
**QUINPOOL ROAD MAINSTREET
DISTRICT ASSOCIATION LIMITED**

FINANCIAL STATEMENTS

MARCH 31, 2018



Andrew Corkum Accounting Services Ltd
Chartered Professional Accountant



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INDEPENDENT AUDITOR'S REPORT

To the Members of Quinpool Road Mainstreet District Association Limited

I have audited the accompanying financial statements of Quinpool Road Mainstreet District Association Limited which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flow 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Quinpool Road Mainstreet District Association Limited as at March 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountant
Licensed Public Accountant

Halifax, Nova Scotia
June 8, 2018

QUINPOOL ROAD MAINSTREET DISTRICT ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

MARCH 31	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 18,296	\$ 17,848
HST recoverable	1,251	1,673
Prepaid expenses	<u>1,168</u>	<u>1,168</u>
	<u>\$ 20,715</u>	<u>\$ 20,689</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 716</u>	<u>\$ 1,629</u>
NET ASSETS		
UNRESTRICTED SURPLUS	<u>19,999</u>	<u>19,060</u>
	<u>\$ 20,715</u>	<u>\$ 20,689</u>

See accompanying notes to the financial statements

Approved by the Board:

_____ Director

_____ Director

QUINPOOL ROAD MAINSTREET DISTRICT ASSOCIATION LIMITED**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

YEAR ENDED MARCH 31	BUDGET	2018	2017
REVENUE			
Halifax Regional Municipality (Note 4)	\$ 133,000	\$ 141,684	\$ 123,160
Sponsorship and other income	9,450	9,715	11,606
HST rebate (Note 3(e))	<u>2,000</u>	<u>4,124</u>	<u>4,414</u>
	<u>144,450</u>	<u>155,523</u>	<u>139,180</u>
EXPENSES			
Advertising and website	18,270	21,310	18,767
Advocacy	3,000	3,263	3,164
Annual meeting expenses	2,000	2,362	1,760
Christmas programming and events	13,710	17,507	16,555
Contract services	8,000	-	4,498
Facade improvement initiative	5,000	1,012	6,686
HST expense (Note 3(e))	-	8,247	8,829
Insurance	3,500	3,282	3,279
Maintenance fund and graffiti removal	23,957	16,334	8,979
Meetings and conferences	4,500	2,932	1,619
Other events and programs	400	641	744
Office	3,861	4,489	3,680
Professional fees	5,500	4,223	4,948
Quinfest fall fair	9,000	9,992	10,715
Salaries and benefits	59,800	57,515	56,686
Telephone	<u>1,800</u>	<u>1,475</u>	<u>1,462</u>
	<u>162,298</u>	<u>154,584</u>	<u>152,371</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR	(17,848)	939	(13,191)
NET ASSETS AT BEGINNING OF YEAR	<u>17,848</u>	<u>\$ 19,060</u>	<u>\$ 32,251</u>
NET ASSETS AT END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 19,999</u></u>	<u><u>\$ 19,060</u></u>

See accompanying notes to the financial statements

QUINPOOL ROAD MAINSTREET DISTRICT ASSOCIATION LIMITED**STATEMENT OF CASH FLOWS**

YEAR ENDED MARCH 31	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED DURING YEAR		
HRM Funding (Note 4)	\$ 141,684	\$ 123,160
Other program sponsorships and revenues	9,715	11,606
HST rebates (Note 3(e))	<u>4,546</u>	<u>6,106</u>
	<u>155,945</u>	<u>140,872</u>
CASH PAID DURING THE YEAR		
Operating costs and programs	97,982	94,087
Salaries and benefits	<u>57,515</u>	<u>56,686</u>
	<u>155,497</u>	<u>150,773</u>
NET INCREASE (DECREASE) IN CASH DURING THE YEAR	448	(9,901)
CASH AT BEGINNING OF YEAR	<u>17,848</u>	<u>27,749</u>
CASH AT END OF YEAR	<u>\$ 18,296</u>	<u>\$ 17,848</u>

See accompanying notes to the financial statements

QUINPOOL ROAD MAINSTREET DISTRICT ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

1. NATURE OF OPERATIONS

Quinpool Road Mainstreet District Association Limited was incorporated under the Corporations Registrations Act as a Limited by Guarantee company, without share capital, and operates as a not-for-profit organization. The objectives of the Association are to advance the common civic and commercial interests and foster favourable publicity for the District and its members. The association is exempt from income taxes under the provisions of the Income Tax Act.

The Association is a related entity of Halifax Regional Municipality as disclosed in Note 4.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Accounting estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

b) Cash

Cash includes cash on deposit with financial institutions.

c) Revenue recognition

The Association follows the deferral method of accounting for contributions.

Revenue from the Halifax Regional Municipality membership levy is recognized annually based on the approved amounts under the service agreement as disclosed in Note 4. Sponsorship and fundraising revenue is recognized as earned, when collectibility is reasonably assured.

d) Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and amounts receivable.

Financial liabilities measured at amortized cost include account payable.

QUINPOOL ROAD MAINSTREET DISTRICT ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31

2018

2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) HST

Under the provisions of the Excise Tax Act, the Association is entitled to a rebate of 50% of the HST paid annually on expenditures. The Association records the full amount of HST as HST expense on the income statement with the corresponding refundable portion being accounted for as HST rebate revenue.

4. GOVERNMENT FUNDING - HALIFAX REGIONAL MUNICIPALITY

The Association receives the majority of its funding from membership levies under a service agreement with Halifax Regional Municipality (HRM). The agreement is reviewed annually and funding is based on the budget approved by HRM.

The following transactions took place with HRM during the year:

REVENUE

Membership levy	\$ 122,569	\$ 107,757
Streetscaping grant	9,200	-
Discretionary funding	5,735	6,468
Maintenance enhancement grant	2,680	2,368
HRM BID Contribution Grant	-	5,067
"Quinfest" grant	<u>1,500</u>	<u>1,500</u>
	<u>\$ 141,684</u>	<u>\$ 123,160</u>

Quinpool Road Mainstreet District Association is a related entity of Halifax Regional Municipality and is dependant on the Municipality for operational and financial support.

5. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, accounts payable, and accrued liabilities. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency, or credit risks and the fair values of these instruments approximate their carrying value.

6. COMPARATIVE FIGURES

The comparative figures for the preceding year have been reclassified to conform with the financial statement presentation for the current year.

