

**Edmonton Chamber of  
Voluntary Organizations**

**Financial Statements**

**December 31, 2022**

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# Edmonton Chamber of Voluntary Organizations

## Financial Statements

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December 31, 2022

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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, 2022, 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, 2022, 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 14, 2023



Chartered Professional Accountants

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## Edmonton Chamber of Voluntary Organizations

### Statement of Operations

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For the year ended December 31,	2022	2021
<b>Revenues</b>		
Operating grants (note 10)	\$ 386,642	\$ 339,095
Project grants (note 10)	214,867	92,836
City of Edmonton - FCSS (note 10)	196,066	199,814
Membership fees	37,150	31,315
Interest	8,917	1,943
Educational services and other	74,591	43,888
Expense reimbursements	140,030	102,956
Government emergency funding	-	240,845
	<b>1,058,263</b>	<b>1,052,692</b>
<b>Expenditures</b>		
Amortization	3,867	4,172
Fiscal agent	15,000	-
Governance	22,794	5,934
Human resources	690,535	695,232
Marketing and communications	25,088	31,707
Office operations	63,485	77,921
Organizational operations	35,964	49,185
Research and analysis	27,081	29,333
Sector services	128,946	90,645
	<b>1,012,760</b>	<b>984,129</b>
<b>Excess of revenues over expenditures</b>	<b>\$ 45,503</b>	<b>\$ 68,563</b>

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## Edmonton Chamber of Voluntary Organizations

### Statement of Changes in Net Assets

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For the year ended December 31,

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	Unrestricted Capital assets		Internally restricted reserve	Total 2022	Total 2021
<b>Balance, beginning of year</b>	\$ 338,273	\$ 9,565	\$ 151,194	\$ 499,032	\$ 430,469
Excess (deficiency) of revenues over expenditures	47,810	(3,867)	1,560	45,503	68,563
<b>Balance, end of year</b>	<b>\$ 386,083</b>	<b>\$ 5,698</b>	<b>\$ 152,754</b>	<b>\$ 544,535</b>	<b>\$ 499,032</b>

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# Edmonton Chamber of Voluntary Organizations

## Statement of Financial Position

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December 31, 2022 2021

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### Assets

#### Current

Cash	\$ 807,594	\$ 725,483
Accounts receivable (note 3)	35,486	57,347
Prepaid expenses	7,500	-
Restricted cash (note 4)	152,754	151,194

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1,003,334 934,024

#### Equipment and leaseholds (note 5)

5,698 9,565

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**\$ 1,009,032** **\$ 943,589**

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### Liabilities

#### Current

Accounts payable and accrued liabilities (note 6)	\$ 38,575	\$ 39,910
Unearned contributions (note 7)	385,922	364,647
Current portion of loan payable (note 8)	40,000	-

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464,497 404,557

#### Loan payable (note 8)

- 40,000

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464,497 444,557

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### Net Assets

Unrestricted	386,083	338,273
Capital assets	5,698	9,565
Internally restricted reserve	152,754	151,194

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544,535 499,032

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**\$ 1,009,032** **\$ 943,589**

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### Commitments (note 9)

Approved on behalf of the Board:



Chairperson



Treasurer

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## Edmonton Chamber of Voluntary Organizations

### Statement of Cash Flows

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For the year ended December 31,	2022	2021
<b>Cash provided by (used for)</b>		
<b>Operating activities</b>		
Excess of revenues over expenditures	\$ 45,503	\$ 68,563
Item not affecting cash		
Amortization	3,867	4,172
	<b>49,370</b>	72,735
Change in non-cash working capital items		
Accounts receivable	21,861	185,580
Prepaid expenses	(7,500)	-
Accounts payable and accrued liabilities	(1,335)	(6,124)
Unearned contributions	21,275	218,714
	<b>83,671</b>	470,905
<b>Financing activity</b>		
Net proceeds of loan payable	-	10,000
<b>Investing activity</b>		
Restricted cash	(1,560)	(50,326)
<b>Increase in cash</b>	<b>82,111</b>	430,579
<b>Cash, beginning of year</b>	<b>725,483</b>	294,904
<b>Cash, end of year</b>	<b>\$ 807,594</b>	\$ 725,483

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# Edmonton Chamber of Voluntary Organizations

## Notes to the Financial Statements

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December 31, 2022

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### 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

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# Edmonton Chamber of Voluntary Organizations

## Notes to the Financial Statements

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December 31, 2022

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### 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 considered 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.

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# Edmonton Chamber of Voluntary Organizations

## Notes to the Financial Statements

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December 31, 2022

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### 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

	2022	2021
Trade receivables	\$ 25,978	\$ 42,504
GST receivable	9,508	4,486
Government emergency funding receivable	-	10,357
	<b>\$ 35,486</b>	<b>\$ 57,347</b>

### 4. Restricted cash

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

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# Edmonton Chamber of Voluntary Organizations

## Notes to the Financial Statements

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December 31, 2022

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### 5. Equipment and leaseholds

	2022			2021	
	Cost	Accumulated amortization	Net book value	Net book value	
Furniture and fixtures	\$ 13,489	\$ 7,997	\$ 5,492	\$	6,864
Leasehold improvements	10,885	10,885	-		-
Computer equipment	12,806	12,600	206		2,701
	<b>\$ 37,180</b>	<b>\$ 31,482</b>	<b>\$ 5,698</b>	<b>\$</b>	<b>9,565</b>

### 6. Accounts payable and accrued liabilities

	2022		2021	
Trade payables		\$ 24,777	\$	24,682
Government remittances		13,798		15,228
		<b>\$ 38,575</b>	<b>\$</b>	<b>39,910</b>

### 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:

	2022		2021	
Balance, beginning of year	\$	364,647	\$	145,933
Less: amounts recognized as revenue during the year		(336,617)		(117,844)
Add: amounts received relating to a subsequent period		357,892		336,558
	<b>\$</b>	<b>385,922</b>	<b>\$</b>	<b>364,647</b>

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# Edmonton Chamber of Voluntary Organizations

## Notes to the Financial Statements

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December 31, 2022

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**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. 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.

**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 2023. The Organization's share of base rent and operating costs is approximately \$2,763 per month.

Estimated principal repayments are as follows:

2023	\$ 2,763
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## Edmonton Chamber of Voluntary Organizations

### Notes to the Financial Statements

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December 31, 2022

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#### 10. Grants

	<b>2022</b>	<b>2021</b>
City of Edmonton	\$ 91,638	\$ 91,644
Edmonton Community Foundation	100,000	100,003
Government of Alberta	135,000	135,000
United Way	30,000	33,730
Deferred revenue - opening	105,817	84,535
Deferred revenue - closing	(75,813)	(105,817)
<b>Operating grants</b>	<b>\$ 386,642</b>	<b>\$ 339,095</b>

	<b>2022</b>	<b>2021</b>
Alberta Health Services	\$ -	\$ 12,775
City of Edmonton - EIRC	125,000	150,000
City of Edmonton - Other	55,500	49,000
Canadian Mental Health Association	6,386	-
Community Partner Contributions	-	1,500
Stollery Foundation	80,000	80,000
Deferred revenue - opening	258,090	57,651
Deferred revenue - closing	(310,109)	(258,090)
<b>Project grants</b>	<b>\$ 214,867</b>	<b>\$ 92,836</b>

	<b>2022</b>	<b>2021</b>
Governance, Leadership and Strategic Adaptation	\$ 124,000	\$ 124,000
Volunteerism	72,066	72,067
Deferred revenue - opening	-	3,747
<b>City of Edmonton - FCSS</b>	<b>\$ 196,066</b>	<b>\$ 199,814</b>

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.

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# Edmonton Chamber of Voluntary Organizations

## Notes to the Financial Statements

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December 31, 2022

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### 11. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

#### (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.