

SOCIAL PLANNING COUNCIL OF OTTAWA

FINANCIAL STATEMENTS

DECEMBER 31, 2020



1.

INDEPENDENT AUDITORS' REPORT

To the Members of
Social Planning Council of Ottawa

Qualified Opinion

We have audited the financial statements of Social Planning Council of Ottawa (the "Council"), which comprise the statement of financial position as at December 31, 2020, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 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 Qualified Opinion

In common with many not-for-profit organizations, the Council derives revenue from the general public in the form of fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Council and we were not able to determine whether any adjustments might be necessary to fundraising revenue, net revenue and cash flows from operations for the years ended December 31, 2020 and 2019, current assets and unrestricted surplus as at December 31, 2020 and 2019. Our audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

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 Council 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 qualified opinion.

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INDEPENDENT AUDITORS' REPORT (Cont'd.)

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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

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

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 Council's internal control.

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INDEPENDENT AUDITORS' REPORT (Cont'd.)

- 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 Council'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 Council 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.

McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
May 25, 2021 .

SOCIAL PLANNING COUNCIL OF OTTAWA

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

ASSETS		<u>2020</u>	<u>2019</u>
CURRENT			
Cash	\$	634,666	\$ 329,990
Accounts receivable		91,031	94,654
Prepaid expenses		<u>14,919</u>	<u>15,582</u>
		740,616	440,226
FUNDS HELD IN TRUST			
		-	856
COMMUNITY FOUNDATION ENDOWMENT FUND ASSETS (note 4)			
		22,753	19,626
RESTRICTED RESERVE ASSETS			
		<u>10,496</u>	<u>10,433</u>
	\$	<u><u>773,865</u></u>	\$ <u><u>471,141</u></u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities (note 5)	\$	80,180	\$ 50,519
Deferred contributions (note 6)		<u>581,716</u>	<u>323,660</u>
		661,896	374,179
FUNDS HELD IN TRUST			
		<u>-</u>	<u>856</u>
		661,896	375,035
NET ASSETS			
COMMUNITY FOUNDATION ENDOWMENT FUND (note 4)			
		22,753	19,626
UNRESTRICTED SURPLUS			
		78,720	66,047
RESTRICTED RESERVE			
		<u>10,496</u>	<u>10,433</u>
		<u>111,969</u>	<u>96,106</u>
	\$	<u><u>773,865</u></u>	\$ <u><u>471,141</u></u>

Approved on behalf of the Board:

Director

Director

SOCIAL PLANNING COUNCIL OF OTTAWA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
UNRESTRICTED SURPLUS		
BALANCE - BEGINNING OF YEAR	\$ 66,047	\$ 63,281
Net revenue for the year	<u>12,673</u>	<u>2,766</u>
BALANCE - END OF YEAR	\$ <u><u>78,720</u></u>	\$ <u><u>66,047</u></u>
RESTRICTED RESERVE		
BALANCE - BEGINNING OF YEAR	\$ 10,433	\$ 10,181
Investment income	<u>63</u>	<u>252</u>
BALANCE - END OF YEAR	\$ <u><u>10,496</u></u>	\$ <u><u>10,433</u></u>

**SOCIAL PLANNING COUNCIL OF OTTAWA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General Operations</u>	<u>Research, Planning & Networking</u>	<u>Synapcity</u>	<u>Special Projects</u>	<u>2020 Total</u>	<u>2019 Total</u>
REVENUE						
Deferred contributions from previous year (note 6)	\$ -	\$ 46,777	\$ 84,964	\$ 191,919	\$ 323,660	\$ 430,281
Baycrest Centre	-	1,500	-	-	1,500	-
Canada Emergency Wage Subsidy	209,352	-	34,509	7,742	251,603	-
Centre for Aging and Brain Health Innovation	-	70,078	-	-	70,078	13,500
City of Ottawa	70,875	5,000	-	139,920	215,795	79,437
Co-operators Group	-	-	-	-	-	20,000
Data Consortium	-	8,400	-	-	8,400	17,600
Employment and Social Development Canada	-	17,478	-	108,646	126,124	115,456
Fundraising and donations	8,636	6,250	24,897	60,834	100,617	146,119
George Cedric Metcalf Charitable Foundation	-	-	-	-	-	10,000
Gilligan Foundation	25,000	-	-	-	25,000	-
Innoweave	-	-	-	-	-	7,500
Matt Foundation	-	-	7,000	-	7,000	5,000
Membership fees	1,040	-	-	150	1,190	1,535
Other income	667	79,785	7,390	19,020	106,862	199,698
Ottawa Community Foundation	-	88,164	51,627	110,042	249,833	82,619
RBC Foundation	-	-	-	44,260	44,260	-
The Ontario Trillium Foundation	35,000	74,800	-	-	109,800	142,500
United Way of Ottawa	-	296,771	-	53,800	350,571	205,651
	350,570	695,003	210,387	736,333	1,992,293	1,476,896
Deferred contributions to next year (note 6)	55,840	124,049	98,088	303,739	581,716	323,660
	294,730	570,954	112,299	432,594	1,410,577	1,153,236
EXPENSES (Schedule of Expenses)	<u>286,190</u>	<u>567,812</u>	<u>112,287</u>	<u>431,615</u>	<u>1,397,904</u>	<u>1,150,470</u>
NET REVENUE	<u>\$ 8,540</u>	<u>\$ 3,142</u>	<u>\$ 12</u>	<u>\$ 979</u>	<u>\$ 12,673</u>	<u>\$ 2,766</u>

SOCIAL PLANNING COUNCIL OF OTTAWA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue for the year	\$ 12,673	\$ 2,766
Restricted reserve net revenue	63	252
Amortization	<u>-</u>	<u>735</u>
	12,736	3,753
Changes in non-cash working capital		
- accounts receivable	3,623	71,150
- prepaid expenses	663	(62)
- accounts payable and accrued liabilities	29,661	(34,391)
- deferred contributions	<u>258,056</u>	<u>(106,621)</u>
	<u>292,003</u>	<u>(69,924)</u>
	304,739	(66,171)
INVESTING ACTIVITY		
Change in restricted reserve assets	<u>(63)</u>	<u>(252)</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	304,676	(66,423)
CASH - BEGINNING OF YEAR	<u>329,990</u>	<u>396,413</u>
CASH - END OF YEAR	<u>\$ 634,666</u>	<u>\$ 329,990</u>

SOCIAL PLANNING COUNCIL OF OTTAWA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. ORGANIZATION

The Council is incorporated under the laws of Ontario without share capital by way of letters patent. The Council is a private, not-for-profit and registered charitable organization directed by a volunteer Board of Directors. Its mission is to provide the residents of Ottawa with the means to exercise informed leadership on issues affecting their social and economic well-being. The Council is dependent on grants from various levels of government and the United Way of Ottawa in order to maintain its current levels of service. The Council qualifies as a non-profit organization as defined in section 149(1)(L) of the Income Tax Act. Accordingly, the Council is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue Recognition

The Council follows the deferral method of accounting for contributions. Restricted contributions are recognized in the year in which the related restrictions are met. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue when received or receivable.

(b) Capital Assets and Amortization

Capital assets are stated at cost, net of accumulated amortization. Amortization on the telephone system is recorded on a straight line basis over 5 years.

(c) Administration Cost Allocation

Administration costs are allocated to projects up to the maximum allowed under the funding agreements.

(d) Restricted Reserve

The Council maintains a portion of its surplus in an internally restricted reserve. The terms and conditions of the amount, use and restrictions of the reserve are determined by the Council. Reserve assets consist of guaranteed investment certificates.

SOCIAL PLANNING COUNCIL OF OTTAWA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(e) 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, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. These estimates are reviewed periodically and adjustments are made to net revenue as appropriate in the year they become known.

(f) Financial Instruments

The Council's financial instruments consist of cash, accounts receivable, Community Foundation endowment fund assets, restricted reserve assets, and accounts payable and accrued liabilities.

Measurement

Financial instruments are recorded at fair value on initial recognition.

The Council subsequently measures its financial instruments as follows:

Cash, accounts receivable, funds held in trust, and accounts payable and accrued liabilities are subsequently measured at amortized cost.

Restricted reserve assets and Community Foundation endowment fund assets are subsequently measured at fair value. Changes in fair value are recognized in net revenue.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down or subsequent recovery is recognized in net revenue.

(g) Volunteer Services

The Council receives the services of many volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expense has been included in these financial statements.

SOCIAL PLANNING COUNCIL OF OTTAWA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

3. FINANCIAL RISKS AND CONCENTRATION OF RISKS

It is management's opinion that the Council is not exposed to significant credit, interest rate, liquidity, market or currency risks arising from its financial instruments. There has been no change to the risk exposure from the prior year.

4. COMMUNITY FOUNDATION ENDOWMENT FUND

In 2004, the Council established an endowment fund with the Community Foundation of Ottawa. The fund was established in order to begin the process of providing long-term funding stability. Contributions to the fund, since its inception, total \$13,618. The total income earned by the fund over that period is \$9,135, resulting in a fund balance at December 31, 2020 of \$22,753 (2019 - \$19,626). Activity of the endowment fund for the fiscal year ending December 31, 2020 consists of net investment income of \$1,127. A stipulation of the fund is that all earnings must be reinvested until the fund balance reaches \$25,000. Once the fund has \$25,000 invested, earnings of the fund will be available for use in general operations.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$23,443 (2019 - \$10,577) for payroll related taxes.

SOCIAL PLANNING COUNCIL OF OTTAWA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

6. DEFERRED CONTRIBUTIONS

Deferred contributions received are restricted for use in subsequent fiscal periods.

	Balance - Beginning of Year	Received During the Year	Recognized as Revenue in the Year	Balance - End of Year
Canada Emergency Wage Subsidy	\$ -	\$ 251,603	\$ 251,603	\$ -
Centre for Aging and Brain Health Innovation	-	70,078	70,078	-
City of Ottawa	-	215,795	167,322	48,473
Client user fee	3,443	96,385	74,861	24,967
Community Foundation of Ottawa	52,021	249,833	171,438	130,416
Data Consortium	-	8,400	8,400	-
Fundraising	196,370	100,617	87,545	209,442
Gilligan Foundation	-	25,000	4,159	20,841
Innoweave	2,500	-	2,500	-
Matt Foundation	-	7,000	1,425	5,575
Metcalf Foundation	592	-	592	-
Other	-	4,817	4,817	-
Project revenues	28,144	8,350	8,350	28,144
RBC Foundation	-	44,260	34,140	10,120
Employment and Social Development Canada	7,347	126,124	129,114	4,357
The Ontario Trillium Foundation	32,841	109,800	107,641	35,000
United Way of Ottawa	402	350,571	286,592	64,381
	<u>\$ 323,660</u>	<u>\$ 1,668,633</u>	<u>\$ 1,410,577</u>	<u>\$ 581,716</u>

SOCIAL PLANNING COUNCIL OF OTTAWA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. PENSION PLAN

The Council participates in the Ottawa-Carleton Community Agencies Pension Plan. This multi-employer defined benefit pension plan covers employees of the Council and employees of other participating organizations.

The Council has adopted defined contribution plan accounting principles for this pension plan as sufficient information is not available to use defined benefit plan accounting.

As at December 31, 2019, the pension plan surplus in aggregate was \$1,481,803. During the year, the Council contributed and expensed \$12,337 (2019 - \$12,451) to the plan. No significant changes were made to the contractual elements of the plan during the year.

8. IMPACT OF COVID-19

The impact of COVID-19 to the public since its outbreak in mid-March 2020 has been extensive. In response to ongoing health concerns, the Council has been adhering to government guidelines as they relate to states of emergency, social distancing measures and mandated closures. The Canadian government has continued to implement financial easing policies to mitigate the financial impact on the economy in which the Council operates, however its effectiveness is yet to be determined. The financial impact on the Council as a result of COVID-19 is unknown as the potential impact on future operations cannot be determined. No amounts have been recognized in the audited financial statements relating to the potential impact of future events on the Council as a result of COVID-19.

SOCIAL PLANNING COUNCIL OF OTTAWA

SCHEDULE OF EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2020

	General Operations	Research Planning & Networking	Synapcity	Special Projects	2020 Total	2019 Total
Bad debts (recovery)	\$ (50)	\$ 550	\$ -	\$ 5,170	\$ 5,670	\$ -
Contract personnel	107,312	85,199	68,106	116,436	377,053	492,234
Salaries/honorariums	112,951	166,964	150	47,682	327,747	162,007
Sundry, local transport and participant expenses	1,017	12,675	2,194	14,561	30,447	45,826
Pilot projects	-	70,625	-	97,051	167,676	158,865
Consultant fees	-	60,668	9,770	25,889	96,327	21,440
Employee benefits	34,098	37,528	7,680	16,039	95,345	91,837
Occupancy	13,296	-	4,548	2,391	20,235	30,947
Information and data purchase	-	22,284	-	-	22,284	16,359
Website/Internet	3,825	1,769	8	176	5,778	8,643
Office equipment maintenance and leases	14,232	5,601	822	10,032	30,687	17,492
Bookkeeping	9,355	-	-	1,051	10,406	11,421
Telephone	4,153	169	475	661	5,458	9,426
Professional fees	7,533	-	-	-	7,533	23,205
Printing, photocopying and desktop publishing	1,619	418	153	620	2,810	6,790
Insurance	5,185	-	1,888	465	7,538	10,879
Miscellaneous	6,383	122	530	4,304	11,339	11,467
Translation	294	1,560	-	2,391	4,245	2,634
Stationery and supplies	1,456	1,698	52	807	4,013	4,822
AGM and annual report	282	-	42	-	324	535
Volunteer/Board support	448	171	-	358	977	3,430
Public relations and publicity	-	-	-	370	370	2,739
Fundraising	150	-	-	671	821	7,795
COVID-19 direct support	170	3,771	-	40,765	44,706	-
Conference, travel and staff development	60	64	387	37,682	38,193	4,711
Postage and shipping	344	-	29	70	443	399
Subscriptions and publications	92	250	453	480	1,275	2,332
Funding services	-	76,350	-	1,854	78,204	1,500
Project administration	(38,015)	19,376	15,000	3,639	-	-
Amortization	-	-	-	-	-	735
	<u>\$ 286,190</u>	<u>\$ 567,812</u>	<u>\$ 112,287</u>	<u>\$ 431,615</u>	<u>\$ 1,397,904</u>	<u>\$ 1,150,470</u>