

**Alberta Avenue Business Association - 2015 Audited Statements****ALBERTA AVENUE BUSINESS ASSOCIATION**

Edmonton, Alberta

December 31, 2015

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**Financial Statements**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the **Alberta Avenue Business Association:**

I have audited the accompanying financial statements of the **Alberta Avenue Business Association**, which comprise of the statement of financial position as at December 31, 2015 and the statements of changes in net assets, cash flows and operations for the year then ended and a summary of the operating entity, significant accounting policies and explanatory notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for not-for-profit organizations and for such internal controls 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

My responsibility is to express an opinion on these financial statements based on my audit. I conduct my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 misstatements 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 preparation 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.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Unqualified Opinion**

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Alberta Avenue Business Association as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

St. Albert, Alberta  
February 25, 2016



F.D. Ormrod & Co.

Chartered Professional Accountant

ALBERTA AVENUE BUSINESS ASSOCIATION  
STATEMENT OF FINANCIAL POSITION

December 31	2015	2014
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 51,246	\$ 70,932
Short-term investments - Note 1	2,583	2,557
Grant receivable	6,962	0
Goods and services tax recoverable	3,161	3,148
Prepaid expenses	<u>2,045</u>	<u>2,045</u>
	65,997	78,682
<b>Equipment - Note 2</b>	<u>749</u>	<u>1,363</u>
	<u>\$ 66,746</u>	<u>\$ 80,045</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 3,846	\$ 3,949
Source deductions payable	<u>1,078</u>	<u>1,331</u>
	4,924	5,280
<b>Deferred Contributions - Note 3</b>	<u>10,962</u>	<u>21,637</u>
	15,886	26,917
<b>NET ASSETS</b>		
Investment in capital assets	897	1,510
Unrestricted surplus	<u>49,963</u>	<u>51,618</u>
	<u>50,860</u>	<u>53,128</u>
	<u>\$ 66,746</u>	<u>\$ 80,045</u>

APPROVED BY THE BOARD

 Director

 Director

ALBERTA AVENUE BUSINESS ASSOCIATION  
 STATEMENT OF CHANGES IN NET ASSETS  
 December 31

	2015		2014	
	Capital Assets	Unrestricted Surplus	Net Assets	Net Assets
Opening balance	\$ 1,510	\$ 51,618	\$ 53,128	\$ 47,800
Excess of revenue over expenses	0	(2,268)	(2,268)	5,328
Addition of capital Assets	0	0	0	0
Amortization of capital assets	(613)	613	0	0
Closing balance	<u>\$ 897</u>	<u>\$ 49,963</u>	<u>\$ 50,860</u>	<u>\$ 53,128</u>

## ALBERTA AVENUE BUSINESS ASSOCIATION

## STATEMENT OF OPERATIONS

	2015	2015	2014
Year Ended December 31	Budget	Actual	Actual
<b>Revenue:</b>			
City of Edmonton levy	\$ 126,751	\$ 126,751	\$ 118,000
Special projects	20,190	13,690	13,925
Operating grant	0	3,947	18,432
Other revenue	1,500	373	4,673
Interest	150	151	233
	<u>148,591</u>	<u>144,912</u>	<u>155,263</u>
<b>Disbursements and Expenses:</b>			
Salaries, wages and benefits	73,577	64,500	73,519
Flower pots	8,190	17,040	17,280
Rent	13,860	13,200	11,800
Pop-up market	5,000	10,992	0
Website and internet	4,000	7,301	4,730
Professional fees	6,200	5,538	5,583
Office supplies, postage and copying	3,400	4,913	5,602
Marketing and promotion	0	3,622	13,807
Contractors	0	2,585	0
Business member mixer	1,700	2,553	0
Meetings	1,500	2,038	1,615
Repairs and maintenance	1,500	2,238	1,383
Donations	1,000	1,941	1,000
Training and resources	10,000	1,653	0
Telephone and fax	1,600	1,520	1,501
Administration fees	0	1,421	631
Cell phone	1,400	1,242	1,262
Travel, mileage and parking	1,000	861	924
Insurance	940	888	846
Amortization	250	613	396
Office alarm	324	374	324
Bank charges and interest	500	147	146
Spring clean-up	650	0	591
Flavours of the Avenue	0	0	6,848
Loss on disposal of asset	0	0	147
Contingency	5,000	0	0
Business directory	7,000	0	0
	<u>148,591</u>	<u>147,180</u>	<u>149,935</u>
<b>Excess of Revenue Over Disbursements and Expenses</b>	<u>\$ 0</u>	<u>\$ (2,268)</u>	<u>\$ 5,328</u>

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F.D. Ommrod & Co.  
Chartered Accountant

## ALBERTA AVENUE BUSINESS ASSOCIATION

## STATEMENT OF CASH FLOWS

Year Ended December 31	2015	2014
<b>CASH FLOWS FROM:</b>		
<b>Operating Activities</b>		
Cash received from grant providers and donors	\$ 144,539	\$ 150,590
Cash paid to suppliers and employees	<u>(164,350)</u>	<u>(146,579)</u>
	(19,811)	4,011
<b>Financing and Investing Activities</b>		
Interest received from short-term investments	<u>151</u>	<u>233</u>
<b>Net (Decrease) / Increase in Cash</b>	(19,660)	4,244
<b>Cash, beginning of year</b>	<u>73,489</u>	<u>69,245</u>
<b>Cash, end of year</b>	<u>\$ 53,829</u>	<u>\$ 73,489</u>
<b>Cash is comprised of:</b>		
Cash	\$ 51,246	\$ 70,932
Short-term investments	<u>2,583</u>	<u>2,557</u>
	<u>\$ 53,829</u>	<u>\$ 73,489</u>

# ALBERTA AVENUE BUSINESS ASSOCIATION

## DESCRIPTION OF ORGANIZATION AND ACCOUNTING POLICIES

December 31, 2015

### Description of Organization

The Alberta Avenue Business Association (AABA) is a not-for-profit organization whose purpose is to represent businesses in the Alberta Avenue Business Revitalization Zone. The association was established and incorporated on September 14, 1995 under Bylaw 11084 and operates as a committee of City Council.

### Significant Accounting Policies

#### Basis of Presentation

The financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations (ASNPO) published by the Canadian Professional Accountants (CPA). Following are the significant accounting policies adopted.

#### Cash and Short-Term Investments

Cash and short-term investments (less than one year) are amounts on deposit and invested in short-term investment vehicles according to the Association's investment policy. Short-term investments are recorded at the lower of cost and market value. Those with a term to maturity of three months or less are treated as cash equivalents.

#### Revenue Recognition

The Association follows the deferral method of accounting for contributions. Externally 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.

#### Measurement Uncertainty

The preparation of the financial statements, in accordance with Canadian generally accepted accounting principles for not-for-profit organizations (ASNPO), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

#### Equipment

Equipment is capitalized at cost and amortized based on estimated useful life. Computer equipment is amortized at a rate of 55%.



ALBERTA AVENUE BUSINESS ASSOCIATION  
 DESCRIPTION OF ORGANIZATION AND ACCOUNTING POLICIES  
 December 31, 2015

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**Significant Accounting Policies - continued**

**Financial Instruments**

Alberta Avenue Business Association's financial instruments consist of cash, term deposits, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of the financial instruments approximates their carrying value, unless otherwise noted.

**Contributed Materials and Services**

Contributed materials and services are recognized in the financial statements when a fair value can be reasonably determined and when these materials and services are used in the normal course of the association's operation and would otherwise have been purchased.

Volunteer services contributed by general members and members of the Board of Directors in the course of carrying out the associations operating activities are not recognized in these financial statements due to the difficulty in determining their fair market value.

## ALBERTA AVENUE BUSINESS ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2015

## NOTE 1 - SHORT-TERM INVESTMENTS

Short-term investments are presented in Canadian dollars at amortized cost with effective rate of 1.5% per annum and mature within 365 days from the date they are issued. The term deposit currently held by the entity will mature January 28, 2016.

## NOTE 2 - EQUIPMENT

	Cost	2015 Accumulated Amortization	Net Book Value	2014 Net Book Value
Computer equipment	\$ 1,758	\$ 1,009	\$ 749	\$ 1,363

## NOTE 3 - DEFERRED CONTRIBUTIONS

Deferred contributions represent operating funding received in the current period which is related to expenses for future periods. Changes in deferred contributions are as follows:

	Opening Deferral	Current Receipts	Current Income	Closing Deferral
BRZ Levy	\$ 0	\$ 126,751	\$ 126,751	\$ 0
Flower Barrel Grant	8,190	0	8,190	0
Pop-up Market Grant	8,132	0	5,500	2,632
City of Edmonton Grant	5,315	0	3,947	1,368
Flower Basket Grant	0	6,962	0	6,962
	\$ 21,637	\$ 133,713	\$ 144,388	\$ 10,962

## NOTE 4 - LEASE COMMITMENT

The Association is obligated under a lease agreement for office facilities on 11739-88th Street, Edmonton, Alberta, expiring June 2017, requiring annual payments of \$13,200, payable in monthly installments.

## NOTE 5 - SUBSEQUENT EVENTS

On January 6, 2016 The Association received \$31,688 from the City of Edmonton for their first fiscal 2016 quarterly levy payment.

## NOTE 6 - ECONOMIC DEPENDENCE

The Association is economically dependent on the levy collected by the City of Edmonton. The Association's ability to continue viable operations is dependant on levy payments from the City of Edmonton.