

ANNUAL GENERAL MEETING

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

[Join Zoom Meeting »](#)

Meeting ID: 893 9120 5489

Passcode: 052969

Thursday, February 18,
2021

12pm-1:00pm

Agenda

11:45AM

Zoom Waiting Room Available

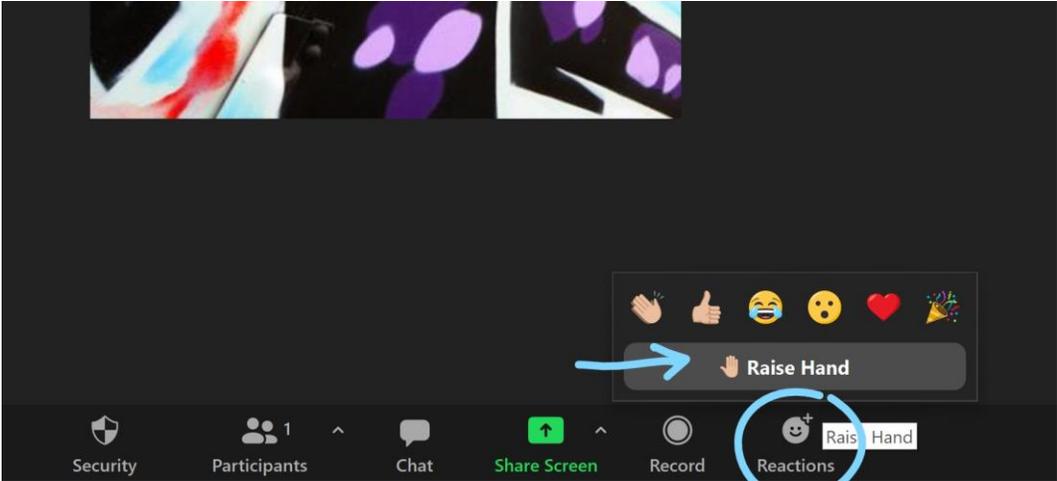
12PM

Annual General Meeting

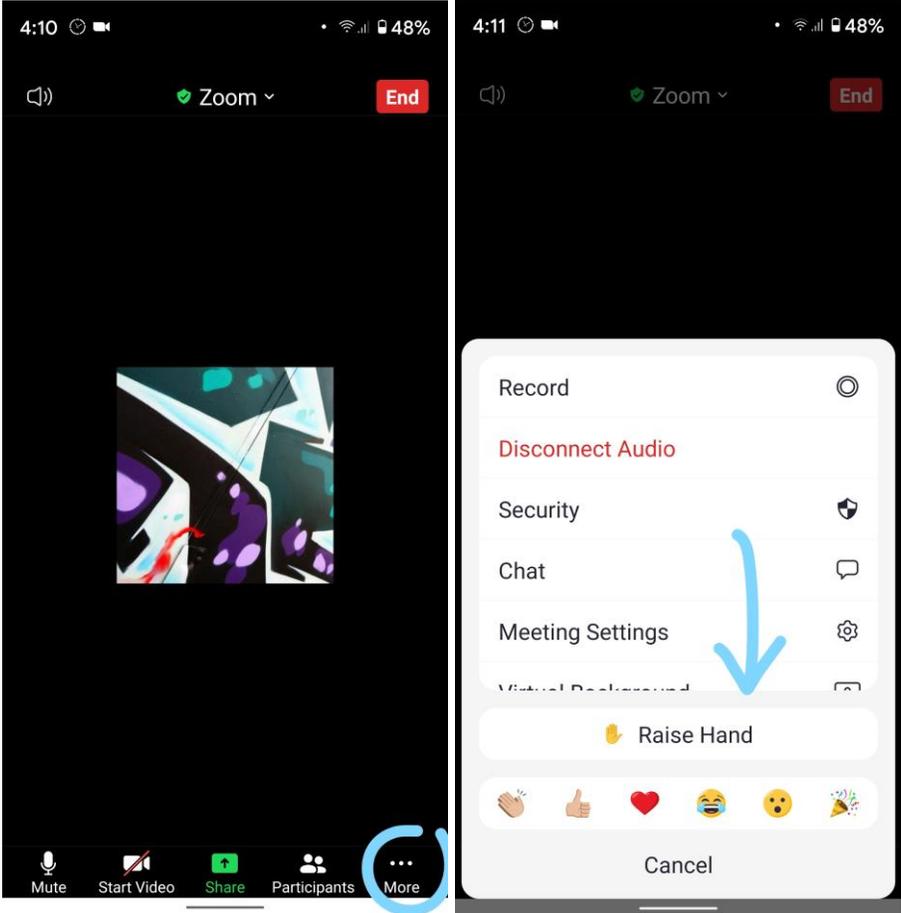
- **Welcome**
 - POLL: Motion to adopt the Agenda
 - POLL: Motion to adopt 2020 Minutes ([View »](#))
- **Highlights 2020 & Plans for 2021**
 - POLL: Motion to adopt 2020 Annual Report ([View »](#))
- **2020 Financial Statements**
 - POLL: Motion to adopt 2020 Financial Statements ([View »](#))
 - POLL: Motion to adopt the 2021 Budget ([View »](#))
- **2021/22 Board Nominations**
 - POLL: Motion to adopt the presented slate ([View »](#))
- **Acknowledgements**
 - POLL: Motion to conclude the AGM

The 2020 Financial Statements, audited by *The Accounting Office*, are available in your package and can be found on our website.

TO MOVE AND/OR SECOND A MOTION **ON DESKTOP**



ON MOBILE



MINUTES OF THE ANNUAL GENERAL MEETING

THURSDAY, FEBRUARY 20, 2020

ATTENDING

TWENTY people REPRESENTING FOURTEEN Newton BIA properties (14 properties), SEVEN Newton BIA businesses (7 businesses), and guests. The City of Surrey was represented by Edward Tain.

WELCOME & INTRODUCTIONS

Newton BIA President, Linda McCabe, called the 2020 Newton BIA AGM to order: 12:05pm and a quorum was established.

AGENDA

MOTION: That the Agenda be adopted as circulated.
MOVED/SECONDED: - - - - - Jay Blaschuk / Harry Lamba **CARRIED**

MINUTES OF THE 2019 AGM February 21, 2019

MOTION: That the Minutes of the Annual General Meeting held on February 21, 2019 be adopted as circulated.
MOVED/SECONDED: - - - - - Derek Ho / Jay Blaschuk **CARRIED**

ANNUAL REPORT

The Annual Report for 2019 was distributed. It summarizes the work and accomplishments for the year and included the budget put forward by the Board of Directors.

MOTION: That the Annual Report be accepted.
MOVED/SECONDED: - - - - - Jaspal Brar / Harry Lamba **CARRIED**

FINANCIAL/AUDITOR'S REPORT

MOTION: That the Audited Financial Statements prepared by *The Accounting Office* for the period January 1st to December 31st, 2019 be accepted as circulated.
MOVED/SECONDED: - - - - - Jodi Leech / Jaspal Brar **CARRIED**

MOTION: That the proposed budget for 2020 be accepted as circulated.

MOVED/SECONDED: - - - - Jay Blaschuk / Jodi Leech

CARRIED

NOMINATING COMMITTEE REPORT & ELECTION OF BOARD OF DIRECTORS

Directors with one year remaining in their term

Linda McCabe - Value Industries

Harry Lamba - The UPS Store

Jaspal Brar - Co-operators

Suman Basnyat - S Basnyat & Co.

Kamil Lotfali - Newton Crossing

Nominated for re-election

Derek Ho - Kings Cross

Up for election

Jay Blaschuk - Sources BC

MOTION: That the Nominating committee report be accepted as presented.

MOVED/SECONDED: - - - - Linda McCabe / Jodi Leech

CARRIED

Election of Directors: By Acclimation

Members were asked if there were any additional items of business to address. None identified.

MOTION: To conclude the AGM at 12:33pm.

MOVED/SECONDED: - - - - Jay Blaschuk / Derek Ho

CARRIED

AGM ended at 12:33pm.



20 ANNUAL 20 REPORT

NEWTON
BUSINESS IMPROVEMENT
ASSOCIATION

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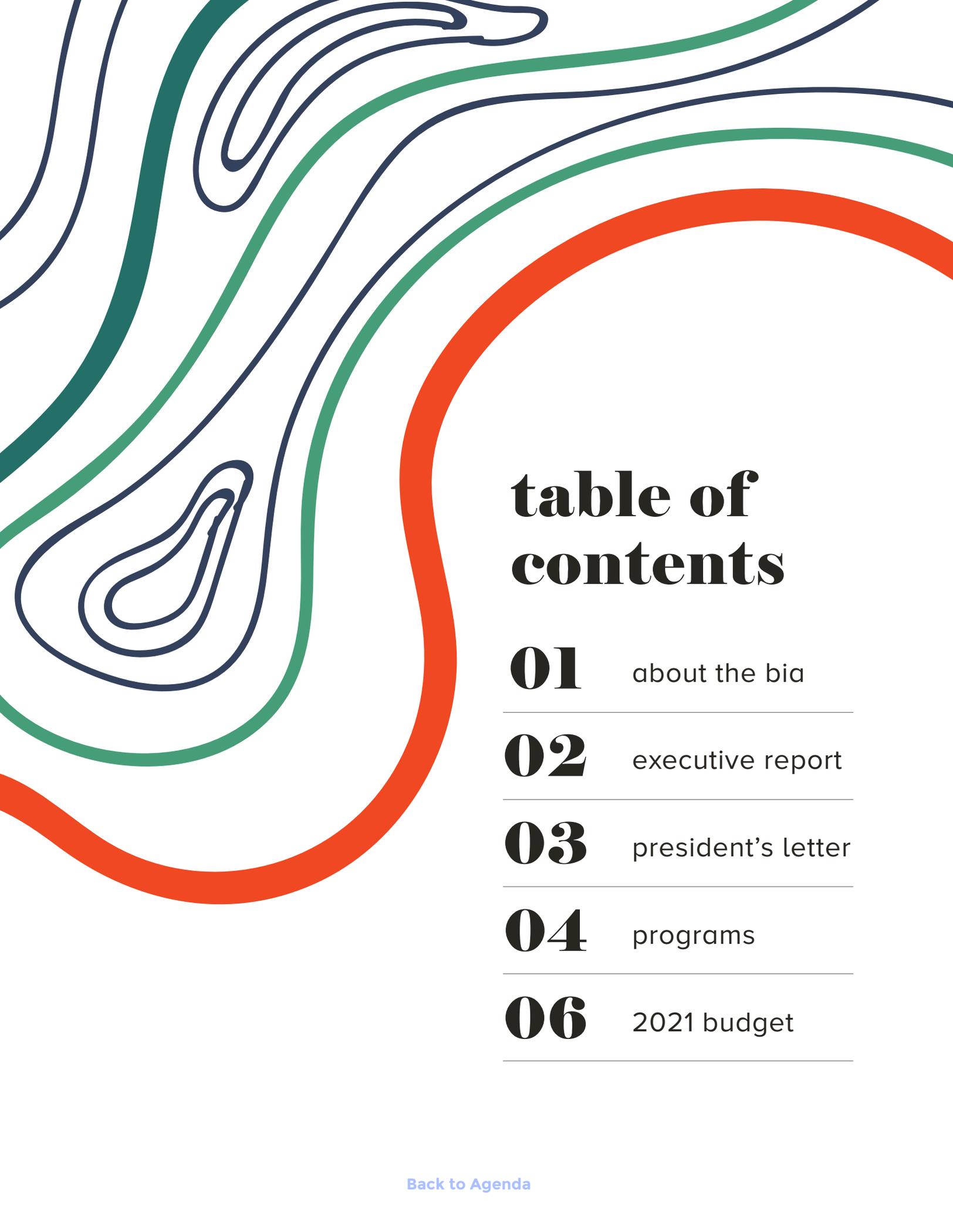


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about the bia

The Newton Business Improvement Association is a group of approximately 550 businesses and property owners who are passionate about improving the Newton Town Centre.

Located in the heart of Surrey on the cross roads of 72 Avenue and King George Boulevard. The Newton BIA was created in 2014, taking a leadership role to revitalize the area. The BIA brings business members, grassroots organizations, community stakeholders and government together with a focus on the four pillars of **Safety, Area Enhancement, Marketing/Events** and **Government Relations**.

The Newton BIA receives a levy from property taxes, which is collected by the City of Surrey. The BIA is governed by a volunteer Board of Directors, consisting of a diverse selection of businesses and property owners representing all regions within the boundary.

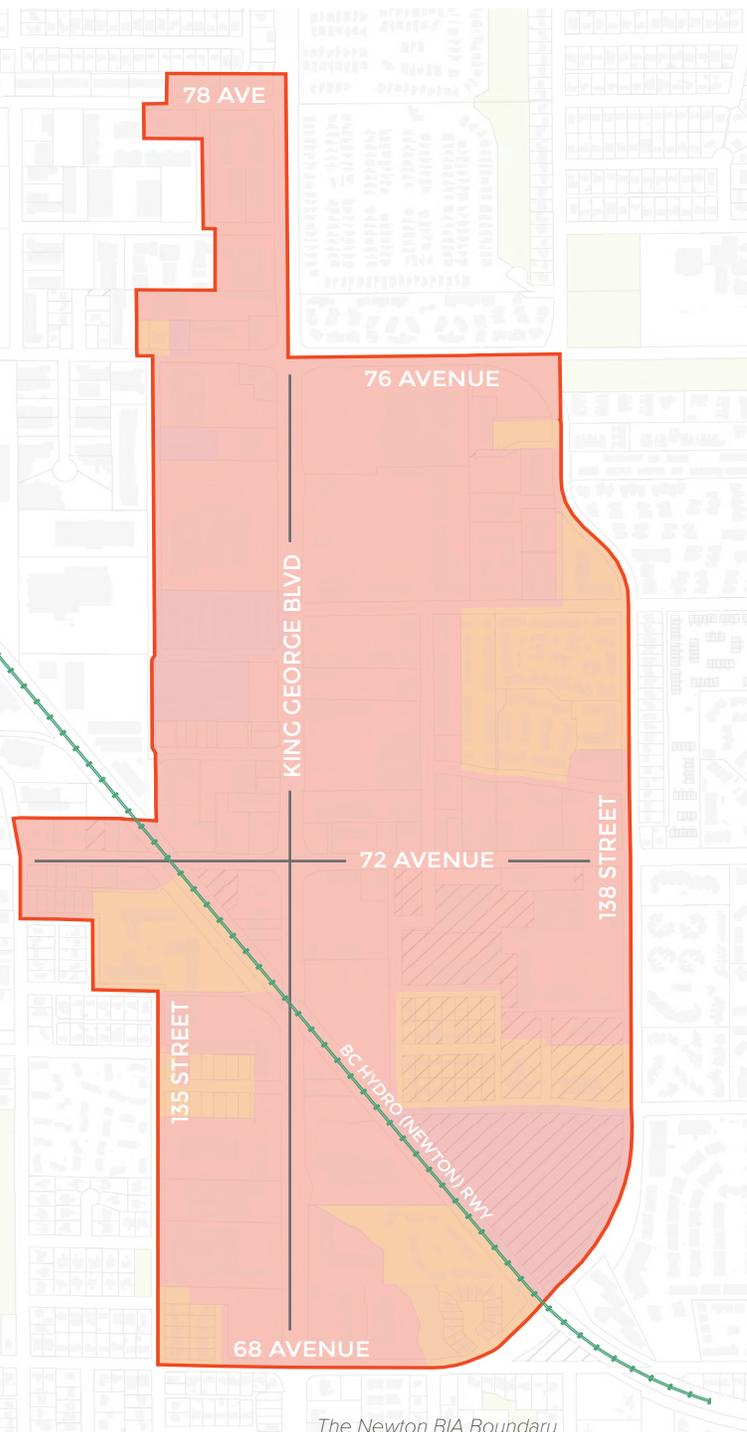
The approval of the Newton BIA was implemented through business consultation and a council initiative. Governance of the association is regulated by the constitution and a set of bylaws.

STAFF 2020-21

Philip Aguirre
Executive Director

Nasrin Baji
Creative Director

Kenneth Green
Team Tidy



The Newton BIA Boundary

executive report

2020 was a difficult year for businesses across the globe and Newton was no different. The virus reached every part of our community and had consequences for residents and businesses alike.

The Newton Business Improvement Association along with many other associations throughout the city of Surrey have been at the forefront of business recovery. The Open with Care campaign ran province wide encouraging residents to shop local and support the small business community. The research tells us for every \$100 you spend with a local business, \$46 is recirculated into the local economy compared to large chain stores.

The foundation of the association continued without disruption; **Community Safety Patrol**, **Graffiti removal** and **Team Tidy**. The programs ensured that the town center continued to be a clean and safe place to work, play, shop and live.

Due to health regulations all BIA events were cancelled. This meant that Car-free Day Surrey, State of Newton and Spooktacular were

postponed. We are hopeful they will make a strong return in the fall of 2021.

Two new initiatives were launched to help business with recovery: **Digital Mainstreet** and **Made in Newton**.

Digital Mainstreet is a program that helps association member businesses achieve digital transformation. The program is built around helping main street businesses grow and manage their business through the adoption of digital tools and technology.

Made in Newton is a project focused on creating dynamic marketing videos for the legacy members of the association. Spiro Creative has been commissioned to create content to be used across all platforms. We are promoting the Newton Town Center by sharing stories through video. These videos will provide an exciting marketing opportunity.

Stay safe Newton.

Philip Aguirre, Executive Director

president's letter

Activities in 2020 were drastically curtailed due to the emergence of COVID-19 as a Worldwide Pandemic. Our signature events were all cancelled due to Public Health Orders.

Safety & Area Enhancement: Our focus was on keeping our streets and business area clean, safe and welcoming for our struggling members. After a brief shut down, Kenneth from Team Tidy was back at work mid-March. The Commissionaires re-started patrols at the end of May. There was no disruption to services provided by Goodbye Graffiti. Safety remains the top concern and the largest part of our budget is still dedicated to this effort.

Government Relations & Marketing & Events: 2020 was the year of cancelled events! Spooktacular, Car-free Day Surrey, Newton Talks and State of Newton were all cancelled. New programs were developed to assist our business members by increasing their on-line presence. The **Made in Newton** program developed videos featuring member businesses and **Digital Mainstreet** is a program developed to enhance our business members' digital presence.

Philp maintained and developed new connections throughout the Surrey

Business Community by attending weekly meetings of the Covid Recovery Taskforce, City of Surrey Updates, Surrey Board of Trade, SMART Table, Surrey Coalition of BIAs, and BIABC; as well as maintaining memberships with Tourism Surrey and BIABC.

Philip Aguirre and Nasrin Baji have morphed into Zoom gurus and have stayed connected virtually with our business members and board alike.

The board thanks Philip and Nasrin for their continued efforts especially during the challenges prevented by COVID-19.

Thanks also go to the City of Surrey, Mayor and Council for their continued support and guidance.

Linda McCabe, President

BOARD OF DIRECTORS 2020-21

Linda McCabe
Value Property Group

Harry Lamba
The UPS Store

Jaspal Brar
Co-Operators

Jay Blaschuk
Sources

Derek Ho
Kings Cross

Kamil Lotfali
Newton Crossing

Suman Basynt
S. Basynt & Co. Inc.

active programs

GOVERNMENT RELATIONS

SAFETY

AREA ENHANCEMENT

MARKETING & EVENTS

DIGITAL MAIN STREET

The program is built around helping main street businesses grow and manage their business through the adoption of digital tools and technology.

STARTED: 2020, Nov

COALITION OF BIAs

Monthly meeting of the four BIAs in Surrey that focuses on advocating on behalf of small businesses and communities.

STARTED: 2017, Jan

SAFE RIDE

To increase consumer confidence in the area, the initiative provides transportation for intoxicated vulnerable individuals to Quibble Creek.

STARTED: 2017, Sep
TOTAL RIDES GIVEN: 1

COMMUNITY SAFETY PATROL

The Community Safety Patrol (CSP) program consists of one daily eight-hour patrol to address safety priorities and support crime reduction initiatives.

STARTED: 2016, Jan
CRIME FILES: 3,424

GRAFFITI REMOVAL

Contracted through Goodbye Graffiti; all graffiti within the Newton BIA boundary is pro-actively removed ensuring that the area remains graffiti-free.

STARTED: 2015, May
TOTAL CLEANUPS: 814

NEWTON SAFETY UNIT (NSU)

An integrated weekly safety initiative with the CSP, Bylaw, RCMP, Transit, OPTIONS, SOURCES and SCPS to increase effectiveness and communication.

STARTED: 2015, Sep
TOTAL MEETINGS: 35

TEAM TIDY

Made up of a team of one, Team Tidy is a daily, proactive approach to maintaining the cleanliness of the streets within the BIA boundary.

STARTED: 2015, Jun
TONNAGE: 5,995 lbs



SHOPPING CART RETRIEVAL



In an effort to reduce the visual nuisance created by abandoned carts, Team Tidy returns carts to their homes as part of the daily patrol of the Newton Town Centre.

STARTED: 2017, Aug
TOTAL: 229



NEWTON NEWS



The Newton News provides an opportunity for the Newton BIA to gain awareness in the community and promote local news, & BIA programs.

STARTED: 2020, Feb
EDITIONS: 11



MADE IN NEWTON

A project focused on creating dynamic marketing videos for the legacy members of the association.

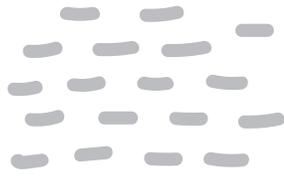
STARTED: 2020, Nov



PAUSED PROGRAMS



due to covid-19



SPOOKTACULAR NEWTON

A spooky, fun-filled family event featuring an urban pumpkin patch, dance performances, free BBQ, a petting zoo, and tons of crafts and games.

STATE OF NEWTON

An opportunity for the business community to engage in a dialogue that showcases the upcoming investment opportunities for Newton.

NEWTON TALKS

A monthly networking forum for the business community to establish a voice for Newton that improves business opportunities, revitalizes the area, and creates a sustainable future for the community.

BUSINESS BBQs

A weekly summer business engagement series, focused on reconnecting with our members. Features a free BBQ, games and chit-chat.

USED NEEDLE DISPOSAL

With aim of reducing improperly discarded needles, needle collection boxes have been placed in highly reported areas, and managed by Raincity.

CAR-FREE DAY SURREY

A day-long community festival to promote active transportation, sustainability, and public spaces; car-free, family-friendly, free.



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2021 budget

REVENUE

Levy	\$530,450
Grants	\$8,000

Total Revenue \$538,450

EXPENSES

ADMINISTRATION

Licenses & Membership	\$1,500
Bank Charges	\$100
Professional Fees	\$8,000
Insurance	\$3,500
Rent - Office Space	\$28,000
Utilities	\$2,000
Office Supplies & Materials	\$2,500
Education & Conferences	\$1,500
Travel	\$300
Bookkeeping	\$800
Annual General Meeting	\$1,500
Meetings	\$1,000
Industry Memberships	\$750
Wages & Benefits	\$139,000

Administration Total \$190,450

SAFETY

Community Safety Patrol	\$185,000
Safety Projects & Initiatives	\$1,000

Safety Total \$186,000

GOVERNMENT RELATIONS

Newton Talks	\$2,500
Business BBQs	\$1,600
State of Newton	\$10,000

Government Relations Total \$14,100

AREA ENHANCEMENT

Graffiti Program	\$45,000
Team Tidy	\$25,000
Area Enhancement Programs	\$15,000
Safe Ride	\$250

Area Enhancement Total \$85,250

EVENTS

Spooktacular Newton	\$41,000
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Events Total \$41,000

MARKETING

Website Development	\$1,000
Website Hosting	\$700
Marketing Kit	\$500
Advertising	\$2,000
Made in Newton	\$2,450
Newton News	\$15,000

Marketing Total \$21,650

Total Expenses \$538,450

NEWTON BUSINESS IMPROVEMENT ASSOCIATION
Financial Statements
Year Ended December 31, 2020

NEWTON BUSINESS IMPROVEMENT ASSOCIATION
Index to Financial Statements
Year Ended December 31, 2020

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YOUR SUCCESS IS OUR BUSINESS

PSG Chartered Professional Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Members of Newton Business Improvement Association

Report on the Financial Statements

Opinion

I have audited the financial statements of Newton Business Improvement Association (the Association), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2020, and the results of its operations and 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. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Association in accordance with 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.

Emphasis of Matter

I draw attention to Note 12 to the financial statements, which describes subsequent events related to the global COVID-19 pandemic declared by the World Health Organization. My opinion is not modified in respect of this matter.

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.

(continues)

Independent Auditor's Report to the Members of Newton Business Improvement Association *(continued)*

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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 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, 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 Association'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 Association'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 Association 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, I report that, in my opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Independent Auditor's Report to the Members of Newton Business Improvement Association *(continued)*

Surrey, British Columbia
February 4, 2021



CHARTERED PROFESSIONAL ACCOUNTANT

NEWTON BUSINESS IMPROVEMENT ASSOCIATION
Statement of Financial Position
December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 420,768	\$ 326,494
Accounts receivable	3,000	3,000
Goods and services tax recoverable	16,316	9,381
Prepaid expenses	1,935	1,869
Security deposits	2,189	2,189
	\$ 444,208	\$ 342,933
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 12,677	\$ 24,110
Wages payable	4,710	-
Employee deductions payable	2,379	3,608
Deferred income (Note 8)	128,750	125,000
	148,516	152,718
NET ASSETS		
General fund	295,692	190,215
	\$ 444,208	\$ 342,933

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

The accompanying notes form an integral
part of these financial statements

NEWTON BUSINESS IMPROVEMENT ASSOCIATION
Statement of Revenues and Expenditures
Year Ended December 31, 2020

	2020	2019
TRADE SALES		
Business improvement grant	\$ 511,250	\$ 475,000
Event sponsorships	-	36,500
Student intern grant	-	6,661
	511,250	518,161
EXPENSES		
Advertising and promotion	21,932	2,343
Insurance	3,249	3,142
Administrative expenses	7,608	9,959
Government relations	3,393	14,915
Marketing	5,121	82,908
Area enhancement	76,588	78,544
Safety	134,315	172,245
Professional fees	8,468	7,803
Rental	28,337	24,799
Salaries and wages	126,898	138,876
	415,909	535,534
EXCESS (DEFICIENCY) OF TRADE SALES OVER EXPENSES FROM OPERATIONS	95,341	(17,373)
OTHER INCOME		
Interest income	136	287
Government subsidy	10,000	-
	10,136	287
EXCESS (DEFICIENCY) OF TRADE SALES OVER EXPENSES	\$ 105,477	\$ (17,086)

The accompanying notes form an integral
part of these financial statements

NEWTON BUSINESS IMPROVEMENT ASSOCIATION
Statement of Changes in Net Assets
Year Ended December 31, 2020

	General Fund	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 190,215	\$ 190,215	\$ 207,301
EXCESS OF TRADE SALES OVER EXPENSES	105,477	105,477	(17,086)
NET ASSETS - END OF YEAR	\$ 295,692	\$ 295,692	\$ 190,215

The accompanying notes form an integral
part of these financial statements

NEWTON BUSINESS IMPROVEMENT ASSOCIATION**Statement of Cash Flows****Year Ended December 31, 2020**

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of trade sales over expenses	\$ 105,477	\$ (17,086)
Changes in non-cash working capital:		
Accounts payable	(11,433)	(4,718)
Deferred income	3,750	25,000
Prepaid expenses	(66)	(54)
Goods and services tax payable	(6,935)	2,927
Wages payable	4,710	-
Employee deductions payable	(1,229)	(2,922)
	(11,203)	20,233
Cash flow from operating activities	94,274	3,147
FINANCING ACTIVITIES		
Proceeds from CEBA Loan financing	40,000	-
Repayment of CEBA loan financing	(40,000)	-
Cash flow from financing activities	-	-
INCREASE IN CASH FLOW	94,274	3,147
Cash - beginning of year	326,494	323,347
CASH - END OF YEAR	\$ 420,768	\$ 326,494

The accompanying notes form an integral
part of these financial statements

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

Note to Financial Statements Year Ended December 31, 2020

1. DESCRIPTION OF BUSINESS

The Newton Business Improvement Association (the "Association" or "NBIA") was incorporated under the Society Act of British Columbia on March 5, 2013. As a non-profit organization, the Association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act. On March 10, 2014, the City of Surrey passed bylaw #18105 to establish the Newton Business Improvement Area ("Area"). This Area is geographically located near the intersection of King George Boulevard and 72nd Street in Surrey, British Columbia, extending for several blocks in each direction.

In December 2018 Surrey City Council approved a five-year renewal of the NBIA. Bylaw #18105 provides for an annual grant of \$500,000, starting as of 2019. Previously the grant amount was \$400,000 per year. The NBIA's annual levy of \$500,000 will rise by three percent per year until 2023. The grant monies are to be used for the purposes of the Association as listed below and must be expended in accordance with the conditions and limitations of the above Bylaw.

The Association was established for the following purposes:

- (a) to conduct studies and make reports respecting the advancement of projects, plans or improvements designed to benefit the Newton Business Improvement Area ("the Area") and carrying out all the studies incidental to the objective of the Association;
 - (b) to improve, beautify or maintain streets and sidewalks in the Area;
 - (c) to conserve heritage property in the Area;
 - (d) to encourage and promote commercial business development and entertainment, sports and cultural activities within the Area; and,
 - (e) to create a pleasant environment in the Area.
-

2. BASIS OF PRESENTATION

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

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

Note to Financial Statements Year Ended December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund accounting

Newton Business Improvement Association follows the deferral method of accounting for contributions.

General Fund

The General Fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

Revenue recognition

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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Grants are recognized in the year the funds are received.

The association recognizes revenues when they are earned, specifically when all of the following conditions are met;

- services are provided or products are delivered
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured

Cash and Cash Equivalents

Cash and cash equivalents include cash and deposits maturing within 90 days from the date of purchase.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The Association's directors estimates relate to the useful life of equipment, and the collectability of accounts receivable.

(continues)

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

Note to Financial Statements Year Ended December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

The Association's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets and 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.

4. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk arises from the potential that contributors will fail to fund the annual tax levy, sponsorships and grants. There is a concentration of credit in cash and cash equivalents balances held with a financial institution. The association attempts to mitigate this risk by holding assets with a large credit union. The annual levy is approved in the City of Surrey bylaws until 2023 which also reduces the risk.

Fair Value

The Association's carrying value of cash, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

Liquidity Risk

Liquidity risk is the risk that the Association cannot meet the demand for cash and cash equivalents or fund its obligations as they become due. Management minimizes its exposure to liquidity risk by regularly monitoring cash flows and holding all of its cash and cash equivalents in a bank account with no term restrictions.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Association is exposed to interest rate risk on its cash and cash equivalents.

5. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

Part 4, Division 2, Section 36 of the Societies Act of British Columbia requires the Association to disclose any remuneration paid to members of the Board of Directors and remuneration to employees and contractors of \$75,000 or more. No remuneration was paid to any member of the Board of Directors. The Association had no (2019 - one) employee(s) meeting this threshold and total remuneration for fiscal 2020 was \$0 (2019 - \$80,078).

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

**Note to Financial Statements
Year Ended December 31, 2020**

6. RELATED PARTY TRANSACTIONS

During the year, the Association purchased printing services in the amount of \$716 (2019 - \$3,444) were purchased from the UPS Store which is controlled by a board member.

The Association's rent of \$28,337 (2019 - \$24,799) was paid to A.L. Scott Financial Inc, of Value Property Group, a company for which one of the board members is a property manager.

These transactions occurred in the normal course of business and were measured at the exchange amounts.

7. BANK INDEBTEDNESS

2020 2019

Government CEBA loan from BMO, repaying the outstanding balance of the loan (other than the amount available to be forgiven) on or before December 31, 2022 will result in loan forgiveness of twenty-five percent (up to \$10,000). No principal repayment required before December 31, 2022. The rate of 0% per annum interest until December 31, 2022. If the loan is still outstanding after this period then 5% per annum interest starting on January 1, 2023 on the full outstanding balance. The foregivable amount has been taken into income as the Association repaid the loan during the year.

8. DEFERRED REVENUE

Deferred revenue represents three months of the Grant received from the period April 1 to March 31. The funds are set aside from the grant received in the current year for use during the following year prior to receiving the next years grant.

9. CONTRACTUAL OBLIGATIONS

The Association has a long-term agreement for office space that has been extended to September 14, 2021 with a renewal option for a term of five years. Future minimum lease payments under this operating lease are as follows

Contractual obligation repayment schedule:

2021	<u>\$ 18,966</u>
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10. ECONOMIC DEPENDENCE

The Association receives 98% (2019 - 92%) of its funding from the City of Surrey. Should the City not approve future funding or substantially change its dealings with the Association, management is of the opinion that continued viable operations would be doubtful. At present, the City of Surrey is committed to funding the Association up to 2023.

11. COMPARATIVE FIGURES

Certain figures for the prior year have been reclassified to conform to the presentation adapted for the current year.

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

Note to Financial Statements Year Ended December 31, 2020

12. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at January 20, 2021, the association is aware of changes in its operations as a result of the COVID-19 crisis. To date the organization has cancelled activities based on medical guidelines advocated by the provincial government. There is uncertainty about the length and potential impact of COVID-19 and as a result, the Association is unable to estimate the potential impact on its operations into the future.

ELECTION OF DIRECTORS (2021/22)

THURSDAY, FEBRUARY 18, 2021

Report of the Nominating Committee and Election of Board of Directors

The Board of Directors for the Newton BIA can have up to 12 members to serve on the Board for a two-year term (February 2021-AGM 2023).

Name	Company	Status
Linda McCabe	Value Industries	Election
Jaspal Brar	Allied Insurance	Election
Suman Basnyat	S Basnyat & Co. Inc.	Election
Harry Lamba	The UPS Store	Election
Kamil Lotfali	Newton Crossing	Election
Derek Ho	Kings Cross	Mid-term
Jay Blaschuk	Sources BC	Mid-term

Notes

10 Members is a quorum
5 Directors is minimum
2 year-term