

124 STREET & AREA BUSINESS IMPROVEMENT AREA  
*(Formerly 124 Street and Area Business Revitalization Zone )*  
Financial Statements  
Year Ended December 31, 2017

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of 124 Street Business Improvement Area (Formerly 124 Street and Area Business Revitalization Zone )

We have audited the accompanying financial statements of 124 Street Business Improvement Area, (Formerly 124 Street and Area Business Revitalization Zone ), which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures, 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 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.

### 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.

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Independent Auditor's Report to the Members of 124 Street Business Improvement Area *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 124 Street Business Improvement Area, (Formerly 124 Street and Area Business Revitalization Zone ), as at December 31, 2017 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  
May 10, 2018

  
CHARTERED ACCOUNTANTS

124 STREET BUSINESS IMPROVEMENT AREA  
(Formerly 124 Street and Area Business Revitalization Zone)

Statement of Financial Position

December 31, 2017

	2017	2016
<b>ASSETS</b>		
CURRENT		
Cash	\$ 102,587	\$ 181,974
Accounts receivable (Note 3)	9,898	11,139
	<u>\$ 112,485</u>	<u>\$ 193,113</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 14,133	\$ 119,166
NET ASSETS	<u>98,352</u>	<u>73,947</u>
	<u>\$ 112,485</u>	<u>\$ 193,113</u>

ON BEHALF OF THE BOARD

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See notes to financial statements

124 STREET BUSINESS IMPROVEMENT AREA  
(Formerly 124 Street and Area Business Revitalization Zone )

Statement of Changes in Net Assets

Year Ended December 31, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 73,947	\$ 83,928
Excess of revenue over expenses	24,405	(9,981)
NET ASSETS - END OF YEAR	\$ 98,352	\$ 73,947

**124 STREET BUSINESS IMPROVEMENT AREA**  
**(Formerly 124 Street and Area Business Revitalization Zone )**

**Statement of Revenues and Expenditures**

**Year Ended December 31, 2017**

	2017	2016
<b>REVENUE</b>		
City of Edmonton BIA Levy	\$ 344,000	\$ 343,700
All is Bright (Note 5)	60,443	52,300
Interest	379	350
Westmount Community League	-	55,000
	<u>404,822</u>	<u>451,350</u>
<b>EXPENSES</b>		
Salaries and wages	141,461	117,256
All is Bright (Note 7)	78,544	66,229
Streetscaping and beautification (Note 6)	66,154	187,830
Marketing and special events (Note 8)	57,373	51,770
Rental	18,735	18,732
Office	6,708	5,472
Professional fees	4,000	4,100
Member relations	3,559	5,990
Insurance	1,463	1,449
Telephone	1,077	1,206
Meetings	1,064	1,158
Bank charges	279	139
	<u>380,417</u>	<u>461,331</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 24,405</u>	<u>\$ (9,981)</u>

124 STREET BUSINESS IMPROVEMENT AREA  
(Formerly 124 Street and Area Business Revitalization Zone )

Statement of Cash Flows

Year Ended December 31, 2017

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 24,405	\$ (9,981)
Changes in non-cash working capital:		
Accounts receivable	1,241	15,846
Accounts payable and accrued liabilities	(105,033)	24,213
Prepaid expenses	-	50,000
	(103,792)	90,059
<b>INCREASE (DECREASE) IN CASH FLOW</b>	(79,387)	80,078
Cash - beginning of year	181,974	101,896
<b>CASH - END OF YEAR</b>	<b>\$ 102,587</b>	<b>\$ 181,974</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 102,587	\$ 181,974

**124 STREET BUSINESS IMPROVEMENT AREA**  
**(Formerly 124 Street and Area Business Revitalization Zone )**

**Notes to Financial Statements**

**Year Ended December 31, 2017**

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**1. DESCRIPTION OF OPERATIONS**

124 Street and Area Business Improvement Area ("the Association") (Formerly 124 Street and Area Business Revitalization Zone) of Edmonton was established to create a vibrant and prosperous business community for 124 Street Business Improvement Area (Formerly 124 Street and Area Business Revitalization Zone) members through member support and involvement, strategic planning and monitoring and area marketing and promotion. The Association receives the majority of its revenue from the business improvement area levy administered by the City of Edmonton on behalf of the Association.

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**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).

Cash

Cash and cash equivalents consist primarily of cash on hand less outstanding cheques. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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. Actual results could differ from these estimates.

Equipment

Equipment acquired by the Association is expensed in the year purchased.

Revenue Recognition

- a) The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized in the statement of operations in the year in which the related expenditures 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.
- b) Interest income is recognized as revenue when earned.
- c) City of Edmonton BIA Levy, grant income and All is Bright income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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**124 STREET BUSINESS IMPROVEMENT AREA**  
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**Notes to Financial Statements**

**Year Ended December 31, 2017**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Income Taxes

The Association of Edmonton is affiliated with The City of Edmonton and, as a result, is exempt from income tax.

Statement of cash flows

The statement of cash flows has been prepared using the indirect method.

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**3. ACCOUNTS RECEIVABLE**

	<u>2017</u>	<u>2016</u>
GST recoverable	\$ 7,954	\$ 9,639
Other	<u>1,944</u>	<u>1,500</u>
	<u>\$ 9,898</u>	<u>\$ 11,139</u>

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**4. FINANCIAL INSTRUMENTS**

The Association initially measures financial assets and financial liabilities at their fair value. It subsequently measures its financial assets and financial liabilities at amortized cost. The financial assets and financial liabilities that are subsequently measured at amortized cost include cash, accounts receivable and accounts payable and accrued liabilities.

In management's opinion, the Association is not exposed to significant interest rate, foreign exchange or credit risk.

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**5. ALL IS BRIGHT**

The All is Bright on 124 Festival is an one-day, free outdoor event that celebrates the coming of the winter season in Edmonton through light installations, art, live entertainment, and family programming.

	<u>2017</u>	<u>2016</u>
Sponsorship	\$ 36,965	\$ 16,400
Festival income	13,478	5,900
City of Edmonton Arts Council Grant	10,000	10,000
The Groat Estates Residents Association	<u>-</u>	<u>20,000</u>
	<u>\$ 60,443</u>	<u>\$ 52,300</u>

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**124 STREET BUSINESS IMPROVEMENT AREA**  
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**Notes to Financial Statements**

**Year Ended December 31, 2017**

**6. STREETSCAPING AND BEAUTIFICATION**

	2017	2016
Flower barrels	\$ 30,301	\$ 32,394
Lighting	20,580	5,894
Murals	5,475	-
Sidewalk cleaning and landscaping	4,045	3,358
Discretionary	3,091	1,929
Park	2,662	144,255
	<u>\$ 66,154</u>	<u>\$ 187,830</u>

**7. ALL IS BRIGHT**

	2017	2016
Equipment and supplies	\$ 43,413	\$ 34,710
Administration	20,448	19,459
Entertainment	14,683	12,060
	<u>\$ 78,544</u>	<u>\$ 66,229</u>

**8. MARKETING AND SPECIAL EVENTS**

	2017	2016
Social Media	\$ 36,900	\$ 45,142
Branding	11,619	-
Community newsletters	4,659	2,068
Special events	2,500	3,000
Discretionary	1,695	1,560
	<u>\$ 57,373</u>	<u>\$ 62,402</u>

**9. CAPITAL DISCLOSURES**

The Association defines capital as the sum of unrestricted net assets and internally restricted net assets. In managing capital, the Association focuses on liquid resources available for operations. The Association's objective is to have sufficient liquid resources to continue operating despite adverse events with financial consequences and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget.

As at December 31, 2017, the Association has met its objective of having sufficient liquid resources to meet its current obligations.

124 STREET BUSINESS IMPROVEMENT AREA

*(Formerly 124 Street and Area Business Revitalization Zone )*

Notes to Financial Statements

Year Ended December 31, 2017

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10. COMPARATIVE FIGURES

Certain of the prior year figures have been reclassified to conform with current year presentation.

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