

**The North Edge Business Association**  
**Financial Statements**  
**December 31, 2021**

# The North Edge Business Association

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Allan J. Grykuliak, CPA, CA\*  
Scott T. Mockford, CPA, CA\*  
Allen Lee, CPA, CMA\*  
Jason Bondarevich, CPA, CA\*

\* Operates as a Professional Corporation

11210 - 107 Avenue N.W., 2nd Flr  
Edmonton, Alberta T5H 0Y1  
Tel (780) 452-2300, Fax (780) 452-2335

## **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, 2021, 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, 2021, 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.

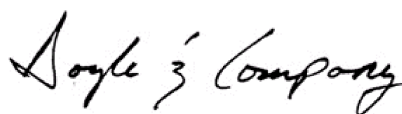
## INDEPENDENT AUDITORS' REPORT - continued

- 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 26, 2022

Chartered Professional Accountants

# The North Edge Business Association

## Statement of Financial Position

As at December 31, 2021

	2021	2020
	\$	\$
<b>Current Assets</b>		
Cash	279,212	268,122
Accounts receivable (Note 2)	49,209	130
Investments (Note 3)	13,702	13,567
Prepaid expenses	307	356
	<b>342,430</b>	<b>282,175</b>
<b>Capital Assets (Note 4)</b>	<b>1,294</b>	<b>1,617</b>
	<b>343,724</b>	<b>283,792</b>
<b>Current Liabilities</b>		
Accounts payable	3,018	13,499
Deposits (Note 5)	29,300	80,750
Deferred contributions (Note 6)	172,137	82,638
	<b>204,455</b>	<b>176,887</b>
<b>Unamortized Capital Contributions (Note 7)</b>	<b>1,294</b>	<b>1,617</b>
	<b>205,749</b>	<b>178,504</b>
<b>Fund Balance</b>		
Unrestricted	137,975	105,288
	<b>343,724</b>	<b>283,792</b>

Approved by the Board:



Director, Board Chair

Director

**The North Edge Business Association**  
**Statement of Operations and Change in Fund Balances**  
**For the year ended December 31, 2021**

	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	\$	\$	\$
<b>Revenue</b>			
Levy	80,000	80,000	117,166
Interest income	125	38	124
Grant revenue	71,100	111,177	6,300
Reimbursement grant	243,000	243,000	243,000
Revenue deferred from previous period	50,170	84,255	93,458
Revenue deferred to subsequent period	-	(172,137)	(84,255)
	<b>444,395</b>	<b>346,333</b>	<b>375,793</b>
<b>Expenses</b>			
Administration			
Advertising	11,375	11,867	26,745
AGM and meetings	1,500	692	1,655
Equipment	2,136	2,136	-
GST paid on purchases	-	656	929
Insurance	1,375	3,031	1,868
Office	29,175	9,836	18,020
Rent	19,950	19,950	19,950
Supplies	7,755	7,785	2,189
Telephone and website	-	2,623	2,849
Amortization	-	323	404
Professional fees	-	5,125	5,625
Programs and projects	22,159	10,454	12,601
Wages and employee benefits	276,000	239,168	246,491
	<b>371,425</b>	<b>313,646</b>	<b>339,326</b>
<b>Excess of Revenues over Expenses</b>	<b>72,970</b>	<b>32,687</b>	<b>36,467</b>
<b>Fund Balance, beginning of year</b>	<b>-</b>	<b>105,288</b>	<b>68,821</b>
<b>Fund Balance, end of year</b>	<b>-</b>	<b>137,975</b>	<b>105,288</b>

The accompanying notes form part of these financial statements.

# The North Edge Business Association

## Statement of Cash Flows

For the year ended December 31, 2021

	2021	2020
	\$	\$
<b>Operating Activities</b>		
Cash received from levy's	80,000	117,166
Cash received from interest and other income	306,432	233,039
Cash paid to suppliers	(375,206)	(246,446)
	11,226	103,759
<b>Investing Activities</b>		
Increase in investments	(136)	(81)
<b>Increase in Cash</b>	11,090	103,678
<b>Cash, beginning of year</b>	268,122	164,444
<b>Cash, end of year</b>	279,212	268,122

The accompanying notes form part of these financial statements.

# The North Edge Business Association

## Notes to the Financial Statements

December 31, 2021

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### **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, 2021

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### 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

	2021	2020
	\$	\$
Canada Summer Jobs grant	8,903	-
Economic Recovery Grant	40,273	-
Servus Credit Union interest	33	130
	<b>49,209</b>	130

### 3. Investments

	2021	2020
	\$	\$
<b>Short Term Investments:</b>		
Guaranteed Investment Certificate	13,692	13,557
Servus Credit Union Rewards	8	8
Servus Credit Union Common Share	2	2
	<b>13,702</b>	13,567

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 \$33 (2020 - \$130)

# The North Edge Business Association

## Notes to the Financial Statements

December 31, 2021

### 4. Capital Assets

	2021		Net Book Value	2020
	Cost	Accumulated Amortization		Net Book Value
	\$	\$	\$	\$
Patio furniture	8,568	7,274	1,294	1,617

### 5. Deposits

	2021	2020
	\$	\$
City of Edmonton - Levy	29,300	20,000
Reach Edmonton Council for Safe Communities	-	60,750
	29,300	80,750

Deposits consist of payments for the first quarter of 2022 received by The North Edge Business Association in the current year.

### 6. Deferred Contributions

	2021	2020
	\$	\$
City of Edmonton - Levy	-	26,168
City of Edmonton - Grants	100,460	6,300
Reach Edmonton Council for Safe Communities	71,677	50,170
	172,137	82,638

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

	2021	2020
	\$	\$
Capital grant - City of Edmonton	1,617	2,021
Amount amortized to revenue	(323)	(404)
	1,294	1,617