

**North End Business Improvement Zone**  
**Financial Statements**  
*December 31, 2017*

## Independent Auditors' Report

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To the Board of Directors of North End Business Improvement Zone:

We have audited the accompanying financial statements of North End Business Improvement Zone, which comprise the statement of financial position as at December 31, 2017, 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.

### *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 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.

### *Auditors' 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 auditors' 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 North End Business Improvement Zone as at December 31, 2017 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Manitoba

May 8, 2018

*MNP LLP*


Chartered Professional Accountants


**North End Business Improvement Zone**  
**Statement of Financial Position**

*As at December 31, 2017*

	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash	23,856	53,909
Investments (Note 3)	32,039	60,000
GST receivable	4,617	5,220
	<b>60,512</b>	<b>119,129</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	12,009	1,500
<b>Net Assets</b>		
	<b>48,503</b>	<b>117,629</b>
	<b>60,512</b>	<b>119,129</b>

Approved on behalf of the Board

  
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Director

  
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Director

*The accompanying notes are an integral part of these financial statements*



## North End Business Improvement Zone Statement of Operations

*For the year ended December 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
City of Winnipeg		
BIZ levy	57,570	50,219
Streetscape improvements	-	35,598
Interest and other	3,456	203
	<b>61,026</b>	<b>86,020</b>
<b>Expenses</b>		
Administrative	26,400	26,400
Advertising	650	651
Bank charges and interest	105	-
Donations	300	300
Graffiti removal	1,250	1,250
Grants for BIZ initiatives	18,614	10,928
Meetings	1,783	2,570
Office	1,481	206
Professional fees	1,695	1,820
Salaries and benefits	-	100
Streetscape improvements	76,080	10,857
Streetscape maintenance	1,794	2,194
Take Pride Green Wave Team	-	78
	<b>130,152</b>	<b>57,354</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(69,126)</b>	<b>28,666</b>

*The accompanying notes are an integral part of these financial statements*

## North End Business Improvement Zone Statement of Changes in Net Assets

*For the year ended December 31, 2017*

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	<i>2017</i>	<i>2016</i>
<b>Net assets, beginning of year</b>	<b>117,629</b>	88,963
<b>Excess (deficiency) of revenue over expenses</b>	<b>(69,126)</b>	28,666
<b>Net assets, end of year</b>	<b>48,503</b>	117,629

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## North End Business Improvement Zone Statement of Cash Flows

*For the year ended December 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(69,126)	28,666
Interest revenue on investments	(2,039)	-
	(71,165)	28,666
Changes in working capital accounts		
GST receivable	603	(758)
Accounts payable and accruals	10,509	200
	(60,053)	28,108
<b>Investing</b>		
Purchase of investments	-	(60,000)
Redemption of investments	30,000	-
	30,000	(60,000)
<b>Decrease in cash resources</b>	<b>(30,053)</b>	<b>(31,892)</b>
<b>Cash resources, beginning of year</b>	<b>53,909</b>	<b>85,801</b>
<b>Cash resources, end of year</b>	<b>23,856</b>	<b>53,909</b>

*The accompanying notes are an integral part of these financial statements*

# North End Business Improvement Zone Notes to the Financial Statements

For the year ended December 31, 2017

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## 1. Purpose of the Organization

The North End Business Improvement Zone (the "Organization") was designated as a Business Improvement Zone by City of Winnipeg By-law 622/93. A management board was established to beautify, improve and maintain land of the city within the business improvement zone subject to the authorization by Council and to promote the business improvement zone as a place to retail and commercial activity.

The North End Business Improvement Zone is a not-for-profit organization and operations are to be carried on without monetary gain to its members. It is tax exempt under Section 149 (1) of the Income Tax Act.

## 2. Significant accounting policies

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

### **Cash**

Cash includes balances with banks. Cash subject to restrictions which prevents its use for current purposes is included in restricted cash.

### **Investments**

Investments are portfolio investments recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market.

### **Financial instruments**

The Organization recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published prices. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment.

With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operations. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

### **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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

GST receivable is stated after evaluation as to its collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

### **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 receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

# North End Business Improvement Zone Notes to the Financial Statements

*For the year ended December 31, 2017*

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### **3. Investments**

Investments consist of a 2 month term deposit with a maturity date of January 29, 2018, bearing interest at 1.80%. Upon maturity, the deposit was not re-invested as the Board decided to implement capital projects in 2017/2018 that resulted in all of the GIC needing to be cashed in.

### **4. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.