
**EDMONTON FORT ROAD & AREA
BUSINESS REVITALIZATION ZONE ASSOCIATION**

Financial Statements

Year Ended December 31, 2021

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION

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Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Edmonton Fort Road & Area Business Revitalization Zone Association

Opinion

We have audited the financial statements of Edmonton Fort Road & Area Business Revitalization Zone Association (the organization), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenditures, 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 December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

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 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 ASNPO, 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.

(continues)

Independent Auditor's Report to the To the Members of Edmonton Fort Road & Area Business Revitalization Zone Association *(continued)*

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.

Neube & Landry LLP

Edmonton, AB
April 8, 2022

Chartered Professional Accountants

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION**Statement of Financial Position****December 31, 2021**

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 43,358	\$ 47,050
Goods and services tax recoverable	4,544	4,981
	<u>\$ 47,902</u>	<u>\$ 52,031</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 1,001	\$ 1,001
Deferred levy revenue (Note 2)	20,000	20,000
	21,001	21,001
DEFERRED GRANT INCOME	-	2,281
DEFERRED SUBSIDY INCOME	3,278	19,125
	24,279	42,407
NET ASSETS	23,623	9,624
	<u>\$ 47,902</u>	<u>\$ 52,031</u>

ON BEHALF OF THE BOARD_____
Chairman

See notes to financial statements

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION**Statement of Revenues and Expenditures****Year Ended December 31, 2021**

	2021	2020
REVENUES		
Business revitalization zone tax levy	\$ 80,000	\$ 80,000
Branding and revitalization grant	18,129	26,669
Donation Revenue	8,152	-
	106,281	106,669
EXPENSES		
Contract labour	64,688	64,688
Branding and revitalization	17,265	25,429
Professional fees	3,000	2,900
Telephone	2,088	1,978
Rental	1,691	2,710
Office	1,300	1,698
Insurance	1,229	1,069
Special events and projects	654	-
Interest and bank charges	182	176
Memberships	120	120
Advertising and promotion	65	250
Directors meetings	-	961
	92,282	101,979
EXCESS OF REVENUES OVER EXPENSES	\$ 13,999	\$ 4,690

See notes to financial statements

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION

Statement of Changes in Net Assets

Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
NET ASSETS - BEGINNING OF YEAR	\$ 9,624	\$ 4,934
EXCESS OF REVENUES OVER EXPENSES	13,999	4,690
NET ASSETS - END OF YEAR	<u>\$ 23,623</u>	<u>\$ 9,624</u>

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION**Statement of Cash Flows****Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Excess of revenues over expenses	<u>\$ 13,999</u>	<u>\$ 4,690</u>
Changes in non-cash working capital:		
Goods and services tax payable	437	(634)
Deferred Grant Income	(2,281)	(26,669)
Deferred subsidy income	<u>(15,847)</u>	<u>19,125</u>
	<u>(17,691)</u>	<u>(8,178)</u>
DECREASE IN CASH FLOW	(3,692)	(3,488)
Cash - beginning of year	<u>47,050</u>	<u>50,538</u>
CASH - END OF YEAR	<u>\$ 43,358</u>	<u>\$ 47,050</u>

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2021

INTRODUCTION TO NOTES

The Association was incorporated in August 1991 by the City of Edmonton Municipal Council under Bylaw 9747. The principle activity of the Association is to develop programs to promote business and improve and maintain lands and structures owned or operated by the City of Edmonton in the Fort Road area.

The Association operates under the name "Fort Road Business and Community Association".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

Edmonton Fort Road & Area Business Revitalization Zone 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. Endowment contributions are recognized as direct increases in net assets.

Property and equipment

Property and equipment are expensed when incurred as projects of the Association.

Income taxes

The Association is a not-for-profit organization and therefore is not subject to either federal or provincial income taxes.

2. DEFERRED LEVY REVENUE

The organization has received an amount in December 2020 for the January 2021 levy. This amount is shown as deferred revenue as is for 2021 year end.

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

3. DEFERRED GRANT INCOME

During 2019, the organization and the Province of Alberta executed an agreement under which the Province gave a grant to develop a branding strategy that concentrates on a focus for the community. The Association is to receive a matching amount from the City of Edmonton as expenditures are to be matched. At year end the funds that are remaining are to be used to develop the branding strategy. The grant must be used in 2020. Due to the circumstances surrounding Covid-19 this grant was extended to be used in 2021.

4. DEFERRED SUBSIDY INCOME

During 2020, the City of Edmonton gave a subsidy to be used as matching to the grant outlined above. In the current year these fund were expended to develop the branding strategy of this association.

5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2021.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is not significantly exposed to these risks.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

6. ECONOMIC DEPENDENCE

The association received \$80,000 (2020 - \$80,000) from the city of Edmonton (the "City") via a special tax assessment levy on Fort Road BRZ Business Members. The Association is economically dependent on the continued financial support of their business members and the City.



December 17, 2021
Confidential

Edmonton Fort Road & Area Business Revitalization Zone
Association
13303 Fort Road NW
PO Box 21
Edmonton AB T5A 1C3

Attention: Deanna Fuhlendorf, Executive Director

Dear Deanna:

The Objective and Scope of the Audit

You have requested that we audit the financial statements of Edmonton Fort Road & Area Business Revitalization Zone Association, which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenditures, 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).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audit 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.

The Responsibilities of the Auditor

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. 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:

- a. 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.
- b. 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d. 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 entity'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 entity to cease to continue as a going concern.
- e. 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form contained in Appendix A to this letter.

The Responsibilities of Management

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with ASNPO;
2. For the design and implementation of 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; and
3. To provide us with timely:
 - i. Access to all the information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - ii. Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of non-compliance with legislative or regulatory requirements;
Information concerning subsequent events.
 - iii. Unrestricted access to persons within Edmonton Fort Road & Area Business Revitalization Zone Association from whom we determine it necessary to obtain audit evidence.

As part of the audit process:

- b. We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management [and, where appropriate, those charged with governance] written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- c. We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

Use of Information

It is acknowledged that we will have access to all information about identified individuals ("personal information") in your custody that we require to complete our Engagement. Our services are provided on the basis that:

- a. You represent to us that management has obtained any required consents for our collection, use, disclosure, storage, transfer and process of personal information required under applicable privacy legislation and professional regulation; and
- b. We will hold all personal information in compliance with our Privacy Statement.

File Inspections

In accordance with professional regulations (and by our firm policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Edmonton Fort Road & Area Business Revitalization Zone Association unless:

- a. We have been specifically authorized with prior consent;
- b. We have been ordered or expressly required by law or by the Alberta *Code of Professional Conduct/Code of Ethics*; or
- c. The information requested is (or enters into) public domain.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our audit report are solely for the use of Edmonton Fort Road & Area Business Revitalization Zone Association and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than Edmonton Fort Road & Area Business Revitalization Zone Association.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond Edmonton Fort Road & Area Business Revitalization Zone Association) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

Reproduction of Auditor's Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information in the electronic site with the original document.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues, or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Province of Alberta. The Province of Alberta will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Accounting Advice

Except as outlined in this letter, this Engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement letter.

Dispute Resolution

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

Indemnity

Edmonton Fort Road & Area Business Revitalization Zone Association hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a. The breach by Edmonton Fort Road & Area Business Revitalization Zone Association, or its directors, officers, agents or employees, of any of the covenants or obligations of Edmonton Fort Road & Area Business Revitalization Zone Association herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b. A misrepresentation by a member of your management or the those charged with governance.

Limitation of Liability

Our aggregate liability for all claims, losses, liabilities and damages in connection with this Engagement, whether as a result of breach of contract, tort (including negligence), or otherwise, regardless of the theory of liability, is limited to \$-. Our liability shall be several and not joint and several. We shall only be liable for our proportionate share of any loss or damage, based on our contribution relative to the others' contributions and only if your claim is commenced within 24 months or less of the date Edmonton Fort Road & Area Business Revitalization Zone Association should have been aware of the potential claim. In addition, we will not be liable in any event for consequential, incidental, indirect, punitive, exemplary, aggravated or special damages, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.

Time Frames

We will use all reasonable efforts to complete the Engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our reasonable control, including any delays in the performance by Edmonton Fort Road & Area Business Revitalization Zone Association of its obligations.

Use of Auditor Experts, Specialists and Others

[Any initial audit considerations.]

You hereby authorize us to disclose information of Edmonton Fort Road & Area Business Revitalization Zone Association to the above-mentioned third-party service provider(s) for the purpose of this Engagement.

Fees at Regular Billing Rate

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable GST, and are due when rendered. Fees for any additional services will be established separately.

Appendix A *(continued)*

- 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.

Concerns

If at any time you would like to discuss our services or make a complaint, please contact your engagement partner or *[insert name of managing or other appropriate partner and phone number]*. We will listen to your concerns and investigate any complaint on a timely basis.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party *[not less than 30 calendar days before the effective date of termination]*. If early termination takes place, Edmonton Fort Road & Area Business Revitalization Zone Association shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the audit or are unable to come to a conclusion on the financial statements, we may withdraw from the audit before issuing an auditor's report, or we may issue a denial of assurance on the financial statements. If this occurs, we will communicate the reasons and provide details.

Survival of Terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

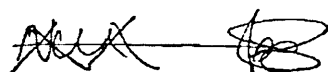
Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your organization.

Regards,



M. Nelson Ncube, CPA, CA
Partner
m.nelson@ncubelandry.com

Ncube & Landry LLP
Chartered Professional Accountants

The services and terms set out above are as agreed to on behalf of Edmonton Fort Road & Area Business Revitalization Zone Association by:

Chairman	Director
December 17, 2021	December 17, 2021
Date signed	Date signed

Appendix A - Expected Form of Report

To the Members of Edmonton Fort Road & Area Business Revitalization Zone Association

Opinion

We have audited the financial statements of Edmonton Fort Road & Area Business Revitalization Zone Association (the organization), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenditures, 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 December 31, 2021, and the results of its operations and cash flow for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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

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Those charged with governance are responsible for overseeing the organization's financial reporting process.

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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.

**EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE
ASSOCIATION**
13303 Fort Road NW
PO Box 21
Edmonton, AB
T5A 1C3

April 5, 2022
Confidential

Ncube & Landry LLP
13034 82 Street NW
Edmonton AB T5E 2T5

Attention: M. Nelson Ncube, CPA, CA

Dear Sirs:

Further to the engagement letter dated December 17, 2021, we acknowledge that we are responsible for:

- a. The compiled financial information;
- b. Selecting the basis of accounting to be applied in the preparation of the compiled financial information that is appropriate for the intended use;
- c. The accuracy and completeness of the information provided to you; and
- d. Attaching the compilation engagement report when distributing or reproducing the compiled financial information.

Further, we confirm, to the best of our knowledge and belief, the following representations made by us to you during your compilation of the financial statements:

Accounting and financial records

All accounting and financial records and related data of the organization have been made available to you, and you have been made aware of and given access to outside sources of information where applicable.

All information necessary has been disclosed

All information necessary to complete the financial statements has been disclosed to you.

No events occurred or pending

No events have occurred or are pending, and no facts have been discovered to date, which would cause the financial statements to be misleading.

Management responsible for financial statements

The financial statements have been reviewed by management and we acknowledge sole responsibility for their content.

Proceeds of Crime (Money Laundering) and Terrorist Financing Act

We hereby acknowledge that Ncube & Landry LLP have made us aware of your legal obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. We hereby acknowledge that we are aware of potential conflict of interest that may arise as a result of your legal obligations under this Act and authorize Ncube & Landry LLP to release and disclose information about Edmonton Fort Road & Area Business Revitalization Zone Association as required by statute.

Acknowledged and agreed on behalf of Edmonton Fort Road & Area Business Revitalization Zone Association by:

Chairman	Director
April 5, 2022	April 5, 2022
Date signed	Date signed

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION**Statement of Financial Position****December 31, 2021**

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 43,358	\$ 47,050
Goods and services tax recoverable	4,544	4,981
	<u>\$ 47,902</u>	<u>\$ 52,031</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 1,001	\$ 1,001
Deferred levy revenue (Note 2)	20,000	20,000
	21,001	21,001
DEFERRED GRANT INCOME	-	2,281
DEFERRED SUBSIDY INCOME	3,278	19,125
	24,279	42,407
NET ASSETS	23,623	9,624
	<u>\$ 47,902</u>	<u>\$ 52,031</u>

ON BEHALF OF THE BOARD*Jan Durie*

Chairman

See notes to financial statements

Concerns

If at any time you would like to discuss our services or make a complaint, please contact your engagement partner or *[insert name of managing or other appropriate partner and phone number]*. We will listen to your concerns and investigate any complaint on a timely basis.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party *[not less than 30 calendar days before the effective date of termination]*. If early termination takes place, Edmonton Fort Road & Area Business Revitalization Zone Association shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the audit or are unable to come to a conclusion on the financial statements, we may withdraw from the audit before issuing an auditor's report, or we may issue a denial of assurance on the financial statements. If this occurs, we will communicate the reasons and provide details.

Survival of Terms

This engagement letter will continue in force for subsequent audits unless terminated by either party by written notice prior to the commencement of the subsequent audit.

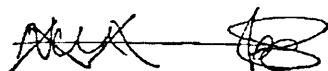
Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the attached copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your organization.

Regards,



M. Nelson Ncube, CPA, CA
Partner
m.nelson@ncubelandry.com

Ncube & Landry LLP
Chartered Professional Accountants

The services and terms set out above are as agreed to on behalf of Edmonton Fort Road & Area Business Revitalization Zone Association by:

San Durie

Chairman

December 17, 2021

Date signed

Geoff Smith

Director

December 17, 2021

Date signed

Acknowledged and agreed on behalf of Edmonton Fort Road & Area Business Revitalization Zone Association by:

Jan Durie

Geoff Smith

Chairman

Director

April 5, 2022

April 5, 2022

Date signed

Date signed