

**FRENCH QUARTER BUSINESS ASSOCIATION**  
**Financial Statements**  
**Year Ended December 31, 2016**

**FRENCH QUARTER BUSINESS ASSOCIATION**  
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**Year Ended December 31, 2016**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Directors of French Quarter Business Association

We have audited the accompanying financial statements of French Quarter Business Association, which comprise the statement of financial position as at December 31, 2016 and the statements of operations and 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.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of French Quarter Business Association as at December 31, 2016 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.

*King + Company*

Edmonton, AB  
April 11, 2017

CHARTERED ACCOUNTANTS

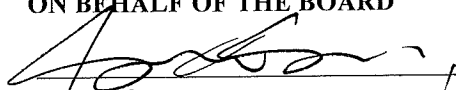
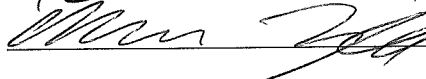
**FRENCH QUARTER BUSINESS ASSOCIATION**

**Statement of Financial Position**

**As at December 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 46,200	\$ 24,335
Goods and services tax recoverable	2,421	2,892
Prepaid expenses	<u>4,171</u>	<u>3,823</u>
	52,792	31,050
<b>WEBSITE (Note 2)</b>	<u>3,878</u>	<u>5,170</u>
	<u>\$ 56,670</u>	<u>\$ 36,220</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 3)	\$ 6,466	\$ 16,383
	<u>50,204</u>	<u>19,837</u>
<b>NET ASSETS</b>	<u>\$ 56,670</u>	<u>\$ 36,220</u>

**ON BEHALF OF THE BOARD**

 Director  
 Director

**FRENCH QUARTER BUSINESS ASSOCIATION****Statement of Operations and Net Assets****Year Ended December 31, 2016**

	Budget (Unaudited)	2016	2015
<b>REVENUE</b>			
Levies	\$ 155,000	\$ 165,000	\$ 165,000
Expense recoveries	-	4,819	-
Other	2,500	595	1,187
	<u>157,500</u>	<u>170,414</u>	<u>166,187</u>
<b>EXPENSES</b>			
Salaries and benefits	91,440	77,288	90,519
Advertising and promotion	10,000	18,488	41,622
Street beautification	12,000	11,025	11,662
Board	8,350	8,734	2,464
Rent	8,400	8,499	8,395
Professional fees	5,000	7,271	6,036
Travel	3,500	2,655	1,643
Office	5,500	2,605	5,032
Amortization of website	-	1,293	1,293
Telephone	2,000	1,201	1,504
Insurance	1,200	988	953
Loss on disposal of website	-	-	4,620
Contingency	5,000	-	-
	<u>152,390</u>	<u>140,047</u>	<u>175,743</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	5,110	30,367	(9,556)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>19,837</u>	<u>19,837</u>	<u>29,393</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 24,947</u>	<u>\$ 50,204</u>	<u>\$ 19,837</u>

**FRENCH QUARTER BUSINESS ASSOCIATION****Statement of Cash Flows****Year Ended December 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from levies	\$ 165,000	\$ 165,000
Cash receipts from expense recoveries and other	5,414	1,187
Cash paid to suppliers and employees	<u>(148,549)</u>	<u>(167,359)</u>
Cash flow from (used by) operating activities	<u>21,865</u>	<u>(1,172)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of website	<u>-</u>	<u>(6,463)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>21,865</b>	<b>(7,635)</b>
<b>CASH - BEGINNING OF YEAR</b>	<u>24,335</u>	<u>31,970</u>
<b>CASH - END OF YEAR</b>	<u>\$ 46,200</u>	<u>\$ 24,335</u>

# FRENCH QUARTER BUSINESS ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2016

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### NATURE OF OPERATIONS

In October 2012, Edmonton City Council passed bylaw 16219 establishing the French Quarter Business Revitalization Zone and incorporating the French Quarter Business Association.

The goal is to create a walkable, trendy district whereby the association can further promote local businesses and services while continuing to cultivate the area as a preferred destination to live, shop, work and play.

The association is exempt from income taxes.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

### 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 and other income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### 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.

### Cash

Cash is comprised of cash held in a Canadian financial institution.

### Equipment and Website

The equipment and website are stated at cost less accumulated amortization and are being amortized on a straight-line basis over their estimated useful lives of five years.

### 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 revenue 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.

# FRENCH QUARTER BUSINESS ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2016

### 2. WEBSITE

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Website	\$ 6,463	\$ 2,585	\$ 3,878	\$ 5,170

### 3. ACCOUNTS PAYABLE

	2016	2015
Accounts payable and accrued liabilities	\$ 4,561	\$ 6,823
Government remittances	1,905	1,917
Vacation pay	-	7,643
	<u>\$ 6,466</u>	<u>\$ 16,383</u>

### 4. COMMITMENT

The association is committed under an operating lease for premises to the following rents as defined in the lease:

2017	\$ 7,920
2018	7,920
2019	7,260
	<u>\$ 23,100</u>

### 5. FINANCIAL INSTRUMENTS

The association, as part of its operations, carries financial instruments. It is management's opinion that the association is not exposed to any significant risks arising from these financial instruments.