

Economic Developers Council of Ontario
Financial Statements
September 30, 2017

Economic Developers Council of Ontario Contents

For the year ended September 30, 2017

	<i>Page</i>
Management's Responsibility	
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position.....	1
Statement of Operations and Changes in Net Assets.....	2
Statement of Cash Flows.....	3
Notes to the Financial Statements	4

Management's Responsibility

To the Board of Directors of Economic Developers Council of Ontario:

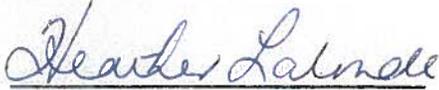
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

December 15, 2017



Chief Executive Officer

Independent Auditors' Report

To the Board of Directors of Economic Developers Council of Ontario:

We have audited the accompanying financial statements of Economic Developers Council of Ontario, which comprise the statement of financial position as at September 30, 2017, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Economic Developers Council of Ontario as at September 30, 2017 and the results of its operations and changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Economic Developers Council of Ontario for the year ended September 30, 2016 were audited by BDO LLP of Cornwall, Canada. BDO LLP expressed an unmodified opinion of those statements on January 27, 2017.

Thunder Bay, Ontario
December 15, 2017

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Economic Developers Council of Ontario
Statement of Financial Position

As at September 30, 2017

	2017	2016
Assets		
Current		
Cash	203,408	92,657
Short-term investments (Note 3)	137,504	132,417
Accounts receivable	6,310	15,465
Prepaid expenses and deposits	15,677	34,326
	362,899	274,865
Capital assets (Note 4)	1,654	689
Intangible assets (Note 5)	2,823	11,550
Long-term investments (Note 6)	34,430	34,430
	401,806	321,534
Liabilities		
Current		
Accounts payable and accruals	22,929	16,866
Government remittances payable	3,225	3,118
Deferred contributions (Note 7)	41,629	-
Deferred revenue	31,913	29,654
	99,696	49,638
Net Assets		
Unrestricted	297,632	259,657
Invested in capital assets	4,478	12,239
	302,110	271,896
	401,806	321,534

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Economic Developers Council of Ontario Statement of Operations and Changes in Net Assets

For the year ended September 30, 2017

	<i>Unrestricted</i>	<i>Invested in Capital Assets</i>	<i>2017</i>	<i>2016</i>
Revenue				
Membership dues	117,732	-	117,732	118,936
Meetings and sponsorships	616,238	-	616,238	532,932
Directory	9,440	-	9,440	22,841
Website	21,650	-	21,650	16,500
Interest	1,873	-	1,873	1,728
Other revenue	-	-	-	1,852
	766,933	-	766,933	694,789
Expenses				
Advertising	1,427	-	1,427	3,373
Amortization	9,140	-	9,140	11,979
Bank charges and interest	20,278	-	20,278	19,042
Insurance	4,539	-	4,539	3,757
Meetings and conferences	485,349	-	485,349	433,938
Membership fees	9,760	-	9,760	16,798
Office supplies	9,591	-	9,591	8,545
Postage	691	-	691	658
Professional fees	25,072	-	25,072	12,144
Salaries and benefits	155,219	-	155,219	130,955
Travel	9,422	-	9,422	11,192
Website	6,231	-	6,231	9,068
	736,719	-	736,719	661,449
Excess of revenue over expenses	30,214	-	30,214	33,340
Net assets, beginning of year	259,657	12,239	271,896	238,556
Change in invested in capital assets (Note 8)	7,761	(7,761)	-	-
Net assets, end of year	297,632	4,478	302,110	271,896

The accompanying notes are an integral part of these financial statements

Economic Developers Council of Ontario Statement of Cash Flows

For the year ended September 30, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	30,214	33,340
Amortization	9,140	11,979
	39,354	45,319
Changes in working capital accounts		
Accounts receivable	9,155	7,216
Prepaid expenses and deposits	18,649	4,842
Accounts payable and accruals	6,064	9,305
Government remittances payable	107	715
Deferred contributions	41,629	(81,284)
Deferred revenue	2,259	(346)
	117,217	(14,233)
Investing		
Purchase of short-term investments	(87,504)	(246,847)
Proceeds on disposal of short-term investments	132,417	159,183
Purchase of capital assets	(1,379)	-
	43,534	(87,664)
Increase (decrease) in cash resources	160,751	(101,897)
Cash resources, beginning of year	92,657	194,554
Cash resources, end of year	253,408	92,657
Cash resources are composed of:		
Cash	203,408	92,657
Short-term investments	50,000	-
	253,408	92,657

The accompanying notes are an integral part of these financial statements

Economic Developers Council of Ontario

Notes to the Financial Statements

For the year ended September 30, 2017

1. Incorporation and nature of the organization

Economic Developers Council of Ontario (the "Organization") is a not-for-profit organization incorporated without share capital under the laws of Ontario. The Organization's purpose is to provide an interchange of ideas on the principles, practices and ethics relating to economic development in Ontario.

The Organization is registered as a not-for-profit organization and thus is exempt from income taxes under Section 149 of the Income Tax Act ("the Act").

2. Significant accounting policies

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

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.

Membership dues are recognized as revenue proportionately over the year to which they relate. Prepaid memberships result in deferred revenue.

Meetings and sponsorships, directory and website are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations and changes in net assets when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments that are redeemable or have maturities of three months or less.

Short-term investments

Short-term investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations and changes in net assets. Write-downs are not reversed.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	20 %

2. Significant accounting policies *(Continued from previous page)*

Intangible asset

Specified intangible assets are recognized and reported apart from goodwill.

An intangible asset recognized separately from goodwill and subject to amortization is recorded at cost. Contributed intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at a rate intended to amortize the cost of the intangible asset over its estimated useful life.

	<i>Method</i>	<i>Rate</i>
Website	straight-line	3 years

When an intangible asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to residual value, if any.

Measurement uncertainty (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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of capital assets.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the periods in which they become known.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook 4460 *Related Party Transactions*.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Economic Developers Council of Ontario

Notes to the Financial Statements

For the year ended September 30, 2017

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations and changes in net assets in the year the reversal occurs.

3. Short-term investments

	2017	2016
CIBC - non-redeemable guaranteed investment certificate, bearing interest at 1.3%, maturing on January 5, 2018	12,504	12,417
Royal Bank of Canada - redeemable guaranteed investment certificate, bearing interest at 0.64%, maturing on April 5, 2018	50,000	-
Royal Bank of Canada - non-redeemable guaranteed investment certificate, bearing interest at 1.4%, maturing on April 5, 2018	75,000	-
Royal Bank of Canada - redeemable guaranteed investment certificate, matured during the year	-	120,000
	137,504	132,417

4. Capital assets

	2017	2016		
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	3,506	1,852	1,654	689

5. Intangible assets

	2017	2016
Website	2,823	11,550

Amortization of \$8,727 (2016 - \$11,807), related to intangible assets with definite lives, is included in current year earnings.

Economic Developers Council of Ontario
Notes to the Financial Statements
For the year ended September 30, 2017

6. Long-term investments

	2017	2016
CIBC - non-redeemable guaranteed investment certificate, bearing interest at 1.1%, maturing on October 8, 2020	16,421	16,421
CIBC - non-redeemable guaranteed investment certificate, bearing interest at 1.05%, maturing on November 26, 2018	18,009	18,009
	34,430	34,430

7. Deferred contributions

Deferred contributions consist of contributions received in the current year to be spent on specific expenditures in subsequent year. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2017	2016
Balance, beginning of year	-	81,284
Amount received during the year	261,386	-
Less: Amount recognized as revenue during the year	(219,757)	(81,284)
	41,629	-

8. Change in invested in capital assets

The change in invested in capital assets is calculated as follows:

	2017	2016
Purchase of capital assets	1,379	-
Amortization	(9,140)	(11,979)
	(7,761)	(11,979)

9. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.