

The Crossroads Business Improvement Area



ANNUAL REPORT 2021

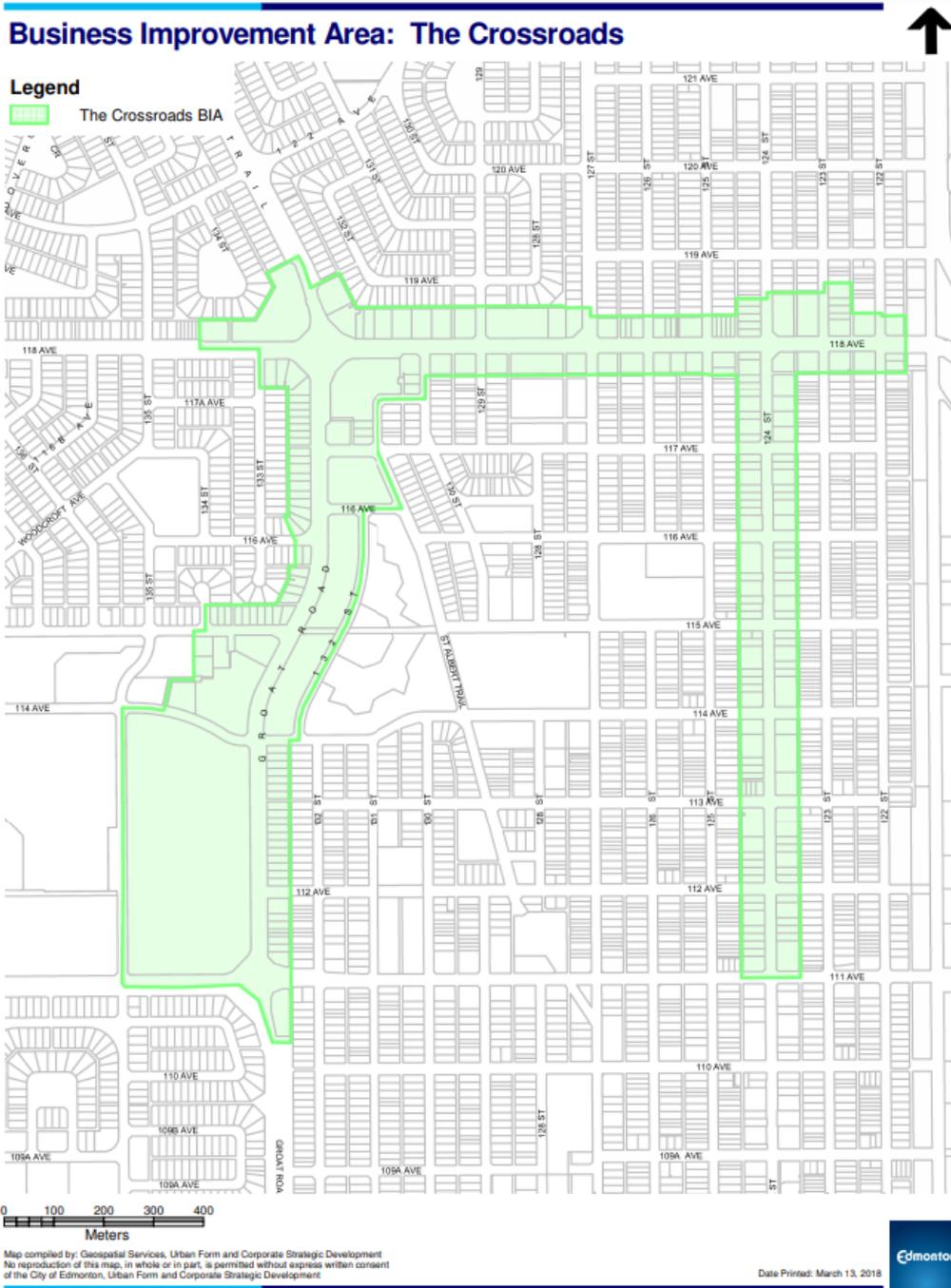
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CROSSROADS BIA BOUNDAIRES



Proudly serving Dovercourt, Inglewood, North Glenora, Prince Charles, Prince Rupert, Queen Mary Park, Sherbrooke, Westmount and Woodcroft areas.

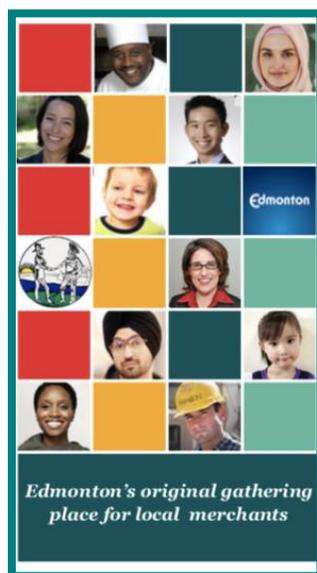
EDMONTON'S ORIGINAL GATHERING PLACE FOR LOCAL MERCHANTS

The Crossroads Business Improvement Area is one of 13 BIA's in Edmonton. The Crossroads BIA was established by City of Edmonton Bylaw #18181. We are a community of local business owners in Central Edmonton who have banded together to promote the economic development in our area. We are committed to supporting one another, our community, our schools and our not-for-profit organizations.

The Crossroads BIA is working to promote and celebrate our area's rich history to attract local residents, the greater Edmonton community and tourists.

We are doing this by:

- Ensuring our streets are clean
- Making our area attractive and desirable to walk
- Working to make our neighborhoods safe
- Celebrating our rich and long historic area
- Keeping our community connected through communication and events
- Marketing our area as a welcoming place to visit, shop and connect on our website and social media
- Acting as a liaison between our businesses and the City of Edmonton



VISION, MISSION & VALUES

Vision

- The Crossroads Business Improvement Area is a resourceful entity that attracts eclectic businesses, connects surrounding communities, and contributes to a safe, vibrant and diverse neighborhood.

Mission

- The Crossroads Business Improvement Area supports member businesses through program development by advocating to governments and other stakeholders, to create a vibrant and diverse place to work, shop and live.

Values

- Affordability
- Cleanliness
- Collaboration
- Inclusivity
- Independence
- Pride
- Safety
- Vibrancy



BOARD OF DIRECTORS



Marc Tellier
Board Chair
Tirecraft



Glen Wesley
Board Treasurer
Boston Pizza



Paul Bouchier
Board Member
Loan Star Jewelry & Loans



Mark Teekha
Board Member
Discovery Café



Cara Reay
Board Member
Ruffington's Palace



Bob Pringle
Board Member
Day's Painting Supplies

STAFF



Jamie Hayward
Executive Director



Jennifer Brownridge
Bookkeeper



Alice Funk
Marketing Coordinator

"Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results." -Andrew Carnegie

CHAIR'S MESSAGE

The Crossroads Business Improvement area went through a significant change in 2021 and saw ourselves shift back to a more back to basics approach to working with our membership. This started with the hiring of our new Executive Director, Jamie-Lee Hayward who joined our team in January 2021.

While 2021 was filled with so many challenges for businesses with the pandemic and limited operations, we did manage to still run some very valuable programming and resources for businesses for everything from grants municipally, provincially and federally. We even managed to run a couple of Covid friendly socially distanced programs to support our community leagues and local schools in the area with our Back to School shopping event.

I am pleased at the level of engagement we are seeing grow from our membership and the engagement we are receiving from the municipality itself. We were successful in getting our crosswalk lit and our street light poles replaced in late 2021 as well as a commitment to some infrastructure repairs in 2022. Our BIA has been neglected for far too long and we are pleased with the commitments being made so far.

Our organization is committed to working with our members, partners, and all levels of governments to further the agenda of our businesses and ensure our area is prepared for growth and future development

I enjoyed serving as the board chair and I am happy to report that we have a diverse well-balanced board that is eager to help where we can. I would encourage all our members to take the time to look at our web site or reach out to the BIA office to learn about ways to become more involved.

Sincerely,

Marc Tellier

Board Chair, The Crossroads Business Improvement Area

EXECUTIVE DIRECTOR'S MESSAGE

As I am writing this annual report, I'm realizing that I have been on the job for a year now as the Executive Director and I must say while it's been filled with challenges, I have very much enjoyed the work.

The pandemic certainly made my job that much more challenging in 2021 as we looked and searched for ways to support our business members from a distance and while many were closed. This encouraged me to work with my local BIA Council of 13 BIA's and become involved at the provincial level and even the federal level to advocate for programming grants and services that would see support go directly to businesses affected in our area by the pandemic.

While I still have much to learn I will be focused in 2022 on continuing to repair the infrastructure within our BIA. I will work with the board and the city to meet the mandate of beautification, enhancement and marketing while keeping business recruitment as a top priority for the area.

2022 will Come with new challenges as we find our way out of the pandemic and focus on recovery for small business. I look forward to being a part of that.

Sincerely,



Jamie-lee Hayward

Executive Director, The Crossroads Business Improvement Area

PROJECTS & EVENTS

Beautification

Bloomin' Boulevards

The Crossroads Business Improvement Area continued our efforts to beautify our main streets through partnership with the City of Edmonton's Bloomin' Boulevards program. The BIA provided 26 flower barrels to our district at a cost of approximately \$6000.00. We have also secured commitments to carry this program into 2022.



The Crossroads BIA also offered a Winter Barrel Program, placing decorative Holiday Trees in strategic location in our district to enhance our streets. Our BIA invested \$6000.00 to Winter Barrels. This was well received from our members and visitors to the Crossroads BIA.

McMan Youth, Family & Community Services Association Clean- Up

Over the last two years the Crossroads BIA has been partnering with our McMan Youth, Family & Community Services Association to provide the district with exemplary clean up services. Over 2021 the BIA saw more than 100 hours of clean-up provided to the Crossroads district. The Crossroads BIA looks forward to its continued partnership in 2021 and providing our businesses and community members with a clean place to gather. Further this partnership has allowed us to invest \$5000.00 directly into the hands of individuals who are vulnerable or facing disability challenges. Without this partnership, these efforts would not have been affordable. We extend our deepest gratitude to McMan Youth, Family and Community Services Association, supporting and providing working opportunities for individuals with disabilities.



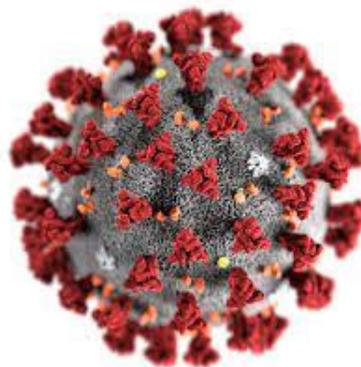
**McMan Youth Family and
Community Services Association**

Covid-19 Resources



Operating a business is certainly not for the faint of heart, and it requires resilience, dedication, hard work, and a commitment like no other job, especially during a global pandemic. 2021 brought many new challenges and changes for our Crossroads BIA

businesses to overcome. The Crossroads BIA has focused on relieving some of the stress brought about by the pandemic, by sharing relevant information, relief options, hand sanitizers and providing support. The Crossroads BIA is committed to working collaboratively with all levels of government and the municipality to ensure relief efforts that are made available, are getting in the hands of our business operators. After all the pandemic is not the doing of businesses, and government restrictions while needed, must not further impede businesses and economy. The BIA will continue to provide information for business to access relief and funding supports available in 2022.



Online Contest/ Member Engagement

The Crossroads BIA took to social media in 2021 and found this a great way to connect with our members and promote online COVID-19 friendly member engagement. The BIA ran a Bullying Awareness campaign, proving our three winners with Pizza Parties, Earth Day Clean up social media campaign.



**Join us on Earth Day
for a Spring Clean
in Crossroads!**

Thursday, April 22nd
Clean up in front or around your
business

Post a photo to our social media or email
info@thecrossroadsbia.com for an entry into
a draw for a prize!

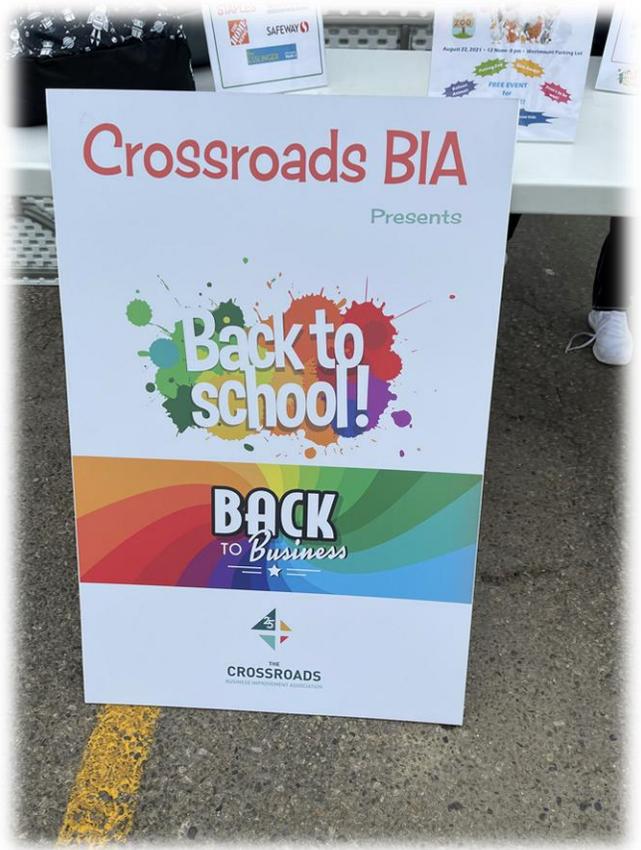
Clean-up kits are available at the Crossroads offices.
Please call 780.705.0250 to reserve



Shop Local- Back to School, Back to Business

The Crossroads BIA hosted its first “Back to School, Back to Business” event on August 22nd 2021 to promote community engagement and shopping local. We worked with our local businesses to compose 200 backpacks, loaded with school supply essentials to families with school aged children, a complimentary refreshments, Balloon Art and a Petting Farm targeting families who may not have been able to afford school necessities. We also gave 200 “Crossroads Cash” coupons with the value of \$5.00 to participants to be used at participating Westmount Centre Businesses to encourage shopping locally. This was a key component to support the merchants directly and the Crossroads BIA covered the \$5.00 back to each merchant who expected the cash on the day of the event. In total 143 coupons were used on the day of the event, and several businesses reporting high traffic volumes in the Westmont Centre businesses and an increase in sales as a result of this event. This was a great opportunity for the Crossroads BIA to work on repairing its relationship with the Westmount Mall and Westmount Centre Merchants.





The Crossroads BIA & 7-Eleven Hot Lunch Program

The BIA partnered with members this year to promote community engagement. 7-Eleven & The Crossroads BIA provided a hot lunch program to all three of our business daycares.

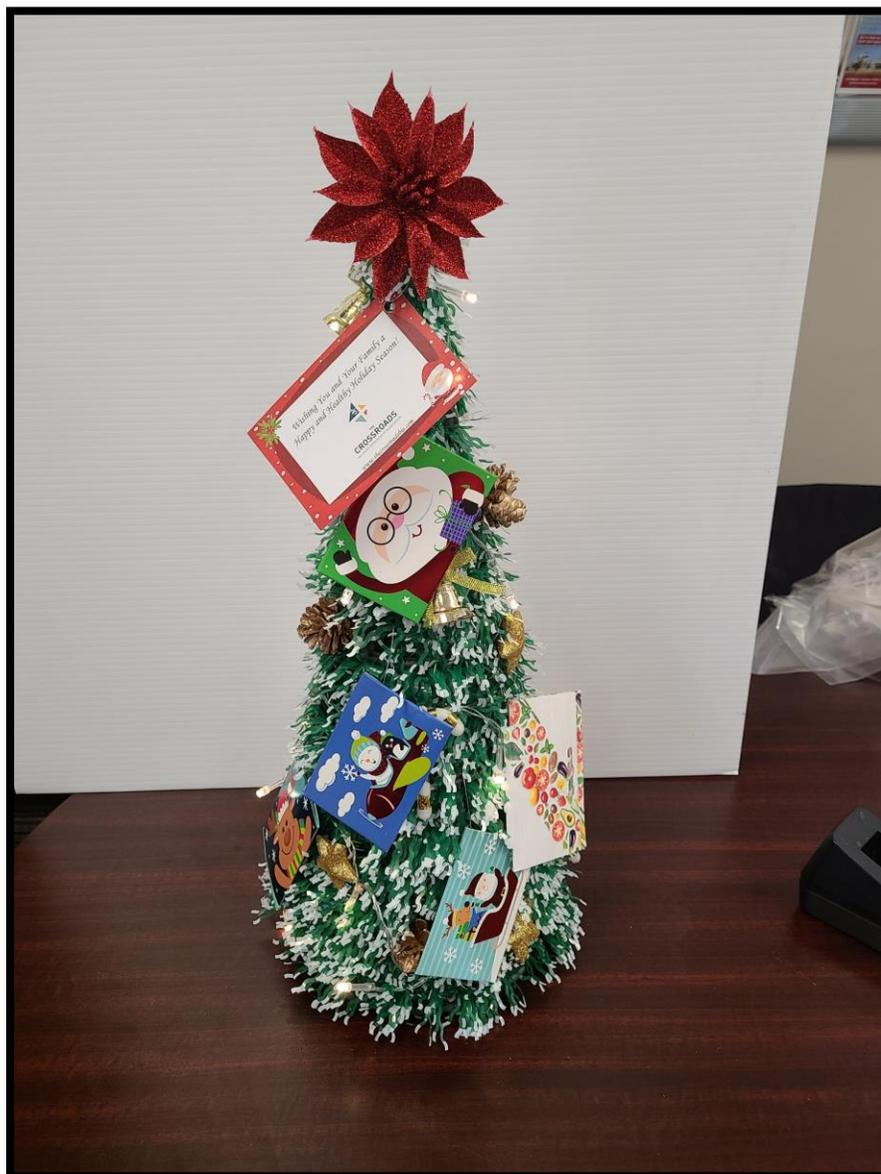


Website - THECROSSROADSBIA.COM

Our website has been under construction throughout 2021. We have been working with our business member and service provider ProPc Inc to redesign our website to meet the needs. We have a member directory, events, leasing opportunities and information on business improvement areas.

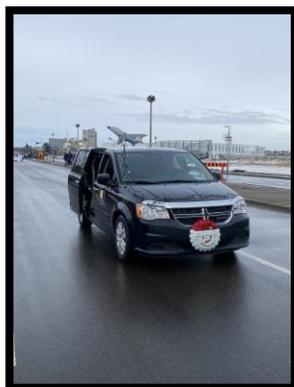
Holiday Campaign - Holiday Tree Giveaway

The Crossroads BIA holiday campaign was designed as a marketing strategy for our business members. Members were able to register for a “Holiday Tree” valued at \$200.00 in gift cards to our local businesses. Each business was able to create and facilitate their own holiday draw, whether it be to increase social media presence, to reach new customers or to provide a little holiday cheer. This campaign was well received by our membership.



Holiday Christmas Parade

The Crossroads Business Improvement Area shares a border with the Kingsway District Association. This holiday season our BIA worked with the Kingsway District Association to allow our BIA members the opportunity to participate in the Kingsway District Holiday Parade. Our BIA supported three businesses members by covering all registration fees. This provided our members with a unique opportunity to market their business and spread some holiday cheer.



BIA ADVOCACY

2021 20% Levy Reduction

The Crossroads BIA while demonstrating our own fiscal restraint, still managed to advocate and follow through on several projects. The Crossroads BIA understands the pressures and financial burden businesses have endured due to the COVID-19 pandemic. With the support of the BIA Council, we had advocated to our municipal government to vote in favor of a 100% reduction to our tax levy for all our businesses, and on April 21st, 2021 the City voted in favor! This commitment from the city to cover all the tax levies truly demonstrated a true partnership and understanding of the value of our BIA's. The 20 % tax levy reduction we proposed was our way to commit to being “in this together” with our businesses.

Infrastructure Repairs/Replacement

The Crossroads BIA is working to promote business recruitment to our district. To do this we need to ensure our BIA infrastructure supports growth in our district. Our Streetlamps have been a topic of discussion over the past few years. The BIA has been working hard with our City of Edmonton Infrastructure team to see our 118th Avenue and Groat Road streetlamps with significant rust be replaced in the coming months. These poles will transform our area by providing vibrancy and will help us attract business into our vacancies. Replacement of 44 poles began in October 2021.



The BIA has been heavily involved in the 124 Street Renewal Project. We will be implementing decorative and seasonal lighting, beautification measures and wayfinding to promote gathering in our district. Construction is set to begin on 124 Street in spring 2022.

Project Vision

Initial public engagement for **124 Street Renewal** was carried out with **Inglewood Neighbourhood Renewal** and **Neighbourhood Revitalization**. This public input was used to create the **project vision**:

124 Street is ...



Walkable



A place for people to meet



Safe to cross



Bright and well-lit



Winter friendly



An area that brings people to places



A green street



A space for business and residential

Edmonton

Along with our streetlamps, the BIA has been an advocate for safer pedestrian friendly streets to promote walkability in our area. The City of Edmonton worked at addressing our concerns over the 123rd Street unmarked pedestrian crosswalk over six lanes of traffic and implementing a pedestrian-initiated signal. The project is scheduled to be completed in 2022.



Crime and Homelessness

In 2021, we were invited to participate in the Kingsway District Association's Crime and Homelessness Committee as our BIA's are adjacent and share common concerns. As a smaller BIA, this provided the us the opportunity to discuss key concerns in our district and work with our local EPS officers and community social agencies.

Member of Parliament James Cummings Round Table Discussion

The BIA hosted its virtual round table with previous Edmonton Centre Member of Parliament James Cummings to allow our members the opportunity to advocate at the federal level for economic recovery.



In the fall of 2021 Edmonton Centre welcomed its new Member of Parliament Randy Boissonnault. We value the opportunity to collaborate with our federal leaders and our BIA took advantage of this opportunity to meet with The Honorable Randy Boissonnault. The Crossroads BIA is committed to working with all

levels of government to ensure our members have the best representation possible and an opportunity to ensure issues stay top of mind for our leaders.

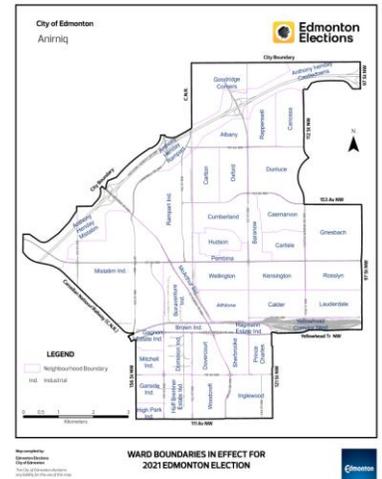
Anirniq Ward

In 2021, The Crossroads Business Improvement Area officially become apart of the newly named Anirniq ward, formally Ward 2 in the City of Edmonton.

Anirniq (ᐱᐢᐣᐣᐣᐣᐣᐣ) means 'Breath of Life', or spirit. The name was recommended to the city by Inuit Elders because of tuberculosis that took the breath and spirit of Indigenous people.

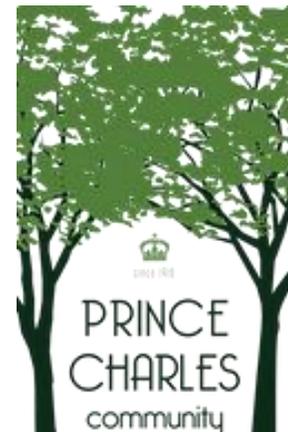
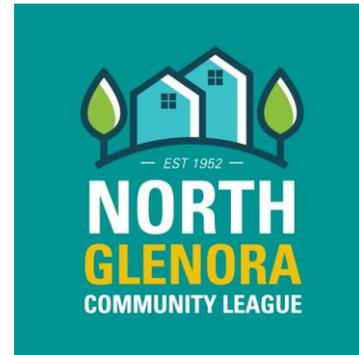


The Crossroads Business Improvement Area in October of 2021, welcomed Erin Rutherford our new Anirniq City Councillor. We look forward to working together in 2022 to promote community economic development.



LOCAL COMMUNITY LEAGUES

Our relationship with the nine communities are very important to the Crossroads BIA. The surrounding communities include Inglewood, Prince Charles, Sherbrooke, Dovercourt, Woodcroft, North Glenora, Westmount, Prince Rupert, and Queen Mary Park areas. Our goal is to share information and learn what is happening in our neighborhood and be a liaison between community and businesses. Crossroads is working to increase our profile with our local community leagues. We will continue to support and promote our community leagues and look forward to upcoming partnership opportunities.



ANNUAL GENERAL MEETING 2021

On October 13th, Members of the Crossroads Business Improvement Area gathered at the Boston Pizza Westmount for our Annual General Meeting.

Marc Tellier, The Crossroads BIA Acting Chair, welcomed attendees and called the meeting to order. He gave an overview of the previous year, as well as a quick overview of what has been happening in 2020/2021. Our city Councilor at the time Bev Esslinger was present to provide our members with warm greetings from the City of Edmonton. All director nominations were accepted and approved in early December.

The Crossroads BIA took the opportunity to recognize Marc Tellier and Paul Boucher for their dedication and service of 5 years as active Crossroads BIA board members.



MOVING FORWARD

Crossroads BIA Commitment for 2022

The Crossroads Business Improvement Area businesses play a vital role to help stimulate our economy and support our communities. Now, more than ever, we know you will need our support and guidance. Our Crossroads BIA, being so small, has specifically aligned ourselves with the Edmonton BIA Council, Alberta BIA Alliance and IDA Canada to advocate for us at the municipal, provincial and national level.

We need to continue our efforts on “Shop Local” Campaigns and continuing to identify infrastructure deficiencies in our district for repair/replacement.

Well, I understand the economic recovery cannot fall solely to the shoulders of our government, I will say we will continue to advocate for more to be done to ensure we are paving the ways for entrepreneurs to come out on top at the end of this global pandemic.

We are confident we are meeting the needs of our business members as we have seen a level of support and engagement continue to grow through out 2021. We will work on creating opportunities in our district.

INDEPENDENT AUDITORS REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Crossroads Business Improvement Area

Opinion

We have audited the financial statements of The Crossroads Business Improvement Area (the Association), which comprise the statement of financial position as at December 31, 2021, 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 Association as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Association in accordance with 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 the financial statements in accordance with ASNPO, 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

(continues)

Independent Auditor's Report to the Members of The Crossroads Business Improvement Area
(continued)

Auditor's Responsibilities 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 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 Association'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 Association'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 Association 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.

(continues)

Independent Auditor's Report to the Members of The Crossroads Business Improvement Area
(continued)

Gadowsky & Associates LLP

Gadowsky & Associates LLP
Chartered Professional Accountants

Edmonton, Alberta
April 13, 2022

THE CROSSROADS BUSINESS IMPROVEMENT AREA**Statement of Financial Position****December 31, 2021**

	2021	2020
Assets		
Current		
Cash and bank <i>(Note 3)</i>	\$ 178,474	\$ 181,379
Short-term investments <i>(Note 4)</i>	62,070	61,718
GST rebate	575	437
Prepaid expenses	410	-
	241,529	243,534
Capital assets <i>(Note 5)</i>	927	2,059
Servus membership equity	2,640	2,510
	\$ 245,096	\$ 248,103
Liabilities and Net assets		
Current		
Accounts payable and accrued liabilities	\$ 3,902	\$ 10,646
Wages payable	4,100	-
Employee deductions payable	-	4,243
Deferred contributions <i>(Note 6)</i>	32,000	32,000
	40,002	46,889
Net Assets		
Unrestricted	204,167	199,155
Invested in capital assets	927	2,059
	205,094	201,214
	\$ 245,096	\$ 248,103

On behalf of the Board

Marc Tellier Director

Bob Pringle Director

See notes to financial statements

THE CROSSROADS BUSINESS IMPROVEMENT AREA
Statement of Revenues and Expenditures
Year Ended December 31, 2021

	2021	2020
Revenues		
City of Edmonton levy <i>(Note 8)</i>	\$ 128,000	\$ 160,000
Donations in kind <i>(Note 9)</i>	3,360	3,360
Grants	500	-
	131,860	163,360
Expenses		
Salaries and wages	\$ 87,130	\$ 63,369
Flower barrels	14,967	10,182
Advertising and promotion	9,774	84
Office	4,936	2,686
Rental <i>(Note 9)</i>	3,360	3,360
Professional fees	3,296	7,639
Telephone	1,573	3,969
Amortization	1,132	1,482
Insurance	1,039	1,069
Interest and bank charges	735	231
Employee benefits	519	-
Board and meeting expense	-	844
Consulting fees	-	3,000
Special events	-	802
Travel	-	444
	128,461	99,161
Excess of revenues over expenses from operations	3,399	64,199
Interest income	481	1,144
Excess of revenues over expenses	\$ 3,880	\$ 65,343

See notes to financial statements

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THE CROSSROADS BUSINESS IMPROVEMENT AREA
Statement of Changes in Net Assets
Year Ended December 31, 2021

	Unrestricted		Invested in Capital Assets		2021	2020
Net assets - beginning of year	\$ 199,155	\$ 2,059	\$ 201,214	\$ 135,871		
Excess of revenues over expenses	5,012	(1,132)	3,880	65,343		
Net assets - end of year	\$ 204,167	\$ 927	\$ 205,094	\$ 201,214		

See notes to financial statements

THE CROSSROADS BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
Operating activities		
Excess of revenues over expenses	\$ 3,880	\$ 65,343
Item not affecting cash:		
Amortization of capital assets	1,132	1,482
	5,012	66,825
Changes in non-cash working capital:		
GST rebate	(138)	260
Prepaid expenses	(410)	-
Accounts payable and accrued liabilities	(6,744)	(3,994)
Wages payable	4,100	-
Employee deductions payable	(4,243)	2,393
Deferred contributions	-	(8,000)
	(7,435)	(9,341)
Cash flow from (used by) operating activities	(2,423)	57,484
Investing activities		
Purchase of capital assets	-	(1,693)
Servus membership equity	(130)	(117)
Cash flow used by investing activities	(130)	(1,810)
Increase (decrease) in cash flow	(2,553)	55,674
Cash - beginning of year	243,097	187,423
Cash - end of year	\$ 240,544	\$ 243,097
Cash flows supplementary information		
Interest received	\$ (481)	\$ (1,144)
Interest paid	\$ 733	\$ 231

See notes to financial statements

THE CROSSROADS BUSINESS IMPROVEMENT AREA
Notes to Financial Statements
Year Ended December 31, 2021

1. Business nature

The Crossroads Business Improvement Area (the "Association") is a not-for-profit organization of Alberta. The Association is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Association was established on February 8, 1995 as a corporation pursuant to Section 51(2) of the Municipal Government Act under Bylaw 18181 and operates as a committee of the Edmonton City Council.

The Association's purpose is to develop programs to promote business and to improve and to maintain lands and structures in the The Crossroads Business Improvements Area 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.

Revenue recognition

The Crossroads Business Improvement Area 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.

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 office space was donated-in kind (2020 - \$3,360).

Cash and cash equivalents

Cash and cash equivalents, includes cash and short-term investments.

(continues)

THE CROSSROADS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year Ended December 31, 2021

2. Summary of significant accounting policies (continued)

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	55% declining balance method
--------------------	------------------------------

The Association regularly reviews its equipment to eliminate obsolete items.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial instruments subsequently measured at amortized cost include cash, short-term investments, accounts payable, and accrued liabilities.

Financial instruments subsequently measured at cost include Servus membership equity.

Transaction costs

Transaction costs related to financial instruments subsequently measured at fair value are recognized in the statement of income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. If there is an indication of impairment, and the Association determines that a significant adverse change has occurred in the expected timing or amounts of future cash flows from the asset, a write-down is recognized in net surplus in the fiscal year. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 surplus.

(continues)

THE CROSSROADS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements
Year Ended December 31, 2021

2. Summary of significant accounting policies (continued)

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.

Items subject to significant management estimates include useful life of capital assets, accrued liabilities and gain (loss) on non-monetary transactions. Actual results could differ from these estimates.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining the fair value of their services, contributed services are not recognized in the financial statements.

3. Cash and bank

	2021	2020
Cash and bank	\$ 178,474	\$ 181,379
Short-term investments	62,070	61,718
	\$ 240,544	\$ 243,097

4. Short-term investments

	2021	2020
GIC investments	\$ 61,973	\$ 61,299
Interest accrued	96	419
	\$ 62,069	\$ 61,718

Short-term investments consist of a one year redeemable GIC certificate of deposit, which will mature within the subsequent year, established in accordance with the Association's investment policy. The investment interest rate is 0.25% and the maturity date is May 18, 2022.

The interest accrued for the period May 19, 2021 to December 31, 2021 was \$96 (2020 - \$419).

THE CROSSROADS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year Ended December 31, 2021

5. Capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 4,242	\$ 3,315	\$ 927	\$ 2,059

6. Deferred contributions

	2021	2020
<u>City of Edmonton Levy</u>		
Balance, beginning of the year	\$ 32,000	\$ 40,000
Amounts received during the year	128,000	152,000
Amounts recognized as revenue in the year	(128,000)	(160,000)
	\$ 32,000	\$ 32,000

Deferred contributions are funds received for the first quarter of the following year. Deferred contributions for 2021 are \$32,000 (2020 - \$32,000).

7. Financial instruments

The Association's 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 Association is not exposed to significant risks arising from these financial instruments.

8. Economic dependence

The ongoing operations of the Association depend primarily on the continuation of municipal tax levy funding through the City of Edmonton. Revenue received represents 97% (2020 - 98%) of the Association's total revenue.

9. Non-monetary transaction

During the year, the Association provided beautification services to an organization in exchange for rent. These transactions are accounted for at the fair value of services received, being \$3,360 (2020 - \$3,360).

THE CROSSROADS BUSINESS IMPROVEMENT AREA**Notes to Financial Statements****Year Ended December 31, 2021**

10. Comparative figures

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



THE
CROSSROADS
BUSINESS IMPROVEMENT ASSOCIATION

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