

The North Edge Business Association
Financial Statements
December 31, 2020

The North Edge Business Association

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INDEPENDENT AUDITORS' REPORT

To the Board of The North Edge Business Association

Opinion

We have audited the financial statements of **The North Edge Business Association** (the Organization), which comprise the statement of financial position as at December 31, 2020, and the results of its operations, changes in its net financial assets and cash flows for the years 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 North Edge Business Association as at December 31, 2020, the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations and accounting principles set out in Note 1.

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 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends 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 Responsibility 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 judgement 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

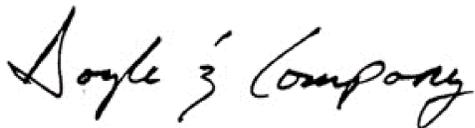
INDEPENDENT AUDITORS' REPORT - continued

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott Mockford, CPA, CA



11210 - 107 Avenue NW
Edmonton, Alberta
T5H 0Y1

April 23, 2021

Chartered Professional Accountants

The North Edge Business Association

Statement of Financial Position

As at December 31, 2020

	2020	2019
	\$	\$
Current Assets		
Cash	268,122	164,444
Accounts receivable (Note 2)	130	13,037
Investments (Note 3)	13,567	13,486
Prepaid expenses	356	1,083
	282,175	192,050
Capital Assets (Note 4)	1,617	2,021
	283,792	194,071
Current Liabilities		
Accounts payable	13,499	2,501
Deposits (Note 5)	80,750	-
Deferred contributions (Note 6)	82,638	120,728
	176,887	123,229
Unamortized Capital Contributions (Note 7)	1,617	2,021
	178,504	125,250
Fund Balance		
Unrestricted	105,288	68,821
	283,792	194,071

Approved by the Board:



Director, Board Chair

Director

The accompanying notes form part of these financial statements.

The North Edge Business Association
Statement of Operations and Change in Fund Balances
For the year ended December 31, 2020

	2020	2020	2019
	Budget	Actual	Actual
	\$	\$	\$
Revenue			
Levy	117,166	117,166	115,452
Ambassador program funds	-	-	140,000
Interest income	-	124	88
Grant revenue	3,000	6,300	70,652
Reimbursement grant	280,125	243,000	102,070
Other revenue	-	-	18
Revenue deferred from previous period	-	93,458	20,443
Revenue deferred to subsequent period	-	(84,255)	(122,749)
	400,291	375,793	325,974
Expenses			
Administration			
AGM and meetings	-	1,655	3,071
GST paid on purchases	-	929	2,279
Insurance	-	1,868	1,800
Office	41,291	25,246	36,906
Telephone and website	-	2,849	2,802
Amortization	-	404	505
Professional fees	-	5,625	4,648
Programs and projects	58,000	41,535	43,217
Ambassador program	-	-	154,280
Repayment of grant funding	-	12,724	-
Wages and employee benefits	301,000	246,491	50,426
	400,291	339,326	299,934
Excess of Revenues over Expenses	-	36,467	26,040
Fund Balance, beginning of year	-	68,821	42,781
Fund Balance, end of year	-	105,288	68,821

The accompanying notes form part of these financial statements.

The North Edge Business Association

Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
	\$	\$
Operating Activities		
Cash received from levy's	117,166	115,452
Cash received from interest and other income	233,039	315,969
Cash paid to suppliers	(246,446)	(299,116)
	103,759	132,305
Investing Activities		
Increase in investments	(81)	(67)
Increase in Cash	103,678	132,238
Cash, beginning of year	164,444	32,206
Cash, end of year	268,122	164,444

The accompanying notes form part of these financial statements.

The North Edge Business Association

Notes to the Financial Statements

December 31, 2020

Purpose of the Organization

The North Edge Business Association is a non-profit association. The main purpose of the association is to revitalize and maintain a dynamic commercial area and promote this area as a business or retail destination. Defining and promoting an identity through the business revitalization zone further promotes the vitality and competitiveness of the business area. Beyond beautification and promotion, the association can also facilitate the development or partnerships and relationships among local community groups and institutions. In general, the purpose is to bring people back to these business districts that are usually located in the inner city or the more mature areas of Edmonton. The association is exempt from income taxes under the Income Tax Act.

1. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

a) Cash

Cash consists of funds on deposit at a Canadian financial institution.

b) Investments

Investments are recorded at market value.

c) Revenue Recognition

The association 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.

d) Fund Accounting

The operating fund accounts for the association's program delivery and administrative activities.

e) Financial Instruments

The association's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted, it is management's opinion that the corporation is not exposed to significant interest or foreign currency risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The North Edge Business Association

Notes to the Financial Statements

December 31, 2020

1. Significant Accounting Policies - continued

(f) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues 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 tangible and intangible capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the revenue and expenses in the years in which they become known. Actual results could differ from those estimates.

2. Accounts Receivable

	2020	2019
	\$	\$
City of Edmonton	-	12,959
Servus Credit Union interest	130	78
	130	13,037

3. Investments

	2020	2019
	\$	\$
Short Term Investments:		
Guaranteed Investment Certificate	13,557	13,476
Servus Credit Union Rewards	8	8
Servus Credit Union Common Share	2	2
	13,567	13,486

The Guaranteed Investment Certificate has maturity date of January 2021 with an annual interest rate of 1.000%.

Total interest accrued on the Guaranteed Investment Certificates is \$130 (2019 - \$77)

The North Edge Business Association

Notes to the Financial Statements

December 31, 2020

4. Capital Assets

	2020			2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Patio furniture	8,568	6,951	1,617	2,021

5. Deposits

	2020
	\$
City of Edmonton - Levy	20,000
Reach Edmonton Council for Safe Communities	60,750
	80,750

Deposits consist of payments for the first quarter of 2021 received by The North Edge Business Association in the current year.

6. Deferred Contributions

	2020	2019
	\$	\$
City of Edmonton - Levy	26,168	29,291
City of Edmonton - Grants	6,300	45,954
Reach Edmonton Council for Safe Communities	50,170	45,483
	82,638	120,728

Deferred contributions consists of grant funding from the City of Edmonton and will be recognised as revenue in the year which the related expenses are incurred.

7. Unamortized Capital Contributions

	2020	2019
	\$	\$
Capital grant - City of Edmonton	2,021	2,526
Amount amortized to revenue	(404)	(505)
	1,617	2,021