

**33RD STREET BUSINESS IMPROVEMENT DISTRICT**  
**Financial Statements**

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Year Ended December 31, 2017

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of 33RD STREET BUSINESS IMPROVEMENT DISTRICT

We have audited the accompanying financial statements of 33RD STREET BUSINESS IMPROVEMENT DISTRICT, which comprise the balance sheet as at December 31, 2017, and the statements of income, net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The prior year's financial statements were prepared by another accounting firm, these statements were adjusted to include the city levy receivable for December 2016. Other than this change, these statements have not been audited or reviewed for accuracy, the figures of these statements have been included for comparison purposes only.

### 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 private enterprises, 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 33RD STREET BUSINESS IMPROVEMENT DISTRICT as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting

### Report on Other Legal and Regulatory Requirements

As required by the Financial Administration Act of Saskatchewan we report that, in our opinion, Canadian Public Sector Accounting Standards have been applied on a consistent basis. We further report in accordance with the Financial Administration Act of Saskatchewan that, in our opinion, proper books of accounts have been kept by the organization, that the statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the organization.

A1 ACCOUNTING GROUP LLP

*TED LEWIS CPA.CMA*  
TED LEWIS CPA.CMA

MAY 16, 2018  
SASKATOON, SASKATCHEWAN

### 33RD STREET BUSINESS IMPROVEMENT DISTRICT

Balance Sheet as at December 31, 2017

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
Current		
Cash	\$ 15,535	\$ 19,075
GST Receivable	1,492	776
Levy Receivable	2,580	3,989
	<hr/>	<hr/>
	19,607	23,840
	<hr/>	<hr/>
	\$ 19,607	\$ 23,840
	<hr/>	<hr/>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	1,600	2,974
	<hr/>	<hr/>
	1,600	2,974
	<hr/>	<hr/>
	1,600	2,974
<b>RESTRICTED AND UNRESTRICTED FUNDS (see statement)</b>		
RESTRICTED FUNDS	10,800	33,000
UNRESTRICTED FUNDS	7,207	(12,134)
	<hr/>	<hr/>
	18,007	20,866
	<hr/>	<hr/>
	\$ 19,607	\$ 23,840
	<hr/>	<hr/>

See accompanying notes to the financial statements

Approved by:

Director: \_\_\_\_\_

Director: \_\_\_\_\_

33RD STREET BUSINESS IMPROVEMENT DISTRICT  
SUMMARY OF RESERVE AND UNRESERVE EQUITY  
AS OF DECEMBER 31,2017

	RESERVE FUNDS				TOTAL RESERVES	UNRESERVE EQUITY	2017 TOTAL	2016 TOTAL
	BANNER FABRIC	EXECUTIVE DIRECTOR	MARKETING FUND	STREET FUND				
BEGINNING	\$ 4,000	\$ 20,000	\$ 5,000	\$ 4,000	\$ 33,000	\$ (12,132)	\$ 20,868	\$ 9,407
					\$ -		\$ -	
FUND ALLOC					\$ -	\$ 30,947	\$ 30,947	\$ 24,977
					\$ -		\$ -	
FUND EXPENSES	\$ (4,000)	\$ (13,200)	\$ (5,000)	\$ -	\$ (22,200)	\$ (11,607)	\$ (33,807)	\$ (13,516)
					\$ -		\$ -	
TRANSFERS					\$ -		\$ -	\$ -
					\$ -		\$ -	
ENDING	\$ -	\$ 6,800	\$ -	\$ 4,000	\$ 10,800	\$ 7,208	\$ 18,008	\$ 20,868

	RESERVE FUNDS				TOTAL RESERVES	UNRESERVE EQUITY	2016 TOTAL	2015 TOTAL
	BANNER FABRIC	EXECUTIVE DIRECTOR	MARKETING FUND	STREET FUND				
BEGINNING	\$ 4,000	\$ -	\$ 5,000	\$ 4,000	\$ 13,000	\$ (3,593)	\$ 9,407	\$ -
					\$ -		\$ -	
FUND ALLOC	\$ -		\$ -		\$ -	\$ 24,977	\$ 24,977	\$ 18,333
					\$ -		\$ -	
FUND EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,516)	\$ (13,516)	\$ (8,926)
					\$ -		\$ -	
TRANSFERS	\$ -	\$ 20,000	\$ -	\$ -	\$ 20,000	\$ (20,000)	\$ -	
					\$ -		\$ -	
ENDING	\$ 4,000	\$ 20,000	\$ 5,000	\$ 4,000	\$ 33,000	\$ (12,132)	\$ 20,868	\$ 9,407

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

33RD STREET BUSINESS IMPROVEMENT DISTRICT  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDING DECEMBER 31,2017

	BUDGET	RESERVE	UNRESTRICTED	2017 TOTAL	2016 TOTAL
REVENUES					
BID LEVY	\$ 30,000		\$ 30,047	\$ 30,047	\$ 23,667
				\$ -	
<b>ADMINISTRATION</b>				\$ -	
BANK CHARGES	\$ 100		\$ 54	\$ 54	\$ 78
EXECUTIVE DIRECTOR	\$ 20,000	\$ 13,200		\$ 13,200	\$ -
INSURANCE	\$ 650		\$ 650	\$ 650	\$ 650
ROOM RENTAL			\$ 20	\$ 20	\$ 58
SUPPLIES	\$ 1,000		\$ 163	\$ 163	\$ 137
PROFESSIONAL FEES	\$ 2,700		\$ 310	\$ 310	\$ 2,673
SUBTOTAL ADMINISTRATION	<u>\$ 24,450</u>	<u>\$ 13,200</u>	<u>\$ 1,197</u>	<u>\$ 14,397</u>	<u>\$ 3,596</u>
<b>MARKET AND RESEARCH</b>				\$ -	\$ 4,410
BRANDING				\$ -	\$ 4,410
BANNER FABRICATION	\$ 5,500	\$ 4,000	\$ 1,288	\$ 5,288	
ADVERTISING	\$ 10,000	\$ 5,000	\$ 4,284	\$ 9,284	\$ 300
SUBTOTAL MARKETING	<u>\$ 15,500</u>	<u>\$ 9,000</u>	<u>\$ 5,572</u>	<u>\$ 14,572</u>	<u>\$ 4,710</u>
STREET ENHANCEMENT - MAINTENANCE	\$ 1,850		\$ 940	\$ 940	\$ 550
SUBTOTAL EXPENSES	<u>\$ 41,800</u>	<u>\$ 22,200</u>	<u>\$ 7,709</u>	<u>\$ 29,909</u>	<u>\$ 8,856</u>
NET OPERATIONS SURPLUS (DEFICIT)	<u>\$ (11,800)</u>	<u>\$ (22,200)</u>	<u>\$ 22,338</u>	<u>\$ 138</u>	<u>\$ 14,811</u>
OTHER INCOME - STREET FAIR					
SPONSORSHIPS/GRANTS	\$ 1,100	\$ -	\$ 900	\$ 900	\$ 500
VENDOR RENTAL				\$ -	\$ 810
	<u>\$ 1,100</u>	<u>\$ -</u>	<u>\$ 900</u>	<u>\$ 900</u>	<u>\$ 1,310</u>
STREET FAIR EXPENSES					
ENTERTAINMENT			\$ 2,492	\$ 2,492	\$ 1,100
RENTAL			\$ 1,035	\$ 1,035	\$ 2,121
INSURANCE			\$ 371	\$ 371	\$ 429
SUPPLIES				\$ -	\$ 546
ADVERTISING	\$ 4,000			\$ -	\$ 464
	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 3,898</u>	<u>\$ 3,898</u>	<u>\$ 4,660</u>
NET OTHER INCOME STREET FAIR	<u>\$ (2,900)</u>	<u>\$ -</u>	<u>\$ (2,998)</u>	<u>\$ (2,998)</u>	<u>\$ (3,350)</u>
NET SURPLUS (DEFICIT)	<u>\$ (14,700)</u>	<u>\$ (22,200)</u>	<u>\$ 19,340</u>	<u>\$ (2,860)</u>	<u>\$ 11,461</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

### 33RD STREET BUSINESS IMPROVEMENT DISTRICT

Statement of Cash Flows for the year ended December 31, 2017

	2017	2016
<b>Cash flows from operating activities</b>		
Net income	\$ 19,340	\$ 11,460
Items not affecting cash:		
Net transfers from Reserve funds	(22,200)	-
Changes in non-cash working capital:		
Accounts receivable, trade and other	693	(4,531)
Accounts payable and accrued liabilities	(1,373)	543
<b>Net cash provided by (used in) operating activities</b>	<b>(3,540)</b>	<b>7,472</b>
 <b>Cash flows from investing activities</b>		
 <b>Cash flows from financing activities</b>		
<hr/> <b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,540)</b>	<b>7,472</b>
Cash and cash equivalents at the beginning of the year	19,075	11,603
<hr/> <b>Cash and cash equivalents at the end of the year</b>	<b>\$ 15,535</b>	<b>\$ 19,075</b>

**33RD STREET BUSINESS IMPROVEMENT DISTRICT**

Statement of Cash Flows for the year ended December 31, 2017

**2017**

**2016**

**Cash and cash equivalents consists of:**

Cash

\$	15,535	\$	19,075
\$	15,535	\$	19,075

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**Supplemental disclosure of cash flows information:**

Cash received (paid)

## **33RD STREET BUSINESS IMPROVEMENT DISTRICT**

Notes to Financial Statements

Year Ended December 31, 2017

### **1. Nature of the Organization**

The purpose of the organization is to promote the interests of the 33rd Street Business Improvement District's business owners, property owners and residents and thereby foster economic growth and stability within the 33rd Street Business Improvement District.

For Canadian income tax purposes the corporation qualifies as a not-for-profit organization which is exempt from income tax under the Income Tax Act.

### **2. Summary of Significant Accounting Policies**

#### **Basis of presentation**

The Centre prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### **Deferral method of accounting**

The Organization follows the deferral method of accounting contributions. Grants and other sources of revenue that relate to future fiscal periods, and are received in advance, are recorded as deferred revenue. Revenue is recognized in the same period as the corresponding fund expenses.

#### **Cash and cash equivalents**

Cash includes cash and cash equivalents. Cash and demand deposits that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

#### **Deferred revenue**

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, services are performed or when the stipulation are met.

#### **Revenue recognition**

The Organization 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 if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### **Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.



## 33RD STREET BUSINESS IMPROVEMENT DISTRICT

Notes to Financial Statements  
Year Ended December 31, 2017

### **Measurement uncertainty**

The preparation of financial statements in conformity with Canadian accounting standards, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, rates for amortization and the impairment of assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

### **Financial Instruments**

The organization records financial instruments at fair value when acquired or issued. In subsequent periods the organization measures all financial asset and financial liabilities at amortized cost.

It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments unless otherwise noted.

### **Contributed Services**

Directors, committee members and owners volunteer their time to assist in the corporation's activities. While their services benefit the corporation considerably, a reasonable estimate of their amount and fair market value cannot be made and accordingly, these contributed services are not recognized in these financial statements.

## 3. **Financial Instruments**

The company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is the management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value, unless otherwise noted.

The following analysis provides a measure of the company's risk exposure as at December 31, 2017.

### **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 the risk mainly in respect of its accounts payable and deferred revenue.

### **Credit risk**

The organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such as the company could incur a financial loss. The Organization does not hold directly any collateral as security for financial obligations of counterparts. The organization has various holdback from funding agencies as part of the funding arrangements.

## 33RD STREET BUSINESS IMPROVEMENT DISTRICT

Notes to Financial Statements  
Year Ended December 31, 2017

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk on its variable interest rate financial instruments, which consist of term loans.

### 4 Accrued liabilities

The following is a summary of the organization's accrued liabilities:

	2017	2016
Professional Accounting fees	\$ -	\$ 2,973
Executive Director salary for December	1,600	0
total	<u>\$ 1,600</u>	<u>\$ 2,973</u>