

INGLEWOOD BUSINESS REVITALIZATION ZONE ASSOCIATION
(Operating as The Crossroads Business Improvement Association)
Financial Statements
Year Ended December 31, 2019

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(Operating as The Crossroads Business Improvement Association)

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Year Ended December 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Inglewood Business Revitalization Zone Association, (Operating as The Crossroads Business Improvement Association) have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Inglewood Business Revitalization Zone Association, (Operating as The Crossroads Business Improvement Association)'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the directors' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the directors, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the directors by Ross & Sylvestre LLP, in accordance with Canadian accounting standards for not-for-profit organizations.

DocuSigned by:

E2347493846
Marc Tellier, Chairman

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67949125028
Paul Boucher, Treasurer

Edmonton, Alberta
October 21, 2020



INDEPENDENT AUDITOR'S REPORT

To the Directors of Inglewood Business Revitalization Zone Association

Opinion

We have audited the financial statements of Inglewood Business Revitalization Zone Association, operating as The Crossroads Business Improvement Association ("The Crossroads"), which comprise the statement of financial position as at December 31, 2019, and the statements of revenues and expenditures, changes in net assets and cash flows for the year 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 The Crossroads as at December 31, 2019, its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 The Crossroads 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 those 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 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.

In preparing the financial statements, management is responsible for assessing the The Crossroads 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 liquidate the The Crossroads or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the The Crossroads financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements



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Independent Auditor's Report to the Directors of Inglewood Business Revitalization Zone Association
(continued)

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 judgment 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 The Crossroads'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 The Crossroads'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 The Crossroads 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.

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.



Edmonton, Alberta
October 21, 2020

Chartered Professional Accountants



INGLEWOOD BUSINESS REVITALIZATION ZONE ASSOCIATION
(Operating as The Crossroads Business Improvement Association)

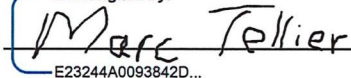
Statement of Financial Position

December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 126,731	\$ 32,433
Short-term investments (Note 3)	60,692	60,300
GST rebate receivable	697	2,336
	188,120	95,069
CAPITAL ASSETS (Note 4)	1,848	-
SERVUS MEMBERSHIP EQUITY, at cost	2,393	2,206
	\$ 192,361	\$ 97,275
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 16,490	\$ 6,461
Deferred income (Note 5)	40,000	-
	56,490	6,461
NET ASSETS		
Invested in capital assets	1,848	-
Unrestricted	134,023	90,814
	135,871	90,814
	\$ 192,361	\$ 97,275

ON BEHALF OF THE BOARD

DocuSigned by:

 Director

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INGLEWOOD BUSINESS REVITALIZATION ZONE ASSOCIATION
(Operating as The Crossroads Business Improvement Association)

Statement of Revenues and Expenditures

Year Ended December 31, 2019

	Budget 2019	Total 2019	Total 2018
REVENUE			
City of Edmonton levy	\$ 160,000	\$ 160,000	\$ 160,000
Donations-in-kind	-	3,360	3,360
Interest on investment	-	579	374
Fee and ticket revenue	4,000	1,800	-
	164,000	165,739	163,734
EXPENSES			
Advertising and promotion	6,840	-	6,006
Amortization	-	701	-
Board and meeting expenses	400	408	288
Consulting and administration	24,000	49,301	11,020
Flower barrels	25,000	6,061	23,532
Insurance and licenses	1,200	1,018	1,018
Interest and bank charges	140	636	374
Office	2,000	4,158	6,107
Professional fees	3,000	4,768	5,050
Rental	-	3,360	3,360
Special events	32,420	16,252	14,585
Travel and accommodations	3,000	1,868	3,500
Utilities	-	1,044	579
Wages and benefits	71,000	31,107	71,837
	169,000	120,682	147,256
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (5,000)	\$ 45,057	\$ 16,478

The accompanying notes are an integral part of these financial statements.

INGLEWOOD BUSINESS REVITALIZATION ZONE ASSOCIATION
(Operating as The Crossroads Business Improvement Association)

Statement of Changes in Net Assets

Year Ended December 31, 2019

		Invested in Capital Assets	Unrestricted	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$	-	\$ 90,814	\$ 90,814	\$ 74,336
Excess of revenue over expenses		-	45,057	45,057	16,478
Transfer of net additions to capital assets		2,549	(2,549)	-	-
Transfer of amortization		(701)	701	-	-
NET ASSETS - END OF YEAR	\$	1,848	\$ 134,023	\$ 135,871	\$ 90,814

The accompanying notes are an integral part of these financial statements.

INGLEWOOD BUSINESS REVITALIZATION ZONE ASSOCIATION
(Operating as The Crossroads Business Improvement Association)

Statement of Cash Flows

Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Cash receipts from grant providers and donors	\$ 205,159	\$ 163,360
Cash paid to suppliers, contractors, and employees	(110,648)	(148,577)
Interest on investment	579	374
GST rebates received	2,336	7,182
Cash flow from operating activities	97,426	22,339
INVESTING ACTIVITIES		
Purchase of capital assets	(2,549)	-
Reinvested investment income	(187)	(74)
Cash flow used by investing activities	(2,736)	(74)
INCREASE IN CASH	94,690	22,265
Cash - beginning of year	92,733	70,468
CASH - END OF YEAR	\$ 187,423	\$ 92,733
CASH CONSISTS OF:		
Cash	\$ 126,731	\$ 32,433
Short-term investments	60,692	60,300
	\$ 187,423	\$ 92,733

The accompanying notes are an integral part of these financial statements.

INGLEWOOD BUSINESS REVITALIZATION ZONE ASSOCIATION
(Operating as The Crossroads Business Improvement Association)

Notes to Financial Statements

Year Ended December 31, 2019

1. DESCRIPTION OF ORGANIZATION

The Inglewood Business Revitalization Zone Association, operating as The Crossroads Business Improvement Association "The Crossroads", was established and incorporated on February 8, 1996 under Bylaw 10919 and operates as a committee of the City Council. The Crossroads is a not-for-profit organization whose purpose is to develop programs to promote business, and improve and maintain lands and structures in The Crossroads Business Improvement Association in the City of Edmonton.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

The Crossroads follows the deferral method of accounting for contributions. Under this method, restricted contributions are recognized as revenue in the year in which the related expenses are incurred and unrestricted contributions are recognized as revenue when received. All revenues must meet the following criteria:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined, and
- the ability to collect is reasonably assured

Funding from the City of Edmonton from the business revitalization zone levies are recognized as revenue in the period to which they relate.

Donations-in-kind

Donations-in-kind are recorded at their fair market value at the time of the donation. During the year \$3,360 in goods were donated in-kind (2018 - \$3,360).

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Items subject to significant management estimates include useful lives of capital assets and recognition of deferred revenue. Actual results could differ from these estimates.

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INGLEWOOD BUSINESS REVITALIZATION ZONE ASSOCIATION
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Notes to Financial Statements

Year Ended December 31, 2019

6. ECONOMIC DEPENDENCE

The ongoing operations of The Crossroads depend primarily on the continuation of government funding through the City of Edmonton.

7. FINANCIAL INSTRUMENTS

The Crossroads' financial instruments consist of cash, short-term investments, accounts payable, and accrued liabilities. The carrying value of these financial instruments approximate their fair value, unless otherwise noted.

Unless otherwise noted, it is management's opinion that The Crossroads is not exposed to significant risks arising from these financial instruments.

8. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

On March 11, 2020, the World Health Organization declared the global outbreak of the Coronavirus, COVID-19, a pandemic. The extent of impact that COVID-19 will have on the operations and financial results of the organization in fiscal 2020 is currently not known with certainty.

9. REVIEW AND APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been reviewed and approved by the members of the Board of Directors.

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

