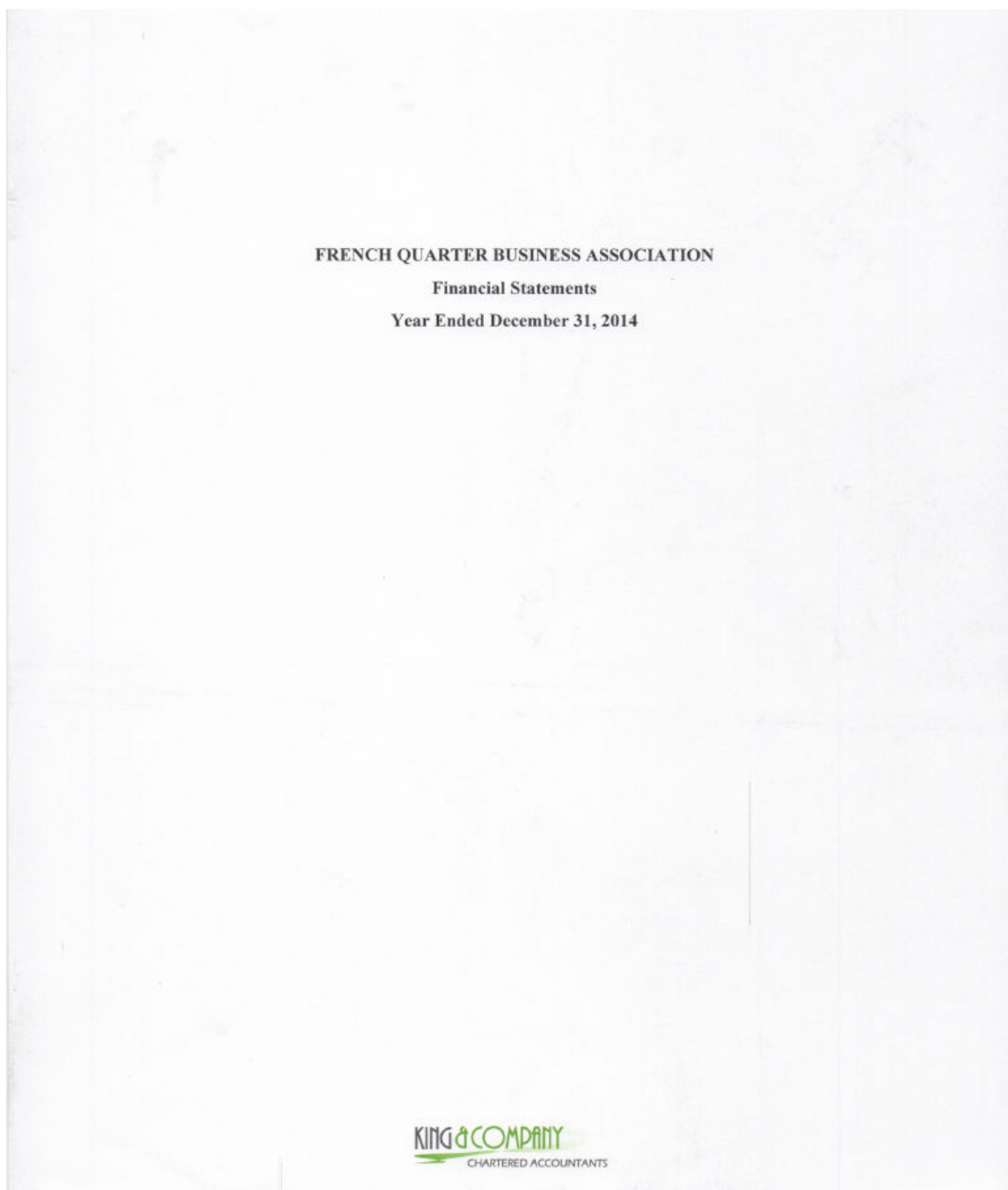


**French Quarter Business Association - 2014 Audited Statements**



**FRENCH QUARTER BUSINESS ASSOCIATION**  
**Index to Financial Statements**  
**Year Ended December 31, 2014**

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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, 2014 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, 2014 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  
June 9, 2015

CHARTERED ACCOUNTANTS

## FRENCH QUARTER BUSINESS ASSOCIATION

## Statement of Financial Position

As at December 31, 2014

	2014	2013
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 31,970	\$ 23,724
Goods and services tax recoverable	4,320	1,788
Prepaid expenses	308	-
	<u>36,598</u>	<u>25,512</u>
<b>WEBSITE (Note 2)</b>	<u>4,620</u>	<u>6,160</u>
	<u>\$ 41,218</u>	<u>\$ 31,672</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 3)	\$ 11,824	\$ 6,866
<b>NET ASSETS</b>	<u>29,394</u>	<u>24,806</u>
	<u>\$ 41,218</u>	<u>\$ 31,672</u>

ON BEHALF OF THE BOARD

 Director

 Director

**KING & COMPANY**  
CHARTERED ACCOUNTANTS

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**FRENCH QUARTER BUSINESS ASSOCIATION**  
**Statement of Operations and Net Assets**  
**Year Ended December 31, 2014**

	Budget (Unaudited)	2014	2013
<b>REVENUE</b>			
Levies	\$ 165,000	\$ 165,000	\$ 45,000
Interest and other	-	1,002	47
City of Edmonton grant	-	-	85,000
	165,000	166,002	130,047
<b>EXPENSES</b>			
Salaries and benefits	107,200	85,484	55,326
Advertising and promotion	12,000	39,817	16,357
Rent	8,316	8,406	4,145
Professional fees	3,000	4,953	7,975
Business taxes, licenses and memberships	500	4,950	-
Street beautification	-	4,759	6,300
Board	2,000	3,916	1,016
Travel	3,500	2,053	1,810
Office equipment	3,000	2,042	7,966
Office	7,900	1,662	1,739
Amortization of website	-	1,540	1,540
Telephone	2,500	1,217	518
Insurance	1,500	615	549
Website	6,000	-	-
	157,416	161,414	105,241
<b>EXCESS OF REVENUE OVER EXPENSES</b>	7,584	4,588	24,806
<b>NET ASSETS - BEGINNING OF YEAR</b>	24,806	24,806	-
<b>NET ASSETS - END OF YEAR</b>	\$ 32,390	\$ 29,394	\$ 24,806

**FRENCH QUARTER BUSINESS ASSOCIATION**  
**Statement of Cash Flows**  
**Year Ended December 31, 2014**

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Cash receipts from levies	\$ 165,000	\$ 45,000
Cash receipts from interest and other	1,002	47
Cash receipts from City of Edmonton grant	-	85,000
Cash paid to suppliers and employees	(157,756)	(98,623)
Cash flow from operating activities	8,246	31,424
<b>INVESTING ACTIVITY</b>		
Purchase of website	-	(7,700)
<b>INCREASE IN CASH</b>	8,246	23,724
<b>CASH - BEGINNING OF YEAR</b>	23,724	-
<b>CASH - END OF YEAR</b>	\$ 31,970	\$ 23,724

## FRENCH QUARTER BUSINESS ASSOCIATION

### Notes to Financial Statements

Year Ended December 31, 2014

#### 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.

##### Website

The website is stated at cost less accumulated amortization and is being amortized on a straight-line basis over its estimated useful life 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, 2014

## 2. WEBSITE

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Website	\$ 7,700	\$ 3,080	\$ 4,620	\$ 6,160

## 3. ACCOUNTS PAYABLE

	2014	2013
Vacation	\$ 5,906	\$ 2,866
Trade	4,000	4,000
Government remittances	1,918	-
	<u>\$ 11,824</u>	<u>\$ 6,866</u>

## 4. COMMITMENT

The association is committed until November 30, 2016 under an operating lease for office premises to annual rent of \$7,920.

## 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.