

# **SUTHERLAND BUSINESS IMPROVEMENT DISTRICT**

**Review Engagement Report**

**Financial Statements**

**December 31, 2021**

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of

### **Sutherland Business Improvement District**

We have reviewed the accompanying financial statements of **Sutherland Business Improvement District** that comprise the statement of financial position as at **December 31, 2021**, and the statement of operations and changes in net assets and statement of 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.

#### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical standards.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **Sutherland Business Improvement District** as at **December 31, 2021**, 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.

#### *Other Matters*

The financial statements for Sutherland Business Improvement District for the year ended December 31, 2020 were subject to a review engagement performed by another practitioner who issued an unmodified conclusion on March 24, 2021.



Saskatoon, Saskatchewan  
April 13, 2022

Chartered Professional Accountants

# SUTHERLAND BUSINESS IMPROVEMENT DISTRICT

## STATEMENT OF FINANCIAL POSITION

**December 31, 2021**  
with comparative figures for 2020

(Unaudited)

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash	\$ 42,747	29,294
Accounts receivable	7,823	4,285
Prepaid expenses	<u>765</u>	<u>845</u>
	<u>\$ 51,335</u>	<u>34,424</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,203	2,672
Deferred revenue	<u>25,000</u>	<u>-</u>
Total current liabilities	28,203	2,672
Net assets	<u>23,132</u>	<u>31,752</u>
	<u>\$ 51,335</u>	<u>34,424</u>

### APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See accompanying notes to the financial statements.

# SUTHERLAND BUSINESS IMPROVEMENT DISTRICT

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended December 31, 2021  
with comparative figures for 2020

(Unaudited)

	<u>2021</u>	<u>2020</u>
Revenue	\$ 57,801	55,046
Expenses:		
Accounting	611	655
Bank fees and charges	1,048	48
Board meetings	1,282	947
Executive director	28,402	27,874
Executive director expenses	289	50
Memberships	1,069	2,358
Office expenses	133	591
Professional fees	1,900	1,665
Street maintenance	27,360	19,764
Street signs	2,319	5,821
Urban camp project/repairs	675	669
Website maintenance	781	1,132
Welcome train sign/repairs	<u>553</u>	<u>1,265</u>
	<u>66,422</u>	<u>62,839</u>
Excess (deficiency) of revenues over expenses	\$ <u>(8,621)</u>	<u>(7,793)</u>
Net assets, beginning of year	31,753	39,545
Deficiency of revenue over expenses	<u>(8,621)</u>	<u>(7,793)</u>
Net assets, end of year	\$ <u><u>23,132</u></u>	<u><u>31,752</u></u>

See accompanying notes to the financial statements.

# SUTHERLAND BUSINESS IMPROVEMENT DISTRICT

## STATEMENT OF CASH FLOWS

**Year ended December 31, 2021**  
with comparative figures for 2020

(Unaudited)

	<u>2021</u>	<u>2020</u>
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ (8,621)	(7,793)
Changes in non-cash working capital:		
Accounts receivable	(3,537)	(196)
Prepaid expenses	80	(111)
Accounts payable and accrued liabilities	531	1,172
Deferred revenue	<u>25,000</u>	<u>-</u>
	<u>13,453</u>	<u>(6,928)</u>
Increase (decrease) in cash during the year	13,453	(6,928)
Cash position, beginning of year	<u>29,294</u>	<u>36,222</u>
Cash position, end of year	<u>\$ 42,747</u>	<u>29,294</u>

Cash position consists of cash in bank less outstanding cheques.

See accompanying notes to the financial statements.

# SUTHERLAND BUSINESS IMPROVEMENT DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

(Unaudited)

### 1. DESCRIPTION OF BUSINESS

Sutherland Business Improvement District, (the "Organization"), was established in 1999 under the provisions of the Saskatchewan Urban Municipalities Act via a bylaw of the City of Saskatoon. The main function of the Sutherland Business Improvement District is to improve business in the Sutherland area of Saskatoon, Saskatchewan.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following summary of significant accounting policies are set forth to facilitate the understanding of these financial statements:

#### (a) Financial Instruments

- *Measurement of financial instruments*

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments 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.

- *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.

- *Transaction costs*

The Organization recognizes its transaction costs 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.

#### (b) Capital assets

Capital assets are recorded at cost or at fair market value at the date of contribution. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives. As at December 31, 2021, there were no assets owned by the organization.

# SUTHERLAND BUSINESS IMPROVEMENT DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

(Unaudited)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Cash and cash equivalents

The Organization's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn. Also included in cash and cash equivalents are term deposits with a maturity period of one year from the date of acquisition.

#### (d) Revenue recognition

The Organization follows the deferral method of accounting for contributions which include donations and government grants. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are reported as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

The Organization recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

### 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 41,747	28,294
Term deposit	<u>1,000</u>	<u>1,000</u>
	<u>\$ 42,747</u>	<u>29,294</u>

The term deposit matures on January 18, 2022 and earns interest at 0.21% per annum.

### 4. ECONOMIC DEPENDENCE

The Organization is economically dependent on business assessment revenue from the City of Saskatoon. The City of Saskatoon assesses property tax levies on businesses within Sutherland, and pays this to the Organization.

# SUTHERLAND BUSINESS IMPROVEMENT DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

(Unaudited)

### 5. FINANCIAL INSTRUMENTS

#### Risks and concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at December 31, 2021.

#### 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 accounts payable.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to its accounts receivables. The Organization provides credit to its clients in the normal course of its operations.

#### 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 risk, interest rate risk and other price risk. The Organization is not exposed to significant market risk.