

Annual Report 2018

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PRESIDENT'S MESSAGE

Welcome to 2019! What a year it's been for Urban Matters CCC! Our journey continues to shape us, as we shape our journey. We are now in our 5th year of building up this hybrid social impact business; attempting to blur the line between social change/impact and financial sustainability. Innovation on the fly is never easy, but we've managed to make a go of it so far. Nothing is perfect and we have lots of learning under our belts too, but we're harmonizing and coming into focus for 2019 and beyond, and we're pretty excited about that. I hope you find this Year End Report as interesting as we do!

But what do you do? What does Urban Matters CCC do? Probably the most frequently asked question I've dealt with over the years. Seems like it should have been obvious from the start, but this business launch was always a bit of an innovation lab within itself. We set out to help communities of people approach the complex social problems that they grapple with, and as an intermediary we felt that we needed to do that from a perspective of co-creation and partnership. Said differently, we needed to take some time to let the communities we aspire to serve inform us about what they needed, and shape our business model in support of their needs and interests. We couldn't assume that we knew what they needed, or we'd be prone to falling into a familiar trap that many consultants and intermediaries fall into; 'we've got your solution!'

So here we are. Topically we work across the spectrum of Community Well Being, or the Social Determinants of Community Health. Sounds like jargon I know, here's a more approachable simple infographic that I hope helps out a bit. This is what we do. Later in this document you'll see a little more about how we've learned to go about things.

Social Determinants of Community Health



MOST ACTIVE

SPECTRUM OF SERVICES

LEAST ACTIVE

Affordable Housing Development	Inclusion and Accessibility	Mental Health and Addiction	Youth Engagement and Involvement	Early Childhood Development	Local, Regional, and Industrial Food Systems
Full Spectrum Housing Studies	Addressing Poverty and Homelessness	Social Programs and Services	Reconciliation and Decolonization	Culture Creation Stations	

Thanks for your attention and we wish you a prosperous and impactful 2019!



Success Story

Universal Access Design

Stan Leyenhorst, the founder of Universal Access Design, is an entrepreneur, a person who has worked in industries related to the built environment for years, and who has become an expert in universally accessible design working with the Rick Hansen Foundation. In the world of accessibility educating and consulting, Stan has another attribute that won't show up on his business' balance sheet – lived experience. Stan has been accumulating experience with living in an inaccessible built environment since he became paralyzed from the chest down in an accident when he was 16.

Stan's business, Universal Access Design or UAD, provides accessibility audit, design, and training services. Stan's been providing similar services to large organizations for years – helping to improve the accessibility of their slice of the built environment. He's been working to improve accessibility of course because of its intrinsic value, but he also aims that UAD be financially sustainable while doing it as a result.

For Urban Matters CCC as a social venture developer, this was a home run. UAD had a social dividend, UAD's product was already proven, and in Stan there was an experienced and credible accessibility consultant to deliver the services.

UAD works in the built environment, and with Urban Matters CCC' connections to Urban Systems, there are opportunities for mutually beneficial learning, networking, and partnering. This alignment puts Urban Matters CCC in a strong position to mobilize a wealth of non-financial resources to support UAD in scaling its reach.

Once we found a great opportunity with Stan and UAD, all that was left to do was all the hard stuff, actually launching the business and starting to scale it. Getting ready for the launch of UAD included all the boring things that turn out to be absolutely critical, but the things that an entrepreneur doesn't have to be good at – if they have help. The scaling of UAD is where the Urban Matters CCC team is really delivering unique value – leveraging our deep networks through Urban Systems connectivity with a range of potential clients.

Already Stan has travelled to Urban Systems offices across Western Canada to introduce UAD and its service offering, introductions that have been met with enthusiasm and immediate support as the need for universal access design becomes clearer, and as the opportunities for partnering crystalize. This type of collaboration is already getting started, with Urban Matters CCC working on putting a package of services together for accessibility planning for municipalities – stakeholder engagement, and facilitation delivered by Urban Matters CCC' Advisory Services, accessibility expertise delivered by UAD, and Urban Systems bringing urban planning and engineering expertise – one example of a rich social and economic partnering opportunity.

What We Do

We partner with community-focused organizations and individuals to support and nurture socially-focused change efforts along their trajectory; from concept through to implementation. We've developed 3 thematic areas of activity as a response to what we've learned over the past few years. While presented separately, they are interrelated, with one area of activity often leading to the next.

Convene



We get into the fabric of a community and the challenges faced. We convene a diverse mix of people – people both experiencing the challenges and those placed to do something about them.

Consult



Research, Analysis, Strategy, & Policy Work: We source the data, crunch the numbers, make sense of and connect things in sometimes surprising ways.

Create



Incubation of New Ventures & Relationships: where an existing delivery partner does not exist, we build it. We take concepts to reality and bring partners and funding along the way.

By the Numbers:

TEAM



2017

7



2018

13



Reframe Housing Competition

As you know, Urban Matters CCC dedicates a portion of profits to community causes that align with our social purpose. Our 2017 Community Contribution took the shape of a competition searching for innovative housing ideas.

In 2017, we determined that we would have sufficient profits to make a financial community contribution, in line with our purpose as a CCC. We decided that we wanted to focus our contribution on improving outcomes in community housing and that we could increase our impact by leveraging our money to bring other partners to the table. As a collaboration between Urban Matters CCC and the BCNPHA, the Reframe Housing Competition was created to identify and highlight models and ideas that had the potential to improve community housing across Western Canada and the Territories.

The Reframe Competition was launched in June and contestants had just over three months to develop and pitch their housing ideas to the judging committee. This committee received a number of interesting applications, including early stage innovations and pitches for projects already underway. Short-listed applicants were invited to present their concepts virtually.

From there, four winners listed below were selected: two active-innovation applicants and two idea/creation stage applicants. Winners from both categories were chosen for their ability to demonstrate innovation, viability, scalability, and a willingness to foster meaningful social outcomes.

Going forward, Urban Matters CCC will help the winning groups accelerate and/or scale their housing innovations. As the inaugural year of the Reframe Competition draws to a close, the teams at Urban Matters CCC and BCNPHA are excited to see the types of conversations the competition sparked and are looking forward to hosting the competition again in 2019.

ACTIVE INNOVATION CATEGORY WINNERS

FIRST PLACE

WEST COAST OUTBUILDINGS AND YALE FIRST NATION, SQUAMISH, BC

SECOND PLACE

NEXBUILD, KAMLOOPS, BC

IDEA / CREATION CATEGORY WINNERS

CO-WINNERS

EXPANDWELL HOMES INC, KAMLOOPS, BC

DWELL-IN, KELOWNA, BC

OUR 2018 CCC CONTRIBUTION

City of Grand Forks

The City of Grand Forks is a long-standing client who Urban Systems Ltd. has a standing offer agreement with for consulting services, and earlier this year they experienced catastrophic flooding in their community. You can imagine the impact this kind of natural disaster has, especially on a small community like this one. Since then, the Urban family has been working hard to support them through this time; helping them secure funding, assessing infrastructure damage and creating a short- and long-term housing strategy for the significant amount of people who have been displaced.

Before the flood, there were several different non-profits in Grand Forks that provided support for housing. Following the flood, many of them were overwhelmed by a lack of resources. Board members were already doing a lot of work off the side of their desk and many had been personally impacted by the flood. Two of these organizations unfortunately had to fold in the aftermath. The question became, 'What good would a housing strategy do if there were no support organizations able and available to implement it?'

In response to concerns we kept hearing from the non-profits, we introduced a model that has been used successfully in other parts of the world to help organizations collaborate and work together to pool resources.

They can look to each other to share resources related to IT, accounting, funding applications and other business functions available to each other.



This can ultimately position them to be more effective and to better meet the immediate and long-term needs. Together, they are moving towards the creation of a backbone-style organization, but for this to happen, they needed funding.

They required an investment related to the work we do, in a community we know, that will act as a catalyst for the creation, incubation, and implementation of real outcomes. Suffice it to say a \$40,000 cheque has been cut and our 2018 Community Contribution will be funding the creation of this backbone community housing organization.

Real sustainable outcomes for a client and community in need. A real differentiator in the market for us that would be hard for others to replicate. Everyone wins. Definitely something to celebrate!

To learn more...

Please reach out to info@urbanmatters.ca or visit us online at www.urbanmatters.ca



THE FINE PRINT

CCC Disclosure Statements

With that comes our annual disclosure statements, in legal ease for clarity, and coincident with our 2018 fiscal year end (December 1st 2017 to November 30th 2018). Each and every year, Urban Matters CCC must disclose:

1. The remuneration and position held of each person whose remuneration during that year was at least \$75,000, or, if there are more than 10 persons whose remuneration during that year was at least \$75 000, the remuneration and position held during that year of each of the 10 most highly remunerated persons.

Urban Matters CCC held no positions in fiscal 2018 for which the remuneration exceeded \$75,000.

To clarify this point a bit further, Urban Matters CCC is a subsidiary company to Urban Systems Ltd., and all staff are currently employed by Urban Systems Ltd. at this point in time, and generally work for both companies.

2. The financial position of the company in that year by attaching to the report the financial statements prepared in relation to that year.

Urban Matters CCC's net-profit, after-tax, financial earnings were: \$32,187.

3. The following information about dividends declared in relation to shares of classes or series of shares:

i. For each of those classes and series of shares, the aggregate amount of the dividends declared in that year in relation to shares of that class or series of shares.

ii. The identity of all entities that hold or beneficially own shares of that class or series of shares

Urban Matters CCC did not declare any dividends in fiscal 2018.

4. The amount prescribed for a transfer of all money and other assets transferred to a single transferee during a financial year, whether by way of one or more than one transaction in that financial year, is \$10 000.

Urban Matters CCC did not transfer any money or other assets in fiscal 2018.

Urban Matters CCC Ltd.

Statement of Financial Position
(Unaudited)

November 30, 2018, with comparative figures for 2017

	2018	2017
Assets		
Current assets:		
Cash	\$ 328,333	\$ 215,178
Accounts receivable	217,447	104,830
Income taxes recoverable	9,931	-
Work in progress	123,457	50,385
Current portion of loan receivable	24,531	42,500
	<u>703,699</u>	<u>412,893</u>
Loan receivable	48,153	-
	<u>\$ 751,852</u>	<u>\$ 412,893</u>
Liabilities and Shareholder's Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 66,696	\$ 30,373
Income taxes payable	749	22,956
Deferred revenue	175,830	54,953
Due to Urban Systems Ltd.	390,946	219,168
	<u>634,221</u>	<u>327,450</u>
Shareholders' equity:		
Share capital	12	12
Retained earnings	117,619	85,431
	<u>117,631</u>	<u>85,443</u>
	<u>\$ 751,852</u>	<u>\$ 412,893</u>

Urban Matters CCC Ltd.Statement of Comprehensive Income
(Unaudited)

November 30, 2018, with comparative figures for 2017

	2018	2017
Revenues:		
Professional fees	\$ 675,013	\$ 214,023
Expense recoveries	102,447	42,143
Subconsultant recoveries	89,232	59,803
	<u>866,692</u>	<u>315,969</u>
Expenses:		
Advertising and promotion	49,771	20,000
Automotive allowances	2,833	448
Interest and bank charges	369	113
Legal and accounting	18,569	15,567
Office and administration	4,322	16,720
Subconsultants	77,951	48,722
Subcontractor fees	602,241	109,403
Travel	66,308	17,227
	<u>822,364</u>	<u>228,200</u>
Earnings (loss) before income taxes	44,328	87,769
Income taxes		
Current	12,140	22,999
Future	-	-
	<u>12,140</u>	<u>22,999</u>
Net earnings (loss)	32,188	64,770
Retained earnings (deficit), beginning of year	85,431	20,661
Retained earnings (deficit), end of year	<u>\$ 117,619</u>	<u>\$ 85,431</u>