

**The North Edge Business Association**  
**Financial Statements**  
**December 31, 2016**

# The North Edge Business Association

## CONTENTS

	<u>Page</u>
<b>AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Operations and Change in Fund Balances	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 6

## INDEPENDENT AUDITORS' REPORT

### To the Board of The North Edge Business Association

We have audited the accompanying financial statements of the **The North Edge Business Association** which comprise the statement of financial position as at December 31, 2016 and the statements of operation and changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian audit standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

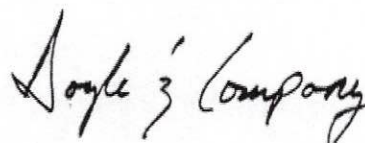
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the The North Edge Business Association as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta  
August 8, 2017



Chartered Professional Accountants

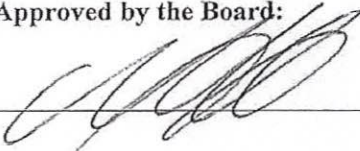
# The North Edge Business Association

## Statement of Financial Position

As at December 31, 2016

	2016	2015
	\$	\$
<b>Current assets</b>		
Cash	113,660	171,321
Accounts receivable (Note 2)	14,620	113
GST receivable	-	8,683
Investments (Note 3)	13,257	13,139
Prepaid expenses	1,389	1,031
	142,926	194,287
<b>Capital Assets (Note 4)</b>	3,948	4,935
	146,874	199,222
<b>Current liabilities</b>		
Accounts payable	6,530	2,503
Deferred contributions (Note 5)	35,073	52,676
	41,603	55,179
<b>Unamortized Capital Contributions (Note 6)</b>	3,948	4,935
	45,551	60,114
<b>Fund balance</b>		
Unrestricted	101,323	139,108
	146,874	199,222

Approved by the Board:

 Director

 Director

The accompanying notes form part of these financial statements.

**The North Edge Business Association**  
**Statement of Operations and Change in Fund Balance**

For the year ended December 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
<b>Revenue</b>			
Levy	112,090	112,090	112,090
Interest income	-	479	360
Grant revenue	-	41,324	45,459
Other revenue	-	-	-
Repayment of grant revenue	-	(4,229)	(25,829)
Revenue deferred from previous period	-	57,611	64,406
Revenue deferred to subsequent period	-	(35,072)	(57,611)
	<b>112,090</b>	<b>172,203</b>	<b>138,875</b>
<b>Expenses</b>			
Administration			
AGM and meetings	-	5,413	2,299
GST paid on purchases	-	8,683	8,687
Insurance	-	988	953
Office	13,182	5,812	3,020
Telephone and website	-	1,983	2,726
Amortization	-	987	1,234
Consulting fees	66,150	63,000	63,000
Professional fees	-	3,120	2,500
Programs and projects	52,758	120,002	98,310
	<b>132,090</b>	<b>209,988</b>	<b>182,729</b>
<b>Excess of revenues over expenses</b>	<b>(20,000)</b>	<b>(37,785)</b>	<b>(43,854)</b>
<b>Fund balances, beginning of year</b>	<b>-</b>	<b>139,108</b>	<b>182,962</b>
<b>Fund balance, end of year</b>	<b>-</b>	<b>101,323</b>	<b>139,108</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, 2016

	2016	2015
	\$	\$
<b>Operating Activities</b>		
Cash received from levy's	112,090	112,090
Cash received from interest and other income	27,015	19,989
Cash paid to suppliers	(196,648)	(186,371)
	(57,543)	(54,292)
<b>Investing Activities</b>		
Increase in investments	(118)	(117)
<b>Decrease in Cash</b>	(57,661)	(54,409)
Cash, beginning of year	171,321	225,730
Cash, end of year	113,660	171,321

The accompanying notes form part of these financial statements.

# The North Edge Business Association

## Notes to the Financial Statements

December 31, 2016

---

### **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.

#### **(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. Actual results could differ from those estimates.

# The North Edge Business Association

## Notes to the Financial Statements

December 31, 2016

**2. Accounts Receivable**

	2016	2015
	\$	\$
City of Edmonton	14,537	-
Servus Credit Union interest	83	113
	14,620	113

**3. Investments**

	2016	2015
	\$	\$
<b>Short Term Investments:</b>		
Guaranteed Investment Certificate #1	13,256	13,138
Servus Credit Union Common Share	1	1
	13,257	13,139

The Guaranteed Investment Certificate #1 has maturity date of January 2017 with an annual interest rate of 0.65%.

Total interest accrued on the Guaranteed Investment Certificates is \$83 (2015 - \$113)

**4. Capital Assets**

	2016			2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Patio furniture	8,568	4,620	3,948	4,935

**5. Deferred Contributions**

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.

**6. Unamortized Capital Contributions**

	2016	2015
	\$	\$
Capital grant - City of Edmonton	4,935	6,169
Amount amortized to revenue	(987)	(1,234)
	3,948	4,935