



ANNUAL GENERAL REPORT

2023

FORT ROAD BUSINESS IMPROVEMENT AREA

2023 Annual General Report

The Fort Road Improvement Area continues to confront challenges that hinder its development. Regrettably, unresolved issues persist around the activities near the LRT station. Businesses express frustration over inadequate coordination of resources to ensure a basic sense of safety in the vicinity. The community perceives limited access to various services and an excessive burden of affordable or social housing, which contributes to safety concerns. Safety and economic development remain the most pressing needs.

Instances of theft persist in both the Balwin and Belvedere neighborhoods, affecting businesses similarly. While the removal of two bus shelters has mitigated certain social issues, it fails to address underlying problems. Resources are stretched thin, leaving safety concerns unattended. Businesses are not mandated to directly tackle social issues.

The rezoning of the north side of Fort Road, from 66th Street to 62nd Street, has been finalized, anticipating increased interest in development. Perception plays a crucial role, and we remain hopeful that it will attract investment in the Station Pointe project initiated in 2004. Another rezoning application at Station Pointe is in its preliminary stages, with anticipation regarding whether it will lead to a private or funded social project.

Five new businesses have been established in the area over the past year, situated north of 129th Avenue. Preparation for construction is underway at the corner site of 59th Street and Fort Road, although details regarding the construction are pending. Efforts to address tree removal for firewood and subsequent replacement, spearheaded by the Balwin/Belvedere Revitalization Team, are ongoing, with collaboration from the Kennedale group in beautification efforts.

Funding for housing at the Station Pointe location under the Treaty 8 proposal has been secured, with construction slated to commence early in 2024.

The Yellowhead Freeway Conversion construction project has significantly disrupted traffic flow to the Improvement Area for several years, severely disrupting traffic and decreasing demands on the businesses in the area that rely on people commuting through and within the area. Despite the challenges, our relationship with the City of Edmonton Project Team has remained strong, with regular updates provided for our website and presentations made at the Annual General Meeting.

In late November to December, portable trailers were brought to the Station Pointe site without prior notification to businesses or community members. Despite claims by the Elizabeth Fry Society of contacting businesses, this was not the case. The City, citing ownership of the property, asserted no obligation to keep the community informed. Lead by example. The trailers will remain at the site until 2026. We are disappointed by the lack of respect shown to both businesses and the community.

The Annual General Meeting, held on October 18, 2023, saw attendance from 92 individuals.

Respectfully submitted on behalf of the Chair and Board of Directors,
Deanna Fuhlendorf
Executive Director

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION
Financial Statements
Year Ended December 31, 2023

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION
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Year Ended December 31, 2023

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13034 82 Street NW, Edmonton, AB T5E 2T5
 Telephone : 780 784-6844
 Facsimile : 780 628-0771
 Email : info@ncubelandry.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Edmonton Fort Road & Area Business Revitalization Zone Association

Opinion

We have audited the financial statements of Edmonton Fort Road & Area Business Revitalization Zone Association (the "organization"), which comprise the statement of financial position as at December 31, 2023, 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 organization as at December 31, 2023, 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 organization 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

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.

(continues)

Independent Auditor's Report to the Members of Edmonton Fort Road & Area Business Revitalization
Zone Association (*continued*)

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 organization'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 organization'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 organization 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, AB
March 15, 2024

Neube & Landry LLP

Chartered Professional Accountants

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 38,598	\$ 41,527
Goods and services tax recoverable	4,012	3,775
	<u>\$ 42,610</u>	<u>\$ 45,302</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 1,000	\$ 1,000
Deferred levy revenue (Note 2)	20,000	20,000
	21,000	21,000
DEFERRED SUBSIDY INCOME	-	3,278
	21,000	24,278
NET ASSETS	<u>21,610</u>	<u>21,024</u>
	<u>\$ 42,610</u>	<u>\$ 45,302</u>

APPROVED BY THE DIRECTOR

San Durie

Chairman

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION
Statement of Revenues and Expenditures
Year Ended December 31, 2023

	2023	2022
REVENUES		
Business revitalization zone tax levy	\$ 80,000	\$ 80,000
Branding and revitalization grant	3,278	-
	<u>83,278</u>	<u>80,000</u>
EXPENSES		
Contract labour	64,688	64,688
Directors meetings	5,970	6,457
Professional fees	3,400	3,000
Office	2,237	1,783
Rental	2,075	1,895
Telephone	1,595	2,093
Insurance	1,355	1,290
Special events and projects	847	922
Advertising and promotion	340	271
Interest and bank charges	186	201
	<u>82,693</u>	<u>82,600</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 585</u>	<u>\$ (2,600)</u>

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION
Statement of Changes in Net Assets
Year Ended December 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 21,025	\$ 23,624
EXCESS OF REVENUES OVER EXPENSES	585	(2,600)
NET ASSETS - END OF YEAR	\$ 21,610	\$ 21,024

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 585	\$ (2,600)
Changes in non-cash working capital:		
Goods and services tax payable	(236)	769
Deferred subsidy income	(3,278)	-
	<u>(3,514)</u>	<u>769</u>
DECREASE IN CASH FLOW	(2,929)	(1,831)
Cash - beginning of year	<u>41,527</u>	<u>43,358</u>
CASH - END OF YEAR	\$ 38,598	\$ 41,527
CASH CONSISTS OF:		
Cash	<u>\$ 38,598</u>	<u>\$ 41,527</u>

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2023

INTRODUCTION TO NOTES

The Association was incorporated in August 1991 by the City of Edmonton Municipal Council under Bylaw 9747. The principle activity of the Association is to develop programs to promote business and improve and maintain lands and structures owned or operated by the City of Edmonton in the Fort Road area.

The Association operates under the name "Fort Road Business and Community Association".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPFO).

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. Actual results could differ from these estimates.

Revenue recognition

Edmonton Fort Road & Area Business Revitalization Zone 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 are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Property and equipment

Property and equipment are expensed when incurred as projects of the Association.

Income taxes

The Association is a not-for-profit organization and therefore is not subject to either federal or provincial income taxes.

2. DEFERRED LEVY REVENUE

The organization has received an amount in December 2023 for the January 2024 levy. This amount is shown as deferred revenue as is for 2023 year end.

3. DEFERRED SUBSIDY INCOME

During 2020, the City of Edmonton gave a subsidy to be used as matching to the grant outlined above. In the current year these fund were expended to develop the branding strategy of this association.

EDMONTON FORT ROAD & AREA BUSINESS REVITALIZATION ZONE ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2023

4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2023.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

(c) 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 comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is not significantly exposed to these risks.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

5. ECONOMIC DEPENDENCE

The association received \$80,000 (2022 - \$80,000) from the city of Edmonton (the "City") via a special tax assessment levy on Fort Road BRZ Business Members. The Association is economically dependent on the continued financial support of their business members and the City.
