

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

**Financial Statements**

**Year Ended December 31, 2023**



☎ 403.508.0060  
☎ 403.508.0062  
🌐 www.sihotataylor.com  
📍 1122 22nd Avenue N.W.  
Calgary Alberta T2M 1P7

## INDEPENDENT AUDITOR'S REPORT

### To the Members of 17<sup>th</sup> Avenue Retail & Entertainment District Business Improvement Area

#### Opinion

We have audited the financial statements of 17<sup>th</sup> Avenue Retail & Entertainment District Business Improvement Area (the Organization) which comprise the statement of financial position as at December 31, 2023, 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, 2023, 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.

*Sihota Taylor*

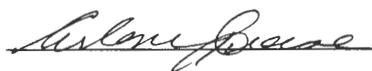
Calgary, Alberta  
May 22, 2024

Chartered Professional Accountants

**17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA**  
**Statement of Financial Position**  
**As at December 31, 2023**

	2023	2022
<b>ASSETS</b>		
CURRENT		
Cash and cash equivalents	\$ 82,573	\$ 189,366
Accounts receivable	4,125	11,865
Prepaid expenses	2,006	12,334
GST recoverable	22,878	70,727
	<b>111,582</b>	<b>284,292</b>
CAPITAL ASSETS (Note 3)	674,064	775,061
	<b>\$ 785,646</b>	<b>\$ 1,059,353</b>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 46,828	\$ 216,299
DEFERRED GRANTS FOR CAPITAL ASSETS (Note 4.)	667,924	771,529
	<b>714,752</b>	<b>987,828</b>
<b>NET ASSETS</b>		
INVESTED IN CAPITAL ASSETS	6,140	3,532
UNRESTRICTED NET ASSETS	64,754	67,993
	<b>70,894</b>	<b>71,525</b>
	<b>\$ 785,646</b>	<b>\$ 1,059,353</b>

ON BEHALF OF THE BOARD

 Director

\_\_\_\_\_  
Director

See notes to financial statements

**17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA**  
**Statement of Financial Position**  
**As at December 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 82,573	\$ 189,366
Accounts receivable	4,125	11,865
Prepaid expenses	2,006	12,334
GST recoverable	22,878	70,727
	<u>111,582</u>	<u>284,292</u>
CAPITAL ASSETS (Note 3)	<u>674,064</u>	<u>775,061</u>
	<u>\$ 785,646</u>	<u>\$ 1,059,353</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 46,828	\$ 216,299
DEFERRED GRANTS FOR CAPITAL ASSETS (Note 4.)	<u>667,924</u>	<u>771,529</u>
	<u>714,752</u>	<u>987,828</u>
<b>NET ASSETS</b>		
INVESTED IN CAPITAL ASSETS	6,140	3,532
UNRESTRICTED NET ASSETS	<u>64,754</u>	<u>67,993</u>
	<u>70,894</u>	<u>71,525</u>
	<u>\$ 785,646</u>	<u>\$ 1,059,353</u>

ON BEHALF OF THE BOARD

 Director

\_\_\_\_\_  
Director

See notes to financial statements

**17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2023**

	Invested in Capital assets	Unrestricted Net assets	2023	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 3,532	\$ 67,993	\$ <b>71,525</b>	\$ 51,065
(Deficiency) Excess of revenues over expenditures	(2,139)	1,508	<b>(631)</b>	20,460
Purchase of capital assets	4,747	(4,747)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 6,140	\$ 64,754	\$ <b>70,894</b>	\$ 71,525

See notes to financial statements

**17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA**  
**Statement of Operations**  
**Year Ended December 31, 2023**

	2023	2022
<b>REVENUE</b>		
Business tax levy	\$ 636,900	\$ 579,000
Other City of Calgary funding	108,007	249,560
Amortization of deferred grants ( <i>Note 4.</i> )	103,605	103,605
Other revenue	59,625	28,301
Interest income	316	646
	<b>908,453</b>	961,112
<b>EXPENDITURES</b>		
Advertising, projects, marketing and events	469,133	535,120
Wages and benefits	209,721	162,987
Amortization	105,744	104,643
Streetscape beautification and improvements	32,900	29,310
Rent	31,556	34,027
Professional fees	22,194	25,547
Insurance	20,601	15,947
Office and administrative	10,977	25,064
Telecommunications	2,839	2,672
Meals and entertainment	2,780	4,466
Bank charges	639	869
	<b>909,084</b>	940,652
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ (631)</b>	<b>\$ 20,460</b>

See notes to financial statements

**17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA**  
**Statement of Cash Flows**  
**Year Ended December 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
(Deficiency) Excess of revenues over expenditures	\$ (631)	\$ 20,460
Items not affecting cash:		
Amortization of equipment	105,744	104,643
Amortization of deferred grants <i>(Note 4.)</i>	(103,605)	(103,605)
	<b>1,508</b>	<b>21,498</b>
Changes in non-cash working capital:		
Accounts receivable	7,740	(11,540)
GST recoverable	47,849	(58,160)
Prepaid expenses	10,328	(11,309)
Accounts payable and accrued liabilities	(169,471)	204,780
Deferred grants for capital assets <i>(Note 4.)</i>	-	875,134
	<b>(103,554)</b>	<b>998,905</b>
Cash flow (used by) from operating activities	<b>(102,046)</b>	<b>1,020,403</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	<b>(4,747)</b>	<b>(878,775)</b>
<b>(DECREASE) INCREASE IN CASH</b>	<b>(106,793)</b>	<b>141,628</b>
Cash - beginning of year	<b>189,366</b>	<b>47,738</b>
<b>CASH - END OF YEAR</b>	<b>\$ 82,573</b>	<b>\$ 189,366</b>

See notes to financial statements

**17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

---

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.

Grants and contributions for capital assets are deferred and recognized as revenue in the year the related amortization expense of the funded capital asset is recorded.

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 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, 2023**

---

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
Furniture and equipment	60 months	Straight line
Boardwalks	120 months	Straight line
Streetscape assets	36 months	Straight line

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 include the useful life of capital assets which 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. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 7,723	\$ 2,650	\$ 5,073	\$ 2,109
Furniture and equipment	25,428	10,171	15,257	20,342
Boardwalks	792,655	158,531	634,124	713,390
Streetscape assets	58,830	39,220	19,610	39,220
	<b>\$ 884,636</b>	<b>\$ 210,572</b>	<b>\$ 674,064</b>	<b>\$ 775,061</b>

**17TH AVENUE RETAIL & ENTERTAINMENT DISTRICT BUSINESS IMPROVEMENT AREA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2023**

4. DEFERRED GRANTS FOR CAPITAL ASSETS

Deferred grants for capital assets consists of grants relating to:

	2023	2022
Boardwalks	\$ 792,655	\$ 792,655
Furniture and equipment	23,649	23,649
Streetscape assets	58,830	58,830
	<b>875,134</b>	875,134
Accumulated amortization of deferred grants for capital assets	<b>(207,210)</b>	(103,605)
	<b>\$ 667,924</b>	\$ 771,529

Deferred grants for capital assets are grants provided by the City of Calgary for the acquisition of capital assets. The deferred grants are being amortized and recognized as revenue in the same amount and on the same basis as the related asset is being amortized and recognized as amortization expense.

5. COMMITMENTS

The Organization has a long term lease with respect to its premises ending April 30, 2025 with annual minimum rent of \$35,775.

6. 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.