

**17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT
BUSINESS IMPROVEMENT AREA**

Financial Statements

Year Ended December 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of 17th Avenue Retail & Entertainment District Business Improvement Area

Opinion

We have audited the financial statements of 17th Avenue Retail & Entertainment District Business Improvement Area (the Organization) which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with 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 the 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. 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.

Calgary, Alberta
May 17, 2022

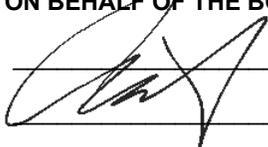
Sihota Taylor

Chartered Professional Accountants

17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA
Statement of Financial Position
As at December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 47,738	\$ 173,562
Guaranteed investment certificate (Note 3)	-	10,000
Accounts receivable	325	12,170
Prepaid expenses	1,025	8,731
GST recoverable	12,567	66,492
	61,655	270,955
EQUIPMENT (Note 4)	928	-
	\$ 62,583	\$ 270,955
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 11,518	\$ 15,129
NET ASSETS		
INVESTED IN EQUIPMENT	928	-
UNRESTRICTED NET ASSETS	50,137	255,826
	51,065	255,826
	\$ 62,583	\$ 270,955

ON BEHALF OF THE BOARD

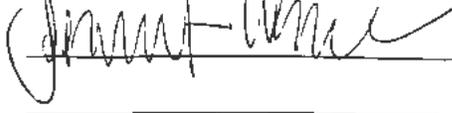
 _____ Director
 _____ Director

See notes to financial statements

17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA
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ON BEHALF OF THE BOARD



Director

JENNIFER LESKOM

May 19/2022

See notes to financial statements

17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA
Statement of Changes in Net Assets
Year Ended December 31, 2021

	Invested in Equipment	Unrestricted Net assets	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ 255,826	\$ 255,826	\$ 195,868
(Deficiency) Excess of revenues over expenditures	928	(205,689)	(204,761)	59,958
NET ASSETS - END OF YEAR	\$ 928	\$ 50,137	\$ 51,065	\$ 255,826

See notes to financial statements

17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA
Statement of Operations
Year Ended December 31, 2021

	2021	2020
REVENUE		
Business tax levy	\$ 410,800	\$ 559,000
Other City of Calgary funding	32,870	12,170
Other revenue	13,964	31,872
Interest income	274	604
	457,908	603,646
EXPENDITURES		
Wages and benefits	282,377	259,621
Advertising, marketing and events	223,530	165,811
Office and administrative	52,351	18,215
Streetscape beautification and improvements	34,868	45,370
Rent	32,642	26,122
Professional fees	16,570	13,541
Insurance	14,726	12,517
Telecommunications	3,636	1,176
Bank charges	1,133	1,315
Meals and entertainment	650	-
Amortization	186	-
	662,669	543,688
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES	\$ (204,761)	\$ 59,958

See notes to financial statements

17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA
Statement of Cash Flows
Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
(Deficiency) Excess of revenues over expenditures	\$ (204,761)	\$ 59,958
Item not affecting cash:		
Amortization of equipment	186	-
	(204,575)	59,958
Changes in non-cash working capital:		
Accounts receivable	11,845	7,374
GST recoverable	53,925	(10,219)
Prepaid expenses	7,706	(3,619)
Accounts payable and accrued liabilities	(3,611)	(37,178)
	69,865	(43,642)
Cash flow (used by) from operating activities	(134,710)	16,316
INVESTING ACTIVITIES		
Purchase of equipment	(1,114)	-
Maturity of guaranteed investment certificate	10,000	-
Cash flow from investing activities	8,886	-
(DECREASE) INCREASE IN CASH	(125,824)	16,316
Cash - beginning of year	173,562	157,246
CASH - END OF YEAR	\$ 47,738	\$ 173,562

See notes to financial statements

17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA
Notes to Financial Statements
Year Ended December 31, 2021

1. NATURE OF OPERATIONS

17th Avenue Retail & Entertainment District Business Improvement Area (the "Organization") was established under the Business Revitalization Zone Regulation of the Municipal Government Act of the Province of Alberta.

The purpose of the Organization is to improve the appearance of the area in vicinity of 17th Avenue and to promote the zone as a business and shopping area. The majority of the funds are derived from the incremental business tax being levied by the City of Calgary on all businesses in the above mentioned area. Continued operation of the Organization is dependent on this ongoing financial support. The Organization is a tax exempt non-profit organization under section 149 of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and includes the significant accounting policies summarized below.

a) Deferral Method of Accounting – Revenue Recognition

The Organization follows the deferral method of accounting for revenues. Restricted revenues are recognized as revenue in the period in which related expenses are incurred. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

b) Financial Instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and other securities that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, guaranteed investment certificate 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 the statement of operations. 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 the statement of operations.

(continues)

17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA
Notes to Financial Statements
Year Ended December 31, 2021

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

Transaction costs

The Organization recognizes its transaction costs in the statement of operations 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 obligation, issuance or assumption.

c) Contributed Materials and Services

Contributed materials are recognized as items of both revenue and expense when their fair market value can reasonably be estimated.

When volunteers contribute their time to assist the Organization in carrying out its events and promotions, the contributed services are not recognized in the financial statements due to the difficulty in determining their fair value.

d) Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills with maturities of less than ninety days from the date of purchase.

e) Equipment

Purchased equipment is recorded at cost. Contributed equipment is recorded at fair market value at the date of contribution. Amortization is provided over the assets' estimated useful lives as follows:

Computer equipment 36 months Straight line

In the year of acquisition, amortization is calculated at one-half the regular rate.

f) Management 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 expenditures 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.

3. GUARANTEED INVESTMENT CERTIFICATE

The guaranteed investment certificate matured in the year and was not renewed.

4. EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 1,114	\$ 186	\$ 928	\$ -

17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA
Notes to Financial Statements
Year Ended December 31, 2021

5. FINANCIAL INSTRUMENTS RISKS

The Organization has exposure to credit and liquidity risk from its use of financial instruments.

Credit risk

Credit risk is the risk that the Organization will incur a financial loss because a contributor or counterparty has failed to discharge an obligation. This risk is mitigated due to the fact that accounts receivable are minimal and revenue is largely derived from the municipal government. The Organization is also exposed to credit risk as all of the Organization's cash is held at one chartered bank.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due. The Organization's approach to managing liquidity risk is to prepare and follow annual budgets, as well as ensuring there are sufficient revenues to cover expenditures. The Organization's liquidity risk is considered to be low as the Organization aims to retain sufficient cash positions to manage liquidity risk.

6. COVID-19 UNCERTAINTY

In March 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("Covid-19") as a pandemic. The pandemic has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of Covid-19 are unknown at this time and it is not possible to reliably estimate the impact that these developments may have on the financial results and operations of the Organization in future periods.