FRENCH QUARTER BUSINESS ASSOCIATION

Financial Statements

Year Ended December 31, 2015

KING & COMPANY
CHARTERED ACCOUNTANTS

FRENCH QUARTER BUSINESS ASSOCIATION
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Year Ended December 31, 2015

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CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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, 2015 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, 2015 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
May 10, 2016

CHARTERED ACCOUNTANTS

FRENCH QUARTER BUSINESS ASSOCIATION

Statement of Financial Position

As at December 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	$ 24,335	$ 31,970
Goods and services tax recoverable	2,892	4,320
Prepaid expenses	3,823	308
	31,050	36,598
WEBSITE *(Note 2)*	5,170	4,620
	$ 36,220	$ 41,218
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities *(Note 3)*	$ 16,382	$ 11,824
NET ASSETS	19,838	29,394
	$ 36,220	$ 41,218

ON BEHALF OF THE BOARD

Director

Director

KING & COMPANY
CHARTERED ACCOUNTANTS

FRENCH QUARTER BUSINESS ASSOCIATION

Statement of Operations and Net Assets

Year Ended December 31, 2015

	Budget (Unaudited)	2015	2014
REVENUE			
Levies	$ 165,000	**$ 165,000**	$ 165,000
Interest and other	-	**1,187**	1,002
	165,000	**166,187**	166,002
EXPENSES			
Salaries and benefits	95,000	**90,519**	85,484
Advertising and promotion	40,000	**41,622**	39,817
Street beautification	-	**11,662**	4,759
Rent	9,600	**8,395**	8,406
Professional fees	4,500	**6,036**	4,953
Loss on disposal of website	-	**4,620**	-
Office	4,500	**2,588**	1,662
Board	5,350	**2,464**	3,916
Office equipment	-	**2,329**	2,042
Travel	7,000	**1,643**	2,053
Telephone	2,000	**1,504**	1,217
Amortization of website	-	**1,293**	1,540
Insurance	1,500	**953**	615
Business taxes, licenses and memberships	250	**115**	4,950
	169,700	**175,743**	161,414
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(4,700)	**(9,556)**	4,588
NET ASSETS - BEGINNING OF YEAR	29,392	**29,394**	24,806
NET ASSETS - END OF YEAR	$ 24,692	**$ 19,838**	$ 29,394

FRENCH QUARTER BUSINESS ASSOCIATION

Statement of Cash Flows

Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Cash receipts from levies	**$ 165,000**	$ 165,000
Cash receipts from interest and other	**1,187**	1,002
Cash paid to suppliers and employees	**(167,359)**	(157,756)
Cash flow from (used by) operating activities	**(1,172)**	8,246
INVESTING ACTIVITY		
Purchase of website	**(6,463)**	-
INCREASE (DECREASE) IN CASH	**(7,635)**	8,246
CASH - BEGINNING OF YEAR	**31,970**	23,724
CASH - END OF YEAR	**$ 24,335**	$ 31,970

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.

2. WEBSITE

	Cost	Accumulated amortization	**2015 Net book value**	2014 Net book value
Website	$ 6,463	$ 1,293	**$ 5,170**	$ 4,620

3. ACCOUNTS PAYABLE

	2015	2014
Vacation pay	**$ 7,641**	$ 5,906
Trade	**6,824**	4,000
Government remittances	**1,917**	1,918
	$ 16,382	$ 11,824

4. COMMITMENT

The association is committed until November 30, 2016 under an operating lease for office premises to annual rent of $7,260.

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.