

ALBERTA AVENUE BUSINESS ASSOCIATION

Edmonton, Alberta

December 31, 2019

Financial Statements

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the **Alberta Avenue Business Association**, which comprise of the statement of financial position as at December 31, 2019 and the statement of changes in net assets, operations and cash flows for the year then ended and a summary of the association's description, 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 accounting standards 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

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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association'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 association'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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the **Alberta Avenue Business Association** as at December 31, 2019 and the statement of changes in net assets, operations and cash flows year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

St. Albert, Alberta

May 01, 2020

Nguyen Scott
LLP

Nguyen Scott LLP

Chartered Professional Accountants

ALBERTA AVENUE BUSINESS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

December 31

2019

2018

ASSETS

Current

Cash	\$ 129,154	\$ 104,545
Short-term investments - Note 1	2,740	2,689
GST receivable	3,101	2,356
Prepaid expenses	<u>945</u>	<u>2,045</u>
	135,940	111,635

Equipment - Note 2 69 125

Intangible Asset - Note 3 2,405 3,007

\$ 138,414 \$ 114,767

LIABILITIES AND NET ASSETS

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ 4,805	\$ 4,766
Source deductions payable	<u>306</u>	<u>302</u>
	5,111	5,068

Deferred Contributions - Note 4 48,147 22,390

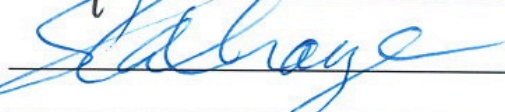
53,258 27,458

NET ASSETS 85,156 87,309

\$ 138,414 \$ 114,767

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

The accompanying notes are an integral part of these financial statements

3.

Nguyen Scott LLP
Chartered Professional Accountants

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

	<u>2019</u>			<u>2018</u>
	<u>Capital Assets</u>	<u>Unrestricted Surplus</u>	<u>Net Assets</u>	<u>Net Assets</u>
Opening balance	\$ 3,131	\$ 84,178	\$ 87,309	\$ 69,208
Deficiency of revenue over expenses	0	(2,153)	(2,153)	18,101
Amortization of capital assets	<u>(657)</u>	<u>657</u>	<u>0</u>	<u>0</u>
Closing balance	<u>\$ 2,474</u>	<u>\$ 82,682</u>	<u>\$ 85,156</u>	<u>\$ 87,309</u>

The accompanying notes are an integral part of these financial statements

4.
Nguyen Scott LLP
Chartered Professional Accountants

ALBERTA AVENUE BUSINESS ASSOCIATION**STATEMENT OF OPERATIONS****Year Ended December 31****2019****2018****Revenue:**

City of Edmonton levy	\$ 134,000	\$ 144,000
Special projects	13,560	5,035
Interest	559	333
Eats on 118	<u>0</u>	<u>6,266</u>
	<u>148,119</u>	<u>155,634</u>

Expenses:

Salaries, wages and benefits	61,339	60,157
Marketing/Advertising	33,458	9,187
Rent	10,243	9,143
Eats on 118	8,071	10,961
Flower baskets	7,220	7,380
Donations	6,100	1,285
Professional fees	5,593	6,074
Meetings	4,234	3,831
Office	3,586	6,498
Business together project	2,975	0
Cell phone	1,383	939
Telephone and fax	1,192	1,200
Insurance	1,028	1,028
Business mixer	684	0
Amortization	657	854
Website and internet	653	11,971
Travel and entertainment	614	1,147
Administration fees	566	801
Bank charges and interest	330	545
Contractors	228	1,861
Repairs and maintenance	118	1,685
Conferences	0	498
Training and resources	<u>0</u>	<u>488</u>
	<u>150,272</u>	<u>137,533</u>

**(Deficiency)/Excess of Revenue Over
Expenses****\$ (2,153) \$ 18,101**

The accompanying notes are an integral part of these financial statements

5.

Nguyen Scott LLP
Chartered Professional Accountants

ALBERTA AVENUE BUSINESS ASSOCIATION

STATEMENT OF CASH FLOWS

Year Ended December 31

2019

2018

CASH PROVIDED BY / (USED IN):

Operating Activities

Grant providers and donors	\$ 172,573	\$ 169,307
Suppliers and employees	<u>(148,469)</u>	<u>(137,427)</u>
	<u>24,104</u>	<u>31,881</u>

Investing Activities

Interest received from short-term investments	<u>557</u>	<u>333</u>
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Cash Increase 24,661 32,214

Cash, beginning of year 107,233 75,020

Cash, end of year \$ 131,894 \$ 107,234

Cash is comprised of:

Cash	\$ 129,154	\$ 104,545
Short-term investments	<u>2,740</u>	<u>2,689</u>
	<u>\$ 131,894</u>	<u>\$ 107,234</u>

ALBERTA AVENUE BUSINESS ASSOCIATION

DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

December 31, 2019

ORGANIZATION DESCRIPTION

The Alberta Avenue Business Association (the Association) 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 Canadian generally accepted 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 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%.

Intangible Asset

Intangible asset is capitalized at cost and amortized based on estimated useful life. Website development is amortized at a rate of 20%.

ALBERTA AVENUE BUSINESS ASSOCIATION

DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

December 31, 2019

SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial Instruments

The Association's financial instruments consist of cash, short-term investments, 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 Association's 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, 2019****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 Association will mature on January 30, 2020.

NOTE 2 - EQUIPMENT

	2019			2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Equipment	\$ <u>1,759</u>	\$ <u>1,690</u>	\$ <u>69</u>	\$ <u>125</u>

NOTE 3 - INTANGIBLE ASSET

	2019			2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Website	\$ <u>5,220</u>	\$ <u>2,815</u>	\$ <u>2,405</u>	\$ <u>3,007</u>

NOTE 4 - 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
BIA Levy	\$ 0	\$ 167,500	\$ 134,000	\$ 33,500
Flower Barrel Grant	3,790	0	3,790	0
Flower Pot Matching Grant	0	4,767	0	4,767
2019 Marketing matching grant (City of Edm)	15,000	0	8,000	7,000
Website	<u>3,600</u>	<u>0</u>	<u>720</u>	<u>2,880</u>
	<u>\$ 22,390</u>	<u>\$ 172,267</u>	<u>\$ 146,510</u>	<u>\$ 48,147</u>

NOTE 5 - LEASE COMMITMENT

The Association is obligated under a lease agreement for office facilities on 11739-88th Street, Edmonton, Alberta, expiring June 2020, requiring annual payments of \$9,600, payable in monthly installments.

ALBERTA AVENUE BUSINESS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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.