

**Stony Plain Road and Area Business
Revitalization Zone
Financial Statements**

December 31, 2024

Stony Plain Road and Area Business Revitalization Zone
Financial Statements
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Independent Auditor's Report

To the Directors of Stony Plain Road and Area Business Revitalization Zone:

Opinion

I have audited the accompanying financial statements of Stony Plain Road and Area Business Revitalization Zone which comprise the statement of financial position as at December 31, 2024 and the statement of operations, 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 (collectively referred to as the "financial statements").

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Stony Plain Road and Area Business Revitalization Zone as at December 31, 2024 and its results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). My responsibilities under those standards are further described in the *Auditor Responsibilities for the Audit of the Financial Statement* section of my report. I am independent of Stony Plain Road and Area Business Revitalization Zone in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

Accounting Assurance Tax

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee an audit conducted in accordance with Canadian GAAS 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 GAAS, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.



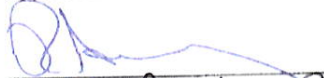
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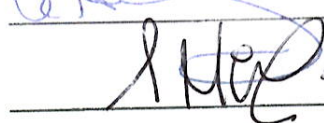
Edmonton, Alberta
March 19, 2025

Stony Plain Road and Area Business Revitalization Zone
Statement of Financial Position

December 31	2024	2023
Assets		
Current		
General account	\$ 82,194	\$ 230,118
Savings account	303,131	385,430
Short-term investments (Note 4)	300,000	250,000
Accounts receivable (Note 3)	11,975	3,383
GST rebate receivable	13,900	7,478
	<u>711,200</u>	<u>876,409</u>
Investments (Note 4)	<u>100,000</u>	<u>150,000</u>
	<u>\$ 811,200</u>	<u>\$ 1,026,409</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 10,443	\$ 2,904
Source deductions owing	1,244	-
Deferred revenue (Note 5)	223,520	-
	<u>235,207</u>	<u>2,904</u>
Deferred revenue (Note 5)	<u>-</u>	<u>378,060</u>
	<u>235,207</u>	<u>380,964</u>
Net Assets		
Internally restricted:		
Capital reserve (Note 8)	166,779	166,779
Unrestricted net assets	409,214	478,666
	<u>575,993</u>	<u>645,445</u>
	<u>\$ 811,200</u>	<u>\$ 1,026,409</u>

Approved on behalf of the Board:

 _____ Director

 _____ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Stony Plain Road and Area Business Revitalization Zone
Statement of Changes in Net Assets
For the year ended December 31, 2024

	Capital Reserve	Unrestricted Net Assets	Total
Balance, beginning of year	\$ 166,779	\$ 478,666	\$ 645,445
Deficiency of revenues over expenses	-	(69,452)	(69,452)
Balance, end of year	\$ 166,779	\$ 409,214	\$ 575,993

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Stony Plain Road and Area Business Revitalization Zone Statement of Operations

For the year ended December 31	2024	2023
Revenue		
Special levy	\$ 270,000	\$ 270,000
Grants (Note 7)	190,679	103,334
Other income, reimbursements and donations	6,682	4,612
Advertising - SPANN	7,333	4,843
	<u>474,694</u>	<u>382,789</u>
Expenses		
Advertising and promotion	29,843	16,391
Community development	120,301	60,437
Insurance	1,558	1,355
Meetings and forums	2,885	1,616
Office supplies	2,091	2,424
Professional development	1,335	802
Professional fees	4,276	3,600
Placemaking - lighting and wraps	81,978	-
Placemaking - murals	46,500	-
Program costs - flower baskets and street cleaning	49,582	60,225
Program costs - special events	24,904	34,745
Program costs - SPANN	10,746	15,044
Salaries and benefits	190,047	164,512
Rent and storage	11,072	11,361
Telephone and fax	1,415	1,319
	<u>578,533</u>	<u>373,831</u>
Income (loss) from operations	(103,839)	8,958
Investment income (Note 4)	<u>34,387</u>	<u>23,920</u>
Excess (deficiency) of revenue over expenses	(69,452)	32,878
Net assets, beginning of year	<u>478,666</u>	<u>445,788</u>
Net assets, end of year	<u>\$ 409,214</u>	<u>\$ 478,666</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Stony Plain Road and Area Business Revitalization Zone Statement of Cash Flows

For the year ended December 31	2024	2023
Cash flows from operating activities		
Cash receipts from special levy and other income	\$ 305,140	\$ 313,985
Cash paid to suppliers, contractors and employees	<u>(569,750)</u>	<u>(374,998)</u>
Cash flows from operating activities	(230,223)	(37,093)
Investing activities		
Purchase of investments	<u>-</u>	<u>(50,000)</u>
Decrease in cash and equivalents during the year	(230,223)	(87,093)
Cash and equivalents, beginning of year	<u>615,548</u>	<u>702,641</u>
Cash and equivalents, end of year	<u>\$ 385,325</u>	<u>\$ 615,548</u>
Represented by		
Cash and bank accounts	\$ 82,194	\$ 230,118
T-Bill savings account (Note 4)	<u>303,131</u>	<u>385,430</u>
	<u>\$ 385,325</u>	<u>\$ 615,548</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements

Stony Plain Road and Area Business Revitalization Zone

Notes to Financial Statements

December 31, 2024

1. Nature of Organization

The City of Edmonton Bylaw 14125 established a business revitalization zone located within the area bounded by 140 Street and 170 Street and 100 Avenue and 102 Avenue, centred along Stony Plain Road. The Association was established as a result of the bylaw with the purpose to improve, beautify and maintain the property and to develop, improve and maintain public parking and to promote the zone as a business and shopping district.

The organization was established in November 2005 and currently operates as a Business Improvement Area under the name of Stony Plain Road Business Association.

The Stony Plain Road and Area Business Revitalization Zone is a not-for-profit organization and accordingly, no provision for corporate taxes has been provided for in the financial statements, pursuant to paragraph 149(1)(l) of the Income Tax Act, Canada.

2. Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

(a) Use of Accounting 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures for the year. These estimates are reviewed periodically and adjustments are made as appropriate in the year they become known.

Significant areas requiring management estimates include accruals for investment income not yet received, accrued liabilities for items where the invoice has not been received and the timing of revenue recognition. These estimates are subject to measurement uncertainty and the effects of changes in these estimates in future periods could be significant. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been prepared within reasonable limits of materiality and within the framework of the accounting policies summarized above.

Stony Plain Road and Area Business Revitalization Zone

Notes to Financial Statements

December 31, 2024

2. Significant Accounting Policies (continued)

(b) Financial Instruments and Financial Risk Management

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently recorded at fair value. Changes in fair value are recognized in excess of revenue over expenses. All other financial instruments are subsequently measured at amortized cost.

Financial instruments measured at amortized cost include cash, accounts receivable, investments, accounts payable and accrued liabilities.

Financial assets such as marketable securities, if any, are measured at fair market value.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of any writedown required is recognized in excess of revenue over expenses. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed in the statement of operations in the period the reversal occurs.

Transaction costs

The Association recognizes transaction costs, if any, 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.

Risks and concentrations

The Association is exposed to various risks through its financial instruments without being exposed to concentrations of risk

Credit risk - This is the risk that one party to a financial instrument will cause a financial loss for the other party for failing to discharge an obligation. The Association's main credit risks relate to accounts receivable. The association provides credit to its members and clients in the normal course of operations. However, its Accounts Receivable are primarily from government bodies and related funders.

Market Risk - This 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 is comprised of three types of risk: currency risk, interest rate risk and price risk. The Association is mainly exposed to price risk. It invests mainly in high quality, conservative, bank issued investment products denominated in Canadian dollars.

Stony Plain Road and Area Business Revitalization Zone

Notes to Financial Statements

December 31, 2024

2. Significant Accounting Policies (continued)

(c) Capital Reserves and Unrestricted Net Assets

The Capital Reserve is internally restricted funds that are earmarked for future programs and projects in accordance with the bylaws.

Unrestricted net assets represent the cumulative excess of special levies and interest income over expenditures.

(d) Capital assets

Capital assets are expensed in the year they are acquired. In the current fiscal year, \$705 is included in expenses for computer and office equipment purchases.

(e) Revenue Recognition

Levy revenue is recognized when due in accordance with the special levy program established by the City of Edmonton.

Grant revenue is recorded upon receipt. Any grants or funding specifically for expenses not yet incurred are deferred. Deferred revenue represents funding received for programs and projects with periods extending beyond the current year end. These revenues will be recognized in future periods when the related expenditures occur.

Other unrestricted receipts and contributions are recognized as revenue when received.

(f) Contributed Materials and Services

Contributed materials and services are recognized in the financial statements when a fair value can be reasonably determined and when these materials and services are used in the normal course of the Association's operation and would otherwise have been purchased.

Volunteers contribute a significant amount of hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining the fair value of these services, the financial value of contributed services are not generally recognized in the financial statements.

(g) Cash and Equivalents

The Association's policy is to disclose bank balances as cash and equivalents, including investments in T-Bill savings account and any short term investments which have a maturity of 90 days or less.

Stony Plain Road and Area Business Revitalization Zone

Notes to Financial Statements

December 31, 2024

3. Accounts Receivable

	2024	2023
Accrued interest receivable	\$ 9,775	\$ -
Other receivables	2,200	3,383
	\$ 11,975	\$ 3,383

4. Investments and Investment Income

	2024	2023
Guaranteed Investment Certificates (GIC)	\$ 400,000	\$ 400,000
Less: maturing in upcoming year	(300,000)	(250,000)
	\$ 100,000	\$ 150,000

GICs have interest rates of 4.19% to 5.32%, maturing in April 2025 to January 2026. Interest on the T-Bill savings account is paid monthly based on the bank's current rate.

5. Deferred Revenue

	Deferred December 31, 2023	Funding Received	Funding Utilised	Deferred December 31, 2024
Deferred Levy	\$ 67,500	\$ 67,500	\$ (67,500)	\$ 67,500
Jasper Place Revitalization	211,056	-	(120,301)	90,755
Community Safety Grant	63,504	-	-	63,504
Mural Grant	19,000	-	(19,000)	-
Community Light Grant	17,000	-	(17,000)	-
Litter Reduction Grant	-	27,280	(25,519)	1,761
	\$ 378,060	\$ 94,780	\$ (249,320)	\$ 223,520

The above government grant funding has been received for activities and events which did not occur in the year.

Stony Plain Road and Area Business Revitalization Zone

Notes to Financial Statements

December 31, 2024

6. Capital Management

The Association's objectives in managing capital are to safeguard the entity's ability to continue as a going concern so that it can continue to provide services to revitalise the community and to ensure expenditures are matched to the appropriate level of services that are provided.

The Association manages capital by ensuring it is able to meet its current liabilities with current assets and readily cashable investments.

	2024	2023
Current assets and cashable investments	\$ 385,325	\$ 615,548
Less: current liabilities	(235,207)	(380,964)
	<u>\$ 150,118</u>	<u>\$ 234,584</u>

The Association continues to meet its capital management objectives and as of December 31, 2024, management has concluded that there are no material uncertainties that cast significant doubt on the its ability to continue as a going concern and it has sufficient liquid resources to meet its current obligations.

7. Grant Revenue

	2024	2023
Jasper Place Development Grant	\$ 120,301	\$ 62,544
Light and mural grants	36,000	-
Litter Reduction Grant	25,519	25,438
Employment Grant	8,859	15,352
	<u>\$ 190,679</u>	<u>\$ 103,334</u>

8. Capital Reserve

In providing clarity to the Capital Reserve and the in line with the intent of the Capital Reserve policy that the funds be earmarked for future programs and projects in accordance with the bylaws, the Board of Directors have designated \$100,000 of the reserve towards post LRT branding and the remaining \$66,779 to be designated toward complimentary programming.

Stony Plain Road and Area Business Revitalization Zone

Notes to Financial Statements

December 31, 2024

9. Commitment and credit terms

The Association has a commitment for an operating lease for office premises with minimum annual lease payments as follows:

2025	\$ 8,120
2026	8,120
2027	<u>8,120</u>
	<u>\$ 24,360</u>

The Association has a credit card to be used for approved expenses. The balance outstanding is included in accounts payable, is unsecured and the total credit available is \$10,000. The Association generally pays the entire statement balance when due, if so no interest is charged.

10. Economic Dependence

The Association is economically dependant on the City of Edmonton. Including the levy collected by the City from the Association members, it provides over 95% of its revenue (2023 - 94%). The Association would likely be unable to continue operations to the extent that it currently does, without this funding and is therefore economically dependent on the City of Edmonton.
