

**Economic Developers Council of Ontario**  
**Financial Statements**  
*September 30, 2019*

# Economic Developers Council of Ontario Contents

*For the year ended September 30, 2019*

---

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

---

## 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 6, 2019

  
Chief Executive Officer

# Independent Auditor's Report

---

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

## Opinion

We have audited the financial statements of Economic Developers Council of Ontario (the "Organization"), which comprise the statement of financial position as at September 30, 2019, and the statements of operations and 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 September 30, 2019, 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 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 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 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 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.

Thunder Bay, Ontario

December 6, 2019

*MNP LLP*

Chartered Professional Accountants

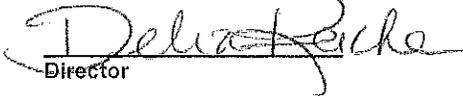
Licensed Public Accountants

**Economic Developers Council of Ontario**  
**Statement of Financial Position**

*As at September 30, 2019*

	2019	2018
<b>Assets</b>		
<b>Current</b>		
Cash	83,051	220,344
Short-term investments (Note 3)	275,000	155,676
Accounts receivable	33,855	25,953
Prepaid expenses and deposits	23,852	21,491
	415,758	423,464
<b>Capital assets (Note 4)</b>	2,850	3,563
<b>Long-term investment (Note 5)</b>	16,420	16,420
	435,028	443,447
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	12,966	21,027
Government remittances payable	3,040	-
Deferred contributions (Note 6)	30,640	33,308
Deferred revenue	59,118	42,347
	105,764	96,682
<b>Net Assets</b>		
Unrestricted	326,414	343,202
Invested in capital assets	2,850	3,563
	329,264	346,765
	435,028	443,447

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, 2019*

	<i>Unrestricted</i>	<i>Invested in Capital Assets</i>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>				
Membership dues	115,635	-	115,635	115,235
Meetings and sponsorships	421,581	-	421,581	690,481
Directory	-	-	-	10,280
Website	13,600	-	13,600	21,300
Interest	4,341	-	4,341	1,585
	<b>555,157</b>	<b>-</b>	<b>555,157</b>	<b>838,881</b>
<b>Expenses</b>				
Advertising	536	-	536	9,786
Amortization	713	-	713	3,714
Bank charges and interest	6,975	-	6,975	10,376
Ec Dev Video Expenses	-	-	-	25,927
Insurance	3,845	-	3,845	2,823
Meetings and conferences	346,630	-	346,630	526,854
Membership fees	10,702	-	10,702	9,310
Office supplies	9,112	-	9,112	13,514
Postage	1,283	-	1,283	2,091
Professional fees	23,206	-	23,206	18,997
Salaries and benefits	152,330	-	152,330	150,256
Travel	14,623	-	14,623	13,428
Website	2,703	-	2,703	7,150
	<b>572,658</b>	<b>-</b>	<b>572,658</b>	<b>794,226</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(17,501)</b>	<b>-</b>	<b>(17,501)</b>	<b>44,655</b>
<b>Net assets, beginning of year</b>	<b>343,202</b>	<b>3,563</b>	<b>346,765</b>	<b>302,110</b>
<b>Change in invested in capital assets</b> <i>(Note 7)</i>	<b>713</b>	<b>(713)</b>	<b>-</b>	<b>-</b>
<b>Net assets, end of year</b>	<b>326,414</b>	<b>2,850</b>	<b>329,264</b>	<b>346,765</b>

*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, 2019*

	<b>2019</b>	<b>2018</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(17,501)	44,655
Amortization	713	3,714
	<b>(16,788)</b>	48,369
Changes in working capital accounts		
Accounts receivable	(7,902)	(19,643)
Prepaid expenses and deposits	(2,361)	(5,814)
Accounts payable and accruals	(8,061)	(1,902)
Government remittances payable	3,040	(3,224)
Deferred contributions	(2,668)	(8,321)
Deferred revenue	16,771	10,434
	<b>(17,969)</b>	19,899
<b>Investing</b>		
Purchase of short-term investments	(275,000)	(137,667)
Proceeds on disposal of short-term investments	155,676	87,504
Purchase of capital assets	-	(2,800)
	<b>(119,324)</b>	(52,963)
<b>Decrease in cash resources</b>	<b>(137,293)</b>	(33,064)
<b>Cash resources, beginning of year</b>	<b>220,344</b>	253,408
<b>Cash resources, end of year</b>	<b>83,051</b>	220,344

*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, 2019

---

### 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.

Interest income is recognized as revenue when earned.

#### **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 with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

#### **Portfolio investments**

Portfolio 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.

	<b>Method</b>	<b>Rate</b>
Computer equipment	declining balance	20 %

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

***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.

***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.

**Economic Developers Council of Ontario**  
**Notes to the Financial Statements**  
*For the year ended September 30, 2019*

**3. Short-term investments**

	2019	2018
Royal Bank of Canada - Non-redeemable guaranteed investment certificate, bearing interest at 2.1%, maturing December 4, 2019.	<b>175,000</b>	-
Royal Bank of Canada - Redeemable guaranteed investment certificate, bearing interest at 1.4%, maturing June 4, 2020.	<b>25,000</b>	-
Royal Bank of Canada - Redeemable guaranteed investment certificate, bearing interest at 1.4%, maturing June 4, 2020.	<b>25,000</b>	-
Royal Bank of Canada - Redeemable guaranteed investment certificate, bearing interest at 1.4%, maturing June 4, 2020.	<b>25,000</b>	-
Royal Bank of Canada - Redeemable guaranteed investment certificate, bearing interest at 1.4%, maturing June 4, 2020.	<b>25,000</b>	-
CIBC - Matured during the year.	-	12,667
CIBC - Matured during the year.	-	18,009
Royal Bank of Canada - Matured during the year.	-	125,000
	<b>275,000</b>	155,676

**4. Capital assets**

	<i>Accumulated</i>	<i>Net book</i>		<i>Net book</i>
	<i>Cost</i>	<i>amortization</i>	<i>value</i>	<i>value</i>
Computer equipment	<b>6,306</b>	<b>3,456</b>	<b>2,850</b>	3,563

**5. Long-term investment**

	2019	2018
CIBC - Non-redeemable guaranteed investment certificate, bearing interest at 1.25%, maturing on October 8, 2020.	<b>16,420</b>	16,420

**6. 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:

	2019	2018
Balance, beginning of year	<b>33,308</b>	41,629
Amount received during the year	<b>41,350</b>	250,852
Less: amount recognized as revenue during the year	<b>(44,018)</b>	(259,173)
Balance, end of year	<b>30,640</b>	33,308

**Economic Developers Council of Ontario**  
**Notes to the Financial Statements**  
*For the year ended September 30, 2019*

---

**7. Change in invested in capital assets**

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

	<b>2019</b>	<b>2018</b>
Purchase of capital assets	-	2,800
Amortization	<b>(713)</b>	<b>(3,714)</b>
	<b>(713)</b>	<b>(914)</b>

---

**8. 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.

***Credit concentration***

As at September 30, 2019, three customers (2018 - one) accounted for 69% (2018 - 78%) of the accounts receivable. The Organization believes that there is no unusual exposure associated with the collection of these receivables. The Organization performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.