment and furniture and 10 years for leasehold improvements.

h) *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 reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts and estimated useful life of fixed assets. Actual results could differ from this estimate.

SOCIAL PLANNING COUNCIL OF WINNIPEG
Notes to the Financial Statements
March 31, 2020

3. FIXED ASSETS

	<u>2020</u>			<u>2019</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture	\$ 3,700	2,615	\$ 1,085	\$ 1,825
Leasehold improvements	45,137	22,570	22,567	27,081
Computer	8,193	5,858	2,335	3,973
	<u>\$ 62,875</u>	<u>\$ 36,888</u>	<u>\$ 25,987</u>	<u>\$ 32,879</u>

4. DEFERRED SPECIAL PROJECTS REVENUE

	<u>2020</u>	<u>2018</u>
Balance – beginning of year	\$ 111,912	\$ 117,267
Additional contributions received	759,835	807,750
Amounts recognized into revenue	(662,333)	(812,925)
Balance – end of year	<u>\$ 209,414</u>	<u>\$ 111,912</u>

The above contributions have been received and are anticipated to be spent on future projects.

5. DEFERRED LEASEHOLD IMPROVEMENTS

In 2015, the Planning Council signed a lease agreement which included the landlord paying for \$45,137 of leasehold improvements. These leasehold improvements have been capitalized and the benefit has been deferred and is being amortized on a straight line basis over the ten year term of the lease. In 2017, an additional \$1,903 was received as lease inducement. This amount has been deferred and is being amortized into income over the remaining term of the lease.

6. COMMITMENTS

The Planning Council has operating leases for premises and office equipment. Estimated future lease payments over the next four years are as follows:

2021	\$ 38,030
2022	41,558
2023	42,734
2024	42,734
	<u>\$ 165,056</u>

SOCIAL PLANNING COUNCIL OF WINNIPEG

Notes to the Financial Statements

March 31, 2020

7. EMPLOYEE BENEFIT PLAN

The employees of the Planning Council are members of the United Way Agencies' Employee Benefit Plan (the "Plan"), a multi-employer, defined benefit plan, which is accounted for as a defined contribution plan. The Plan provides a defined benefit pension to employees of the Planning Council. The Planning Council's liability under the pension plan is limited to the contributions required during the year under the agreement.

The Planning Council's contribution to the Plan and expense for the year was \$16,922 (2019 - \$10,311).

8. INTERFUND TRANSFERS

In 2019, the Board of Directors passed a motion to allocate \$25,000 from the Unrestricted Fund to cover the production of a 100th Anniversary Documentary Fund. In 2019, \$16,000 of costs were incurred on the project. In 2020, \$22,307 of costs were incurred requiring an additional \$13,307 be transferred from the Unrestricted Fund in the current year.

9. RECENT EVENTS

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Council in future periods.