
**INTERNATIONAL AVENUE BUSINESS
REVITALIZATION ZONE**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

INTERNATIONAL AVENUE BUSINESS REVITALIZATION ZONE

DECEMBER 31, 2024

CONTENTS

	<u>Page</u>
MANAGEMENTS RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 11



SCASE & PARTNER
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the membership and the Board of Directors ,

Opinion

We have audited the financial statements of the International Avenue Business Revitalization Zone, which comprise the statement of financial position as at December 31, 2024, and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position at December 31, 2024, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for profit organizations.

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 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.

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.

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INTERNATIONAL AVENUE BUSINESS REVITALIZATION ZONE

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements and other information contained in this Financial Report as of December 31, 2024 are the responsibility of the management of the International Avenue Business Revitalization Zone.

Management has prepared these financial statements. Financial statements are not precise since they include certain amounts based on estimated and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Organization maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and that the Organization's assets are properly accounted for and adequately safeguarded.

The elected Board of the Organization is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board meets regularly with management to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Board also approves the engagement or re-appointment of the external auditors. The Board reviews the financial reports.

The financial statements have been audited by Scase & Partner Chartered Professional Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Board. Scase & Partner Chartered Professional Accountants has full and free access to the Board.

eBogd

Board member

June 18-2025
Date

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.

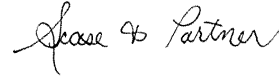
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Organization audit. We remain solely responsible for our audit opinion.

Scase & Partner

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
June 10, 2025



Chartered Professional Accountants


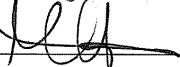
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**INTERNATIONAL AVENUE BUSINESS
REVITALIZATION ZONE**

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 3,838	\$ 22,232
Accounts receivable (Note 3)	10,400	16,899
Prepaid expenses and deposits	8,178	3,093
	\$ 22,416	\$ 42,224
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	\$ 19,091	\$ 18,764
Deferred revenue (Note 5)	1,950	4,800
	21,041	23,564
NET ASSETS		
UNRESTRICTED	1,375	18,660
	\$ 22,416	\$ 42,224

APPROVED ON BEHALF OF THE BOARD:


 _____ Director

 _____ Director

The notes form an integral part of these financial statements

INTERNATIONAL AVENUE BUSINESS REVITALIZATION ZONE

STATEMENT OF OPERATIONS and CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget (Unaudited)		
	2024	2024	2023
REVENUE			
Business tax levy	\$ 453,800	\$ 453,800	\$ 401,600
Grants and associate fees	163,000	93,648	91,948
Other income	170,000	50,603	74,373
	786,800	598,051	567,921
EXPENDITURES			
Streetscape improvements	238,800	184,461	155,879
Public safety and social issues	131,500	122,284	110,942
Special projects and events	96,500	94,384	88,409
Marketing and communication	94,000	93,701	83,022
Office and administration	107,500	88,068	85,080
Urban development and planning	57,000	29,752	40,088
Other-BIA Specific	30,500	2,477	-
Heart of the New East Economic Development	-	209	3,923
Contingency and others	31,000	-	-
	786,800	615,336	567,343
NET EXCESS OF REVENUE OVER EXPENDITURES	\$ -	(17,285)	578
UNRESTRICTED NET ASSETS, beginning of year		18,660	18,082
UNRESTRICTED NET ASSETS, end of year		\$ 1,375	\$ 18,660

The notes form an integral part of these financial statements

**INTERNATIONAL AVENUE BUSINESS
REVITALIZATION ZONE**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	2024	2023
CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Excess of expenditures over revenue	\$ (17,285)	\$ 578
CHANGES IN WORKING CAPITAL BALANCES		
Accounts receivable	6,499	6,397
Prepaid expenses	(5,084)	329
Accounts payable and accrued liabilities	323	(11,616)
Deferred revenue	(2,849)	4,801
(DECREASE) INCREASE IN CASH for the year	(18,395)	489
CASH, beginning of year	22,232	21,743
CASH, end of year	\$ 3,837	\$ 22,232

The notes form an integral part of these financial statements

7.

INTERNATIONAL AVENUE BUSINESS REVITALIZATION ZONE

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

INCORPORATION AND NATURE OF OPERATIONS

The International Avenue Business Revitalization Zone (referred to as 'the BRZ') is a not-for-profit organization established under the Municipal Government Act of the Province of Alberta. The main purposes of the organization are:

- a) to promote, improve and create a more pleasant community in which to shop and live, and
- b) to market BRZ as a shopping destination and to keep member businesses informed of the BRZ programs and activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using the Canadian accounting standards for not-for-profit organizations. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows:

(a) Use of estimates

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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accounts receivable, accounts payable and accrued liabilities and deferred revenue.

(b) Cash

Cash consists of balances with financial institutions. The organization's management does not invest the cash in any form that would limit its accessibility.

(c) Property and equipment

In accordance with the CPA handbook, not-for-profit organizations with average annual gross revenues recognized for the current and prior year of less than \$500,000 may choose not to capitalize and amortize tangible capital assets acquired in the year. During the fiscal years 2024 and 2023, the average gross revenue of BRZ was \$590,100 and there was no capital purchases made during the fiscal year.

INTERNATIONAL AVENUE BUSINESS REVITALIZATION ZONE

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Revenue recognition

The BRZ follows the deferral method of accounting for revenue. Restricted revenue is recognized in the year in which the related expenses are incurred. To date the organization has not established any restricted funds so there has been no requirement for additional schedules for reporting purposes.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations, grants and contributions in kind are recorded at fair value when such value can be reasonably determined and recorded as revenue in the year received.

(e) Contributed services

Volunteers contributed time to assist the BRZ in carrying out its operations, however due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(f) Income Taxes

As allowed under existing Federal Income Tax Legislation, organizations which qualify as a not-for-profit are exempt from income tax. As such, no provision for income taxes has been recorded in the accompanying financial statements.

2. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized on the balance sheet at the time the BRZ becomes a party to the contractual provisions. Upon initial recognition, financial instruments are measured at fair value.

Financial instruments that are traded on an exchange are adjusted to fair market value at each reporting period, with changes reported in the statement of operations as unrealized gains and losses.

All other financial assets are subsequently measured at amortized cost, include cash and accounts receivable.

The financial liabilities are subsequently measured at amortized cost, include accounts payable and accrued liabilities.

The risk exposures related to BRZ's financial instruments are outlined as follows:

(a) Interest rate risk

The Organization's interest rate risk relates to cash held in bank accounts. Management believes the Organization's exposure to interest rate risk is not significant.

INTERNATIONAL AVENUE BUSINESS REVITALIZATION ZONE

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2024

2. FINANCIAL INSTRUMENTS, continued

(b) Credit risk

The Organization's credit risk relates to cash and accounts receivable. The Organization's cash balances are held with reputable Canadian financial institutions. Accounts receivable are primarily from individuals and private and government entities. Management believes the Organization's exposure to credit risk is not significant, as collections on individual debts are reasonably assured.

The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value because of the short-term maturity of these items.

3. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Trade receivable & others	\$ 2,438	\$ 7,328
Goods and service tax receivable	<u>7,962</u>	<u>9,571</u>
	<u>\$ 10,400</u>	<u>\$ 16,899</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade payable	\$ 5,642	\$ 4,211
Accrued liabilities	4,000	4,000
Payroll deductions and other liabilities	<u>9,446</u>	<u>10,553</u>
	<u>\$ 19,088</u>	<u>\$ 18,764</u>

5. DEFERRED REVENUE

	<u>2024</u>	<u>2023</u>
Deferred revenue beginning of year	\$ 4,800	\$ -
Additions during the year	1,950	4,800
Expended on projects during the year	<u>(4,800)</u>	<u>-</u>
Deferred revenue end of year	<u>\$ 1,950</u>	<u>\$ 4,800</u>

INTERNATIONAL AVENUE BUSINESS REVITALIZATION ZONE

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2024

6. COMMITMENTS

International Avenue Business Revitalization Zone (International BRZ) renewed the lease agreement to rent office spaces and allocated parking stalls and storage space for a period of five years, beginning June 1, 2022 and ending May 31, 2027. Notice of intent to renew must be exercised 60 days before expiry of the current rental agreement. All terms of the lease renewal remains the same except for any signing incentive and or inducements.

The rent renewal has a base of \$3,213 per month plus applicable GST for both the office spaces and storage with the full amount payable at the beginning of each month. Costs of utilities, property taxes and required insurance will be born by International BRZ.

Annual commitment, not including operating costs

2025	\$ 38,556
2026	\$ 38,556
2027	\$ 16,065

BRZ hired the services of Ever Ready Solutions (E.R.S. Security) to provide for two security guards to patrol International Avenue and connecting businesses, look for and stop social disorder in area while working with community, local emergency departments and agencies. There is no formal agreement in place and the services can be terminated without giving notice to each party.

7. ECONOMIC DEPENDENCE

The BRZ earned \$453,800 (2023 - \$401,600) of business tax levy and \$90,000 (2023 - \$90,000) of graffiti and innovation grants from the City of Calgary, which represents 92% (2023 - 87%) of its revenue.

Due to the nature of the business activities, the ongoing operations of the BRZ is dependent upon the continued co-operation with the City of Calgary.

8. RESTRICTION ON NET ASSETS

There are no restrictions placed on the net assets of the BRZ during the fiscal year ended December 31, 2024.