

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**Broadway Business Improvement District**

### *Opinion*

We have audited the financial statements of Broadway Business Improvement District, which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in fund balances 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 of the organization as at December 31, 2024, and the results of its operations and its 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.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

### *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.

SASKATOON, SASKATCHEWAN

April 14, 2025

*Buchberger Baerq & Partners LLP*

Chartered Professional Accountants

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ -	\$ 8,683
Investments (Note 3)	13,389	-
Accounts receivable	19,465	17,788
Prepaid expenses and deposits	1,040	1,040
GST receivable	<u>12,399</u>	<u>13,193</u>
	46,293	40,704
Restricted fund cash	-	4,491
Restricted cash	-	40,000
Investments (Note 3)	30,031	53,273
Capital assets (Note 4)	<u>148,059</u>	<u>88,982</u>
	<b><u>\$ 224,383</u></b>	<b><u>\$ 227,450</u></b>
<b><u>LIABILITIES</u></b>		
<b>Current liabilities</b>		
Bank indebtedness (Note 7)	\$ 14,128	\$ -
Accounts payable and accrued liabilities	<u>24,527</u>	<u>18,261</u>
	38,655	18,261
Deferred capital contributions (Note 5)	<u>74,732</u>	<u>84,165</u>
	<u>113,387</u>	<u>102,426</u>
<b><u>FUND BALANCES</u></b>		
General fund	110,996	120,533
Restricted fund	<u>-</u>	<u>4,491</u>
	<u>110,996</u>	<u>125,024</u>
	<b><u>\$ 224,383</u></b>	<b><u>\$ 227,450</u></b>

*See accompanying notes*

Approved by the Board



Wade Phillips (Apr 28, 2025 23:11 MDT)

Member

Member

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>General fund</b>		
<b>Revenues</b>		
Business tax levy (Note 6)	\$ 207,945	\$ 203,868
Parking grant (Note 6)	78,800	76,500
Events	54,690	29,784
Non-operating grants (Note 5)	9,433	7,291
Street maintenance	7,076	11,076
Operating grants (Note 6)	3,605	12,244
Investment income	1,418	1,527
New marketing initiatives	325	4,963
Red ball project	-	50,270
	<u>363,292</u>	<u>397,523</u>
 <b>Expenditures</b>		
Amortization	19,751	14,269
Board meetings	954	1,792
Consulting fees	3,500	-
Continuing education	8,546	987
Events (Note 8)	92,796	61,185
Graffiti initiatives	2,464	-
Insurance	1,993	3,317
Memberships and dues	894	680
New marketing initiatives	12,606	22,016
Office	16,116	14,570
Professional fees	20,789	12,663
Red Ball project	-	64,463
Rent	18,284	16,054
Repairs and maintenance	2,902	5,512
Wages and benefits	169,146	170,522
	<u>370,741</u>	<u>388,030</u>
 <b>Excess of revenues over expenditures from the general fund before undernoted item</b>	 (7,449)	 9,493
 <b>Restricted fund</b>		
Walk of Stars expenses	<u>(6,579)</u>	<u>(509)</u>
<b>(Deficiency) excess of revenues over expenditures</b>	<b><u>\$ (14,028)</u></b>	<b><u>\$ 8,984</u></b>

*See accompanying notes*

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF CHANGES IN FUND BALANCES**

**YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>		
	<u>General fund</u>	<u>Restricted fund</u>	<u>Total</u>
Fund balance, beginning of year	\$ 120,533	\$ 4,491	\$ 125,024
Excess (deficiency) of revenues over expenditures	(7,449)	(6,579)	(14,028)
Interfund transfer (Note 9)	(2,088)	2,088	-
Fund balance, end of year	<b><u>\$ 110,996</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 110,996</u></b>
	<u>2023</u>		
	<u>General fund</u>	<u>Restricted fund</u>	<u>Total</u>
Fund balance, beginning of year	\$ 111,040	\$ 5,000	\$ 116,040
Excess (deficiency) of revenues over expenditures	9,493	(509)	8,984
Fund balance, end of year	<b><u>\$ 120,533</u></b>	<b><u>\$ 4,491</u></b>	<b><u>\$ 125,024</u></b>

*See accompanying notes*

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>		
(Deficiency) excess of revenues over expenditures	\$ (14,028)	\$ 8,984
Items not affecting cash		
Amortization	19,751	14,269
Unrealized investment income	(1,265)	(1,527)
Non-operating grants	(9,433)	(7,291)
Net change in non-cash working capital items:		
Accounts receivable	(1,677)	7,542
Prepaid expenses and deposits	-	38,338
GST receivable	794	(8,049)
Accounts payable and accrued liabilities	6,264	799
	<u>406</u>	<u>53,065</u>
<b>Cash flows used in investing activities</b>		
Purchase of investments	-	(27,729)
Purchase of capital assets	(78,827)	(69,947)
Redemption of investments	11,119	-
Deferred capital contributions received	-	70,000
	<u>(67,708)</u>	<u>(27,676)</u>
<b>Net (decrease) increase in cash and cash equivalents during the year</b>	(67,302)	25,389
<b>Cash and cash equivalents, beginning of year</b>	<u>53,174</u>	<u>27,785</u>
<b>(Bank indebtedness) cash and cash equivalents, end of year</b>	<u><b>\$ (14,128)</b></u>	<u><b>\$ 53,174</b></u>
<b>(Bank indebtedness) cash and cash equivalents consist of:</b>		
Cash and cash equivalents	\$ -	\$ 8,683
Restricted cash	-	40,000
Restricted fund cash	-	4,491
Bank indebtedness	<u>(14,128)</u>	<u>-</u>
	<u><b>\$ (14,128)</b></u>	<u><b>\$ 53,174</b></u>

*See accompanying notes*

# **BROADWAY BUSINESS IMPROVEMENT DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

### **1. Nature of operations**

Broadway Business Improvement District (the "organization") was established in 1986 for the purpose of supporting and advancing the interests of all businesses situated within the boundaries of the Broadway district in Saskatoon, Saskatchewan. The organization is exempt from income taxes under Section 149 of the Income Tax Act.

### **2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

#### **Cash and cash equivalents**

Cash and cash equivalents is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than ninety days, net of cheques issued and outstanding at the reporting date.

#### **Fund accounting**

The organization follows the principles of fund accounting.

The general fund accounts for the general operations and events of the organization. Unrestricted contributions and restricted contributions to be used for operations are reported in this fund.

The restricted fund consists of donations to be used for the Walk of Stars program. This program is designed to recognize individuals who have made significant contributions to the district by having a commemorative star created and place in areas of the district designated for this purpose. Only expenses related to the creation, installation and maintenance of the ceremonial star and to the ceremony to unveil the star can be paid from the restricted fund.

#### **Investments**

Investments consist of Guaranteed Investment Certificates ("GIC's") with varying interest rates and maturities.

#### **Capital assets**

Capital assets are recorded at cost, less accumulated amortization. The organization provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Computer equipment	25% Declining balance
Equipment	20% Declining balance
Event equipment	20% Declining balance
Signs	3 years Straight-line
Vehicles	30% Declining balance



# **BROADWAY BUSINESS IMPROVEMENT DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

### **2. Significant accounting policies (continued)**

#### **Impairment of long-lived assets**

Long-lived assets, which comprise capital assets subject to amortization, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

#### **Revenue recognition**

The organization follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which they are received. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions for depreciable capital assets are deferred and amortized on the same basis as the underlying asset.

Business tax levy, parking meter, and maintenance revenues are recognized in the period to which the funds relate. All other sources of revenues are recognized when the product is delivered or the services rendered.

#### **Financial instruments**

The organization initially records a financial instrument at its fair value, except for a related party transaction, which is recorded at the carrying or exchange amount depending on the circumstances.

Transaction costs are recognized in excess of revenues over expenditures in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

Financial assets and financial liabilities subsequently measured at amortized cost include accounts receivable, investments, bank indebtedness, and accounts payable and accrued liabilities.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

#### **Donated material and services**

The organization is dependent on the voluntary services of many individuals to the activities of the organization. Since these services are not normally purchased and because of the difficulty in determining their fair value, no amounts have been reflected in these financial statements for volunteer services.

## **BROADWAY BUSINESS IMPROVEMENT DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

#### **2. Significant accounting policies (continued)**

##### **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 the useful lives of capital assets and related amortization.

#### **3. Investments**

The details of the various investments held by the organization are as follows:

	<u>2024</u>
60 month GIC bearing interest at 2.35%, maturing June 2025	\$ 13,389
36 month GIC bearing interest at 4.00%, maturing February 2026	<u>30,031</u>
	<b><u>\$ 43,420</u></b>

#### **4. Capital assets**

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 7,781	\$ 6,111	\$ 1,670	\$ 2,226
Equipment	136,815	19,989	116,826	55,005
Event equipment	52,967	33,890	19,077	23,846
Signs	24,421	19,469	4,952	-
Vehicles	9,300	3,766	5,534	7,905
	<b>\$ 231,284</b>	<b>\$ 83,225</b>	<b>\$ 148,059</b>	<b>\$ 88,982</b>

**BROADWAY BUSINESS IMPROVEMENT DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**5. Deferred capital contributions**

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 84,165	\$ 21,456
Contributions received	-	70,000
Recognition of capital contributions as revenues	<u>(9,433)</u>	<u>(7,291)</u>
Balance, end of year	<b><u>\$ 74,732</u></b>	<b><u>\$ 84,165</u></b>

Included in deferred capital contributions is \$nil (2023 - \$40,000) for the purchase of a parking patio, which was spent during the year.

**6. Operating grants**

	<u>2024</u>	<u>2023</u>
City of Saskatoon - Business tax levy	\$ 207,945	\$ 203,868
City of Saskatoon - Parking grant	78,800	76,500
City of Saskatoon - Other	3,605	60,846
Government of Canada	-	7,744
Tourism Saskatchewan	-	4,500

**7. Line of credit**

The organization has established a line of credit with the Affinity Credit Union ("ACU") with an authorized limit of \$20,000 (2023 - \$10,000), which bears interest at the ACU prime rate plus 0.5%. At year end, \$16,247 (2023 - \$nil) had been drawn on this line of credit, and the remaining difference in bank indebtedness is related to outstanding cheques and deposits.

Prime rate as of December 31, 2024 was 5.95% (2023 - 6.70%).

**8. Related party transactions**

During the year, the organization paid grants to companies controlled by a member of the Board of Directors in the amount of \$1,000 (2023 - \$896).

This transaction is in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

**9. Interfund transfer**

During the year, \$2,088 (2023 - \$nil) was transferred and allocated to the restricted fund for the expenses related to the creation, installation and maintenance of the ceremonial star for the Walk of Stars program.

## **BROADWAY BUSINESS IMPROVEMENT DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

**10. Economic dependence**

The organization relies on a significant amount of its funding from the City of Saskatoon in order to finance its operations. Without this funding, there would be doubt regarding the organization's ability to sustain its current level of operating activities.

**11. Financial instruments**

**Liquidity risk**

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The organization has sufficient receivables and a steady income, which ensure it will be able to pay obligations as they come due.

**Credit risk**

The organization does have credit risk in accounts receivable of \$19,465 (2023 - \$17,788). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization's main credit risk relates to its accounts receivable; however, this risk is mitigated by the fact that all or nearly all of the amounts in this account are receivable from a government agency.




# Broadway Business Improvement District - Financial Statements - FINAL

Final Audit Report

2025-04-29

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