



Chinatown and Area Business Association
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CHINATOWN AND AREA BUSINESS ASSOCIATION

2022 ANNUAL REPORT

Wen Wang
Executive Director
Chinatown and Area Business Association

Mission Statement

Our mission as the Chinatown and Area Business Association is to create, promote and maintain an attractive, vibrant, and prosperous business district; that reflects the unique multicultural identity of Chinatown and McCauley community.

Chinatown Annual Report – 2022

2022 scope

1. Lunar New Year

Due to the COVID-19 pandemic, Chinatown cancelled the planned event as a precautionary measure to mitigate the spread of the virus and avoid large gatherings where transmission could occur. The decision to cancel the celebration was also based on the government regulations, public health guidelines, and our ability to implement necessary safety measures.

2. Moonlight Carnival

Chinatown hosted the Mid-Autumn Festival 2022 on September 11, 2022. We estimated around 2000 people attended the event. It's a positive sign that the local community and residents felt comfortable and confident in attending the festival, indicating an improved situation in terms of the pandemic.

Events like the high-profile Mid-Autumn Festival play a crucial role in promoting cultural heritage, fostering community spirit, and bringing people together. They provide an opportunity for individuals from diverse backgrounds to come together, appreciate traditions, and celebrate the shared values of the community.

3. Security program

The Chinatown and Area Business Association funded a security program to its members. With \$300K municipal funding, we hired up to 9 security guards to ensure safety and a positive experience for everyone in the community. It's wonderful that the service was well received by the members. The board believes security is always top priority. By offering security services, Chinatown shows a proactive approach to addressing any potential concerns and ensuring the well-being of its community members.

By receiving positive feedback and support from the members, it indicates that the security services provided were effective in maintaining a secure environment and meeting the needs of the community. This kind of positive response encourages the continuation and improvement of such services in the future.

4. Litter and needles control

Chinatown BIA negotiated a litter and needles pickup agreement with the Mustard Seed. The agreement lasted from April to the end of 2022. The total man hours was 1326, bags of litter filled 922, needles collected 2197, and the total cost \$36,027.42.

5. Annual General Meeting

According to the bylaw, Chinatown BIA hosted Annual General Meeting on Tuesday, October 11, 2022. The members reviewed 2021 audited financial statement, 2023 budget forecast. The new board members were also elected concurrently.

2023 plan and priorities

All 2022 priorities remain, namely security, cleanness, and marketing.

1. Security and social disorder

The Chinatown is seeing deteriorating security. Besides the HSOC (Healthy Street Operations Centre), we are still hiring 6 security guards. With the City of Edmonton's support, we're paying around \$50K on the private security services. The program will last by the end of 2023.

2. Litter control and pressure washing

Chinatown has entered into a litter and needles collection agreement with the Hope Mission. The service started early April and will last by the end of year 2023. We are also working with the Hope Mission for the pressure washing. A Hope Mission crew is doing twice pressure washing months until the weather permits.

3. Marketing

Chinatown had the new website redesigned. All social media are full-fledged. The board is planned to host the Chinatown Summer Festival August 20, 2023. All paperwork is underway. Based on our experience, we expect more than 2000 visitors will attend the event.

Board of Director 2023

1. Dr. Holly Mah 馬美麗	Luxe Optometrist, 10638 97 Street	PH:780-907-8973
2. Ed Lam 林競新	Ed Lam Chartered Accountant, Suite 200, 10708 97 Street	PH: 780-993-3030
3. Ming Huang /黃明越	Ming Acupuncture Clinic, 9629 120 Avenue	PH:780-760-0880
4. Mei Yu Huang / 黃美玉	Mei's Massage Centre, 10543 97 Street	PH: 780-457-8058
5. Richard Liukko	Freecloud Glotex Enterprises Inc, 10764 101 Street	PH: 780-429-1476
6. Kathryn Luu	Kim Fat Market Ltd, 9905 107 Avenue	PH: 780-982-8222
7. Phong Luu	Kim Fat Market Ltd, 9905 107 Avenue	PH: 780-995-2882
8. Ben Lui	Yorkton Group International Ltd., 3165 10180 101 Street	PH: 780-409-8228
9. Henry Mah	H2 Healing Hands with Henry Ma & Mary, #211 9700 105 Avenue	PH: 780-953-2368
10. Christina Trang	9005 123 Avenue	PH: 780 904 9109
11. Jackson Ho	17012 71 Street	PH: 780-906-1338
12. Adam Hai	Albert's Auto Body, 10604 98 Street	PH: 780-498-2882
13. Anthony Hai	Albert's Auto Body, 10604 98 Street	PH: 780-498-0678
14. Kim Chow	Asian Express Hot Pot, 10586 100 Street	PH: 780-709-2742

CHINATOWN AND AREA BUSINESS ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

CHINATOWN AND AREA BUSINESS ASSOCIATION

FOR THE YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Directors of

CHINATOWN AND AREA BUSINESS ASSOCIATION

To the directors of **Chinatown and Area Business Association**

Opinion

We have audited the accompanying financial statements of **Chinatown and Area Business Association**, which comprise the statement of financial position at December 31, 2022 and the statements of operations, 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 **Chinatown and Area Business Association** as at December 31, 2022, 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.

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 Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of **Chinatown and Area Business Association** 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 these requirements. We believe 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 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.

In preparing the financial statements, management is responsible for assessing **Chinatown and Area Business 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 **Chinatown and Area Business Association** or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing **Chinatown and Area Business Association's** financial reporting process.

INDEPENDENT AUDITORS' REPORT (continued)

Auditors' 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 auditors' 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 audit 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 judgement and maintain a 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 resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls 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 **Chinatown and Area Business 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 cause significant doubt on **Chinatown and Area Business 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 auditors' 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 auditors' report. However, future events or conditions may cause **Chinatown and Area Business 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.

Edmonton, Alberta
May 8, 2023

SVS Group LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

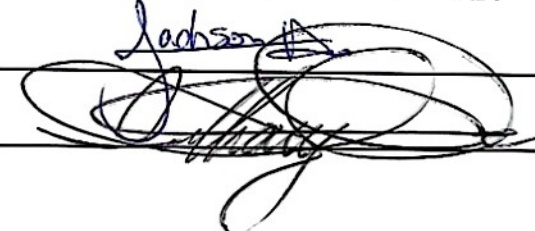
CHINATOWN AND AREA BUSINESS ASSOCIATION


STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	2022	2021
		Restated (Note 9)
ASSETS		
CURRENT		
Cash	\$ 172,935	\$ 126,203
Accounts receivable (Note 3)	545,001	6,314
Prepaid expenses	2,314	512
	<u>\$ 720,250</u>	<u>\$ 133,029</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 18,169	\$ 3,750
Deferred revenue (Note 5)	660,702	52,657
	<u>678,871</u>	<u>56,407</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	<u>41,379</u>	<u>76,622</u>
	<u>\$ 720,250</u>	<u>\$ 133,029</u>

APPROVED ON BEHALF OF THE BOARD:



 _____ Director 

 _____ Director

CHINATOWN AND AREA BUSINESS ASSOCIATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021	
			Restated (Note 9)
REVENUE			
Donations and other income	\$ 26,588	\$ 9,857	
Grants	68,349	48,467	
Merchant security grant - special project	14,420	-	
Special levy	129,030	120,585	
Special levy - security	300,000	-	
	538,387	178,909	
EXPENSES			
Advertising, promotion and donations	12,456	3,235	
AGM and board meetings	9,314	2,377	
Bank charges and interest	475	148	
Consultant fees	73,138	72,868	
Insurance	1,265	1,073	
Merchant security grant expenditures	14,420	-	
Office supplies	6,537	3,065	
Professional fees - accounting	3,650	4,750	
Professional fees - strategic planning	7,500	-	
Professional fees - legal	25,304	-	
Program expenditures - Lantern hanging, mural and other	5,125	-	
Program expenditures - New Year's Celebrations	-	11,254	
Program expenditures - Mayoral Dinner	-	9,906	
Program expenditures - Mid-Autumn Festival	19,540	7,630	
Program expenditures - Street Cleaning	37,745	44,298	
Rent	6,600	6,600	
Security	349,463	26,000	
Telephone	1,098	1,054	
	573,630	194,258	
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	(35,243)	(15,349)	
NET ASSETS, beginning of year	76,622	91,971	
NET ASSETS, end of year	\$ 41,379	\$ 76,622	

CHINATOWN AND AREA BUSINESS ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
		Restated (Note 9)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Cash receipts from special levy and other income	\$ 621,261	\$ 199,926
Cash paid to suppliers and contractors	(577,701)	(194,030)
Interest income	3,172	116
	<u>46,732</u>	<u>6,012</u>
CASH PROVIDED BY INVESTING ACTIVITY		
Proceeds on disposition of short-term investments	-	27,414
	<u>46,732</u>	<u>33,426</u>
INCREASE IN CASH DURING THE YEAR	46,732	33,426
CASH, beginning of year	126,203	92,777
CASH, end of year	\$ 172,935	\$ 126,203

CHINATOWN AND AREA BUSINESS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

1. NATURE OF OPERATIONS

The Association was established with the purpose to improve, beautify and maintain the area, to promote the zone as a business and shopping district and to act as a voice for the Community.

The Chinatown and Area Business Association 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 accounting standards for not-for-profit organizations.

(a) Use of Estimates

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, 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 and accounts receivable.

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

The Association's financial assets, if any, measured at fair value may include investments that are quoted shares.

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.

CHINATOWN AND AREA BUSINESS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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 Assets

The Association records capital assets as a current expense on the Statement of Operations and Changes in Net Assets. Any contributed assets in the year are recorded at a nominal value.

(e) Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period 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.

(f) Contributed Services

Volunteers contribute time each year to aid the Association 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 bank overdrafts and lines of credit with balances that fluctuate frequently from being positive to overdrawn.

3. ACCOUNTS RECEIVABLE

	2022	2021
Goods and Services Tax receivable	\$ 23,001	\$ 6,314
Merchant security grant receivable	522,000	-
	<u>\$ 545,001</u>	<u>\$ 6,314</u>

4. CAPITAL ASSETS

During the year, no capital assets were acquired.

CHINATOWN AND AREA BUSINESS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

5. DEFERRED REVENUE

	2022	2021
Deferred revenue, opening balance	\$ 52,657	\$ 30,000
Levy expended in the year	(32,258)	(30,000)
Levy received for the following year	32,122	32,258
Deferred grant revenue received (expended) - Mid-Autumn Festival	(9,600)	9,600
Deferred grant revenue - Economic Recovery Grant	(2,799)	2,799
Deferred grant revenue - Security Infrastructure program	(8,000)	8,000
Deferred grant - Alberta Recovery Through Employment Grant	121,000	-
Deferred grant - City of Edmonton Merchant Security Grant	507,580	-
Deferred revenue, closing balance	<u>\$ 660,702</u>	<u>\$ 52,657</u>

6. COMMITMENTS

The Association entered into an operating lease for its premises at \$550 on a month to month basis.

7. ECONOMIC DEPENDENCE

The Association is economically dependent on the City of Edmonton as it provides 91% (2021 - 94%) of its revenue.

8. FINANCIAL INSTRUMENTS

Risks and concentrations

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

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial statement liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

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 prices including interest risk, price and demand risk. The Association is mainly exposed to price risk.

CHINATOWN AND AREA BUSINESS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

9. PRIOR PERIOD ADJUSTMENT

During the course of the audit engagement, it was discovered that prior period transactions had not been recorded.

The adjustments to previously stated balances are as follows:

	Previously Reported	Adjustment	Restated
Bank balance	\$ 138,292	\$ (12,089)	\$ 126,203
Consultant fees	\$ 64,320	\$ 5,248	\$ 69,569
Office supplies	\$ 1,468	\$ 1,597	\$ 3,065
Program expenditures - Street cleaning	\$ 39,057	\$ 5,241	\$ 44,298
Unrestricted Net Assets	\$ 88,708	\$ -	\$ 76,622