

SOCIAL PLANNING COUNCIL OF OTTAWA

FINANCIAL STATEMENTS

DECEMBER 31, 2023



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, 2023, 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, 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 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 (expenses) and cash flows from operations for the years ended December 31, 2023 and 2022, current assets and unrestricted surplus as at December 31, 2023 and 2022. Our audit opinion on the financial statements for the year ended December 31, 2022 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 14, 2024.

SOCIAL PLANNING COUNCIL OF OTTAWA

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT		
Cash	\$ 658,216	\$ 323,666
Accounts receivable	134,175	105,753
Prepaid expenses	<u>37,279</u>	<u>8,613</u>
	829,670	438,032
COMMUNITY FOUNDATION ENDOWMENT FUND ASSETS (note 4)	26,541	24,694
RESTRICTED RESERVE ASSETS	<u>10,499</u>	<u>10,498</u>
	<u>\$ 866,710</u>	<u>\$ 473,224</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities (note 5)	\$ 77,410	\$ 57,866
Deferred contributions (note 6)	<u>689,816</u>	<u>329,613</u>
	767,226	387,479

NET ASSETS

COMMUNITY FOUNDATION ENDOWMENT FUND (note 4)	26,541	24,694
UNRESTRICTED SURPLUS	62,444	50,553
RESTRICTED RESERVE	<u>10,499</u>	<u>10,498</u>
	<u>99,484</u>	<u>85,745</u>
	<u>\$ 866,710</u>	<u>\$ 473,224</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, 2023

	<u>2023</u>	<u>2022</u>
UNRESTRICTED SURPLUS		
BALANCE - BEGINNING OF YEAR	\$ 50,553	\$ 81,717
Net revenue (expenses) for the year	<u>11,891</u>	<u>(31,164)</u>
BALANCE - END OF YEAR	\$ <u>62,444</u>	\$ <u>50,553</u>
RESTRICTED RESERVE		
BALANCE - BEGINNING OF YEAR	\$ 10,498	\$ 10,497
Investment income	<u>1</u>	<u>1</u>
BALANCE - END OF YEAR	\$ <u>10,499</u>	\$ <u>10,498</u>

SOCIAL PLANNING COUNCIL OF OTTAWA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>General Operations</u>	<u>Research, Planning & Networking</u>	<u>Synapcity</u>	<u>Special Projects</u>	<u>2023 Total</u>	<u>2022 Total</u>
REVENUE						
Deferred contributions from previous year (note 6)	\$ -	\$ 7,680	\$ 84,781	\$ 237,152	\$ 329,613	\$ 580,967
City of Ottawa	73,361	303,281	300	10,000	386,942	214,993
Client user fees	2,528	21,350	36,164	29,275	89,317	93,075
Data Consortium	-	28,700	-	-	28,700	50,700
Employment and Social Development Canada	-	185,022	-	601,137	786,159	532,273
Fundraising and donations	9,255	6,125	4,265	16,139	35,784	36,062
Investment and other income	4,349	-	-	-	4,349	1,752
Membership fees	355	-	-	1,000	1,355	1,840
Other foundations	5,280	71,230	-	99,355	175,865	163,451
Ottawa Community Foundation	-	136,695	61,704	226,976	425,375	37,660
Project revenues	-	-	-	-	-	41,074
Province of Ontario	-	-	-	-	-	7,719
The Ontario Trillium Foundation	-	159,000	-	-	159,000	149,480
United Way East Ontario	-	83,000	-	3,000	86,000	209,384
	95,128	1,002,083	187,214	1,224,034	2,508,459	2,120,430
Deferred contributions to next year (note 6)	-	251,800	81,848	356,168	689,816	329,613
	95,128	750,283	105,366	867,866	1,818,643	1,790,817
EXPENSES (Schedule of Expenses)	74,505	751,670	105,058	875,519	1,806,752	1,821,981
NET REVENUE (EXPENSES)	\$ <u>20,623</u>	\$ <u>(1,387)</u>	\$ <u>308</u>	\$ <u>(7,653)</u>	\$ <u>11,891</u>	\$ <u>(31,164)</u>

SOCIAL PLANNING COUNCIL OF OTTAWA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue (expenses) for the year	\$ 11,891	\$(31,164)
Restricted reserve investment income	<u>1</u>	<u>1</u>
	11,892	(31,163)
Changes in non-cash working capital		
- accounts receivable	(28,422)	(3,023)
- prepaid expenses	(28,666)	3,671
- accounts payable and accrued liabilities	19,544	6,841
- deferred contributions	<u>360,203</u>	<u>(251,354)</u>
	<u>322,659</u>	<u>(243,865)</u>
	334,551	(275,028)
INVESTING ACTIVITY		
Change in restricted reserve assets	<u>(1)</u>	<u>(1)</u>
DECREASE IN CASH DURING THE YEAR	334,550	(275,029)
CASH - BEGINNING OF YEAR	<u>323,666</u>	<u>598,695</u>
CASH - END OF YEAR	<u><u>\$ 658,216</u></u>	<u><u>\$ 323,666</u></u>

SOCIAL PLANNING COUNCIL OF OTTAWA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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.

Client user fees are recognized in the year the related services are provided.

(b) Tangible Capital Assets and Amortization

Tangible capital assets are stated at cost, net of accumulated amortization.

(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, 2023

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 (expenses) 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, 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 (expenses).

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 (expenses).

(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, 2023

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 \$12,923, resulting in a fund balance at December 31, 2023 of \$26,541 (2022 - \$24,694). Activity of the endowment fund for the fiscal year ending December 31, 2023 consists of net investment income of \$1,847. A stipulation of the fund is that all earnings must be reinvested until the fund balance reaches \$25,000. Since this threshold has been reached during the year, these funds are now fully available for operational use. As of Dec 31, 2023, none of these funds have been spent.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances payable of \$30,701 (2022 - \$22,311) for payroll related taxes.

SOCIAL PLANNING COUNCIL OF OTTAWA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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
Canadian Red Cross	\$ 7,680	\$ 24,588	\$ 32,268	\$ -
City of Ottawa	-	386,943	332,511	54,432
Client user fee	-	89,318	79,108	10,210
Co-operators Community Fund	-	30,000	22,482	7,518
Data Consortium	-	28,700	28,700	-
Employment and Social Development Canada	6,182	786,159	588,979	203,362
Fundraising and donations	185,646	35,784	89,512	131,918
Investment and other income	-	4,349	4,349	-
Matt Foundation	6,818	21,740	21,794	6,764
Membership Fees	-	1,355	1,355	-
Other foundations	-	46,535	37,569	8,966
Ottawa Community Foundation	60,722	425,375	310,639	175,458
South-East Ottawa Community Health Centre	62,565	53,000	61,448	54,117
The Ontario Trillium Foundation	-	159,000	125,095	33,905
United Way East Ontario	-	86,000	82,834	3,166
	<u>\$ 329,613</u>	<u>\$ 2,178,846</u>	<u>\$ 1,818,643</u>	<u>\$ 689,816</u>

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, 2022, the pension plan deficit in aggregate was \$1,338,449. During the year, the Council contributed and expensed \$10,351 (2022 - \$6,537) to the plan. No significant changes were made to the contractual elements of the plan during the year.

SOCIAL PLANNING COUNCIL OF OTTAWA

SCHEDULE OF EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	General Operations	Research Planning & Networking	Synapcity	Special Projects	2023 Total	2022 Total
Bad debts	\$ -	\$ 10,650	\$ -	\$ 2,093	\$ 12,743	\$ 7,250
Bookkeeping	11,693	-	-	2,546	14,239	12,884
Conference, travel and staff development	291	3,596	-	96,749	100,636	113,699
Consultant fees	5,494	10,602	3,368	24,318	43,782	43,777
Contract personnel	15,511	267,066	67,720	246,306	596,603	620,942
COVID-19 direct support	1,017	195	-	1,155	2,367	38,763
Employee benefits	2,341	49,645	5,991	35,248	93,225	84,025
Funding services	-	104,173	-	84,387	188,560	197,219
Fundraising	61	307	-	-	368	2,495
Information and data purchase	-	23,440	-	-	23,440	22,648
Insurance	5,658	5,495	810	1,091	13,054	8,699
Miscellaneous	3,879	225	57	3,889	8,050	14,158
Office equipment maintenance and leases	12,621	45,964	1,048	6,681	66,314	34,880
Occupancy	21,909	1,137	-	-	23,046	24,896
Pilot projects	-	7,830	-	98,570	106,400	34,355
Postage and shipping	341	-	-	-	341	83
Printing, photocopying and desktop publishing	1,426	-	14	-	1,440	502
Professional fees	12,879	-	-	-	12,879	9,199
Public relations and publicity	-	-	-	20	20	1,496
Salaries and honorariums	-	95,297	404	201,637	297,338	411,997
Stationery and supplies	4,900	17,825	76	7,228	30,029	9,410
Subscriptions and publications	-	-	52	506	558	2,052
Sundry, local transport and participant expenses	5,505	102,608	9,645	40,630	158,388	109,488
Telephone (recovery)	2,089	(423)	-	1,105	2,771	2,874
Translation	-	-	-	-	-	2,000
Volunteer/Board support	909	86	519	-	1,514	205
Website/Internet	2,081	1,164	-	5,402	8,647	11,985
Admin allocation (recovery)	(36,100)	4,788	15,354	15,958	-	-
	<u>\$ 74,505</u>	<u>\$ 751,670</u>	<u>\$ 105,058</u>	<u>\$ 875,519</u>	<u>\$ 1,806,752</u>	<u>\$ 1,821,981</u>