

**STONY PLAIN ROAD AND AREA  
BUSINESS REVITALIZATION ZONE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**



# STONY PLAIN ROAD AND AREA BUSINESS REVITALIZATION ZONE

FOR THE YEAR ENDED DECEMBER 31, 2017

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## INDEPENDENT AUDITORS' REPORT

To the Directors of

### STONY PLAIN ROAD AND AREA BUSINESS REVITALIZATION ZONE

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We have audited the accompanying financial statements of **Stony Plain Road and Area Business Revitalization Zone**, which comprise the statement of financial position as at December 31, 2017 and the statements of operations, 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.

#### Auditors' 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 both audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider 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, these financial statements present fairly, in all material respects, the financial position of **Stony Plain Road and Area Business Revitalization Zone** as at December 31, 2017, its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta  
May 15, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS

# STONY PLAIN ROAD AND AREA BUSINESS REVITALIZATION ZONE

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 128,267	\$ 123,636
Accounts receivable (Note 4)	8,631	4,479
	<u>136,898</u>	<u>128,115</u>
<b>INVESTMENTS (Note 3)</b>	<u>215,749</u>	<u>215,136</u>
	<u>\$ 352,647</u>	<u>\$ 343,251</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 2,497	\$ 9,132
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	183,371	167,340
<b>CAPITAL RESERVE</b>	<u>166,779</u>	<u>166,779</u>
	<u>350,150</u>	<u>334,119</u>
	<u>\$ 352,647</u>	<u>\$ 343,251</u>

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_ Director

\_\_\_\_\_ Director



# STONY PLAIN ROAD AND AREA BUSINESS REVITALIZATION ZONE

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		2016	
	Unrestricted Net Assets	Capital Reserve		
<b>NET ASSETS</b> , beginning of year	\$ 167,340	\$ 166,779	\$ 334,119	\$ 326,192
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	16,031	-	16,031	7,927
<b>NET ASSETS</b> , end of year	\$ 183,371	\$ 166,779	\$ 350,150	\$ 334,119



# STONY PLAIN ROAD AND AREA BUSINESS REVITALIZATION ZONE

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2017

	<b>2017</b>	<b>2016</b>
<b>REVENUE</b>		
Special levy	\$ 208,923	\$ 208,923
Grants	168,726	21,454
Other income and donations	5,645	194
	<b>383,294</b>	<b>230,571</b>
<b>EXPENSES</b>		
Advertising and promotion	89,435	26,829
Forums	1,869	1,951
Insurance	1,018	998
Meetings	2,998	1,670
Office supplies and equipment	2,803	1,828
Professional development	1,634	5,259
Professional fees	3,400	2,800
Program costs - flower baskets	49,963	8,630
Program costs - special events	47,121	32,946
Program costs - street cleaning	9,198	5,804
Salaries and benefits	136,837	113,182
Rent and storage	18,713	19,654
Utilities and telephone	2,584	2,521
Website development	382	245
	<b>367,955</b>	<b>224,317</b>
<b>INCOME FROM OPERATIONS</b>	<b>15,339</b>	<b>6,254</b>
<b>INTEREST INCOME</b>	<b>692</b>	<b>1,673</b>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ 16,031</b>	<b>\$ 7,927</b>



# STONY PLAIN ROAD AND AREA BUSINESS REVITALIZATION ZONE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from special levy and other income	\$ 383,294	\$ 227,191
Cash paid to suppliers and contractors	(378,742)	(199,952)
Interest received	692	1,673
<b>INCREASE IN CASH DURING THE YEAR</b>	<b>5,244</b>	<b>28,912</b>
<b>CASH, beginning of year</b>	<b>338,772</b>	<b>309,860</b>
<b>CASH, end of year</b>	<b>\$ 344,016</b>	<b>\$ 338,772</b>
<b>REPRESENTED BY</b>		
Cash	\$ 128,267	\$ 123,636
Investments	215,749	215,136
	<b>\$ 344,016</b>	<b>\$ 338,772</b>



# STONY PLAIN ROAD AND AREA BUSINESS REVITALIZATION ZONE

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

### 1. NATURE OF OPERATIONS

The City of Edmonton Bylaw 14125 established a business revitalization zone located within the area bounded by 140 Street and 100 Avenue and 102 Avenue, centred along Stony Plain Road. The Association was established as a result of the bylaw with the purpose to improve, beautify and maintain the property and to develop, improve and maintain public parking and to promote the zone as a business and shopping district.

The Stony Plain Road and Area Business Revitalization Zone is a not-for-profit organization and accordingly, no provision for corporate taxes has been provided for in the financial statements, pursuant to paragraph 149(1)(l) of the Income Tax Act, Canada.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted Accounting Standards for not-for-profit organizations.

#### (a) Use of Estimates

The preparation of private sector not-for-profit 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Estimated life of property and equipment and inventory valuation, if applicable, are the most significant items that involve the use of estimates.

#### (b) Financial Instruments

##### *Measurement of financial instruments*

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association's financial assets such as marketable securities, if any, are measured at fair market value.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The 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 that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.





# STONY PLAIN ROAD AND AREA BUSINESS REVITALIZATION ZONE

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

(b) Financial Instruments (continued)

*Transaction costs*

The Association recognizes its transaction costs, if any, in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(c) Unrestricted Net Assets

Unrestricted net assets represent the cumulative excess of special levies and interest income over expenditures.

(d) Capital Reserve

The Capital Reserve is internally restricted funds that are earmarked for future program and projects in accordance with the bylaws.

(e) Revenue Recognition

Revenue is recognized when due in accordance with the special levy program established by the City of Edmonton.

Grant revenue is recognized upon receipt.

(f) Contributed Services

Volunteers contribute time each year to aid the Stony Plain Road and Area Business Revitalization Zone in carrying out its activities. Due to the difficulty in determining the fair value of these services, the financial value of contributed services is not recognized in these financial statements.

(g) Cash and Cash Equivalents

The Association's policy is to disclose bank balances under cash and cash equivalents, including investments in T-bill savings account and guaranteed investment certificates that are not externally restricted.

### 3. INVESTMENTS

	<u>2017</u>	<u>2016</u>
T-bill savings account	<u>\$ 215,749</u>	<u>\$ 215,136</u>

Interest on the T-bill savings account is paid monthly based on the bank's rate.



# STONY PLAIN ROAD AND AREA BUSINESS REVITALIZATION ZONE

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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### 4. ACCOUNTS RECEIVABLE

	2017	2016
Goods and Services Tax rebate	\$ 8,631	\$ 4,479

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### 5. COMMITMENTS

The Association has an operating lease for its premises for \$9,348 gross rent from January 1, 2018 to December 31, 2022.

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### 6. ECONOMIC DEPENDENCE

The Association is economically dependent on the City of Edmonton as it provides over 85% of its revenue.

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### 7. FINANCIAL INSTRUMENTS

#### *Risks and concentrations*

The Association is exposed to various risks through its financial instruments without being exposed to concentrations of risk.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to accounts receivable. The Association provides credit to its members and clients in the normal course of operations.

#### *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 is comprised of three types of risk: currency risk, interest rate risk and price risk. The Association is mainly exposed to price risk.

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