

The North Edge Business Association
Financial Statements
December 31, 2019

The North Edge Business Association

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INDEPENDENT AUDITORS' REPORT

To the Board of The North Edge Business Association

Opinion

We have audited the financial statements of **The North Edge Business Association** (the Organization), which comprise the statement of financial position as at December 31, 2019, and the results of its operations, changes in its net financial assets and cash flows for the years 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 North Edge Business Association as at December 31, 2019, the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations and accounting principles set out in Note 1.

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 the 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 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends 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 Responsibility 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. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

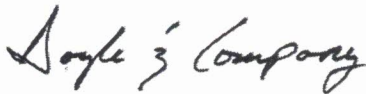
INDEPENDENT AUDITORS' REPORT - continued

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott Mockford, CPA, CA



Chartered Professional Accountants
August 31, 2020

11210 - 107 Avenue NW
Edmonton, Alberta
T5H 0Y1

The North Edge Business Association

Statement of Financial Position

As at December 31, 2019

	2019	2018
	\$	\$
Current Assets		
Cash	164,444	32,206
Accounts receivable (Note 2)	13,037	16,179
Investments (Note 3)	13,486	13,418
Prepaid expenses	1,083	1,395
	192,050	63,198
Capital Assets (Note 4)	2,021	2,527
	194,071	65,725
Current Liabilities		
Accounts payable	2,501	2,501
Deferred contributions (Note 5)	120,728	17,917
	123,229	20,418
Unamortized Capital Contributions (Note 6)	2,021	2,526
	125,250	22,944
Fund Balance		
Unrestricted	68,821	42,781
	194,071	65,725

Approved by the Board:



Director, BOARD CHAIR

Director

The accompanying notes form part of these financial statements.

The North Edge Business Association
Statement of Operations and Change in Fund Balances
For the year ended December 31, 2019

	2019 Budget \$	2019 Actual \$	2018 Actual \$
Revenue			
Levy	115,452	115,452	112,090
Ambassador program funds	-	140,000	-
Interest income	-	88	166
Draw from reserves	-	-	20,000
Grant revenue	47,391	70,652	18,350
Reimbursement grant	94,873	102,070	49,210
Other revenue	125	18	48
Repayment of grant revenue	-	-	(4,500)
Revenue deferred from previous period	-	20,443	37,934
Revenue deferred to subsequent period	-	(122,749)	(20,443)
	257,841	325,974	212,855
Expenses			
Administration			
AGM and meetings	6,000	3,071	4,383
GST paid on purchases	-	2,279	5,692
Insurance	-	1,800	1,705
Office	32,891	36,906	25,680
Telephone and website	-	2,802	2,479
Amortization	-	505	632
Professional fees	-	4,648	4,191
Programs and projects	146,950	43,217	88,162
Ambassador operations	-	154,280	-
Wages and employee benefits	72,000	50,426	120,863
	257,841	299,934	253,787
Excess (Deficiency) of Revenues over Expenses	-	26,040	(40,932)
Fund Balances, beginning of year	-	42,781	83,713
Fund Balance, end of year	-	68,821	42,781

The accompanying notes form part of these financial statements.

The North Edge Business Association

Statement of Cash Flows

For the year ended December 31, 2019

	2019	2018
	\$	\$
Operating Activities		
Cash received from levy's	115,452	112,090
Cash received from interest and other income	315,969	69,070
Cash paid to suppliers	(299,116)	(254,804)
	132,305	(73,644)
Investing Activities		
Increase in investments	(67)	(75)
Increase (Decrease) in Cash	132,238	(73,719)
Cash, beginning of year	32,206	105,925
Cash, end of year	164,444	32,206

The accompanying notes form part of these financial statements.

The North Edge Business Association

Notes to the Financial Statements

December 31, 2019

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, 2019

2. Accounts Receivable

	2019	2018
	\$	\$
City of Edmonton	12,959	16,115
Servus Credit Union interest	78	64
	13,037	16,179

3. Investments

	2019	2018
	\$	\$
Short Term Investments:		
Guaranteed Investment Certificate	13,476	13,409
Servus Credit Union Rewards	8	8
Servus Credit Union Common Share	2	1
	13,486	13,418

The Guaranteed Investment Certificate has maturity date of January 2020 with an annual interest rate of 0.60%.

Total interest accrued on the Guaranteed Investment Certificates is \$77 (2018 - \$64)

4. Capital Assets

	2019			2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Patio furniture	8,568	6,547	2,021	2,527

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

	2019	2018
	\$	\$
Capital grant - City of Edmonton	2,526	3,158
Amount amortized to revenue	(505)	(632)
	2,021	2,526