

Northwest Industrial Business Association - 2014 Audited Statements

NORTHWEST INDUSTRIAL BUSINESS ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
AND
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

YAREMCHUK & ANNICCHIARICO LLP CHARTERED ACCOUNTANTS



YAREMCHUK & ANNICCHIARICO LLP
CHARTERED ACCOUNTANTS



P.J. Yaremchuk, B.Comm., FCA*
 A.J. Annicchiarico, B.Comm., CA*
 K.K. Kozicki, CA*
 B.J. Layetzk, B.Comm., CA*
 R.V. Rizzo, B.Comm., CA*
 K.A. Vansevenandt, B.Comm., CA*
 T. Matsikas, B.Comm., CA*
 C.J. Bawol, B.Comm., CA*
 *Practicing as a Professional Corporation

#202, 8657 - 51 Avenue
 Edmonton, Alberta
 T6E 6A8
 Telephone: 780-468-7232
 Fax: 780-465-6120
 Email: info@ya.ca
 www.ya.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of **Northwest Industrial Business Association**:

We have audited the accompanying financial statements of **Northwest Industrial Business Association** which consist of the statement of financial position at December 31, 2014, and the statements of operations and changes in net assets 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 the 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 generally accepted auditing standards. Those standards require that we 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 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 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.

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 **Northwest Industrial Business Association** as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta
 April 13, 2015

Yaremchuk & Annicchiarico LLP
 Chartered Accountants

NORTHWEST INDUSTRIAL BUSINESS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 38,108	\$ 45,351
Guaranteed investment certificates	91,446	90,456
Goods and services tax recoverable	<u>8,793</u>	<u>6,322</u>
TOTAL	<u>\$138,347</u>	<u>\$142,129</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITY - accounts payable and accrued liabilities	\$ 11,061	\$ 11,009
NET ASSETS - unrestricted	<u>127,286</u>	<u>131,120</u>
TOTAL	<u>\$138,347</u>	<u>\$142,129</u>

NORTHWEST INDUSTRIAL BUSINESS ASSOCIATION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE:		
Business revitalization zone levy	\$180,050	\$183,750
Interest and other	<u>1,728</u>	<u>799</u>
Total revenue.....	<u>181,778</u>	<u>184,549</u>
EXPENSES:		
Bank charges.....	71	109
Insurance.....	923	879
Management services	24,000	29,200
Meetings	293	252
Member survey	-	4,410
Newsletter.....	2,416	4,028
Office	245	789
Professional fees.....	2,750	2,600
Project support	9,836	14,632
Promotion	675	1,235
Security.....	142,928	109,280
Telephone	386	380
Website	<u>1,089</u>	<u>714</u>
Total expenses	<u>185,612</u>	<u>168,508</u>
EXCESS (EXPENSES) REVENUE FOR THE YEAR.....	(3,834)	16,041
NET ASSETS AT BEGINNING OF THE YEAR.....	<u>131,120</u>	<u>115,079</u>
NET ASSETS AT END OF THE YEAR.....	<u>\$127,286</u>	<u>\$131,120</u>

NORTHWEST INDUSTRIAL BUSINESS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES:		
Cash from operations:		
Excess (expenses) revenue for the year	\$ (3,834)	\$ 16,041
Increase in non-cash working capital balances related to operations:		
Goods and services tax recoverable	(2,471)	(597)
Accounts payable and accrued liabilities	<u>52</u>	<u>(2,100)</u>
Net cash (used in) from operating activities.....	<u>(6,253)</u>	<u>13,344</u>
INVESTING ACTIVITIES:		
Purchase of guaranteed investment certificates.....	(14,990)	(54,000)
Redemption of guaranteed investment certificates	<u>14,000</u>	<u>14,000</u>
Net cash used in investing activities	<u>(990)</u>	<u>(40,000)</u>
DECREASE IN CASH DURING THE YEAR	(7,243)	(26,656)
CASH AT BEGINNING OF THE YEAR	<u>45,351</u>	<u>72,007</u>
CASH AT END OF THE YEAR.....	<u>\$ 38,108</u>	<u>\$ 45,351</u>

NORTHWEST INDUSTRIAL BUSINESS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

1. PURPOSE OF THE ASSOCIATION:

The Association is established under Section 50 of the Municipal Government Act and the Business Revitalization Zone Regulation, as a not-for-profit organization without share capital. The Association's primary purpose is to:

- a) improve, beautify and maintain property in the Zone
- b) develop, improve and maintain public parking in the Zone
- c) promote the Zone as a business or shopping district.

2. ACCOUNTING POLICIES:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Significant accounting policies are as follows:

Revenue:

Business revitalization zone levy is recognized as revenue in the period to which it relates.

Donation of services:

The work of the Association is dependent on the voluntary service of many individuals. Since these services are not normally purchased by the Association and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Guaranteed investment certificates:

Guaranteed investment certificates are stated at cost.

Equipment:

The Association expenses equipment in the year of acquisition. Equipment purchases totaling \$1,855 have been expensed since the Association was established.

Financial instruments:

The Association initially measures its financial assets and liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

The Association's financial instruments measured at amortized cost consists of cash, guaranteed investment certificates and accounts payable and accrued liabilities.

NORTHWEST INDUSTRIAL BUSINESS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

2. ACCOUNTING POLICIES (continued):

Financial instruments (continued):

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount of impairment recognized previously. The amount of the reversal is recognized in net income.

Cash and cash equivalents:

Cash and cash equivalents consist of balances with banks and short-term investments that can be converted readily to cash.

Use of estimates:

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed annually and adjustments are made to income as appropriate in the year they become known.

3. ECONOMIC DEPENDENCE:

The Association receives funding from a business revitalization zone levy that is part of taxes assessed by the City of Edmonton for all businesses in the zone. The Association's ability to continue operations in a manner similar to present operations is dependant on continuing to receive this revenue.

4. INCOME TAX STATUS:

The Association is an exempt organization within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

NORTHWEST INDUSTRIAL BUSINESS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

5. FINANCIAL INSTRUMENTS:

The Association is exposed to risk on certain financial instruments as follows:

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 risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on guaranteed investment certificates. The fixed-rate instruments subject the Association to a fair value risk.