

ANNUAL GENERAL MEETING

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

[Join Zoom Meeting »](#)

Meeting ID: 833 1385 9371

Passcode: 339263

**Thursday, February 17,
2022**

12pm-1:00pm

Agenda

11:45AM

Zoom Waiting Room Available

12PM

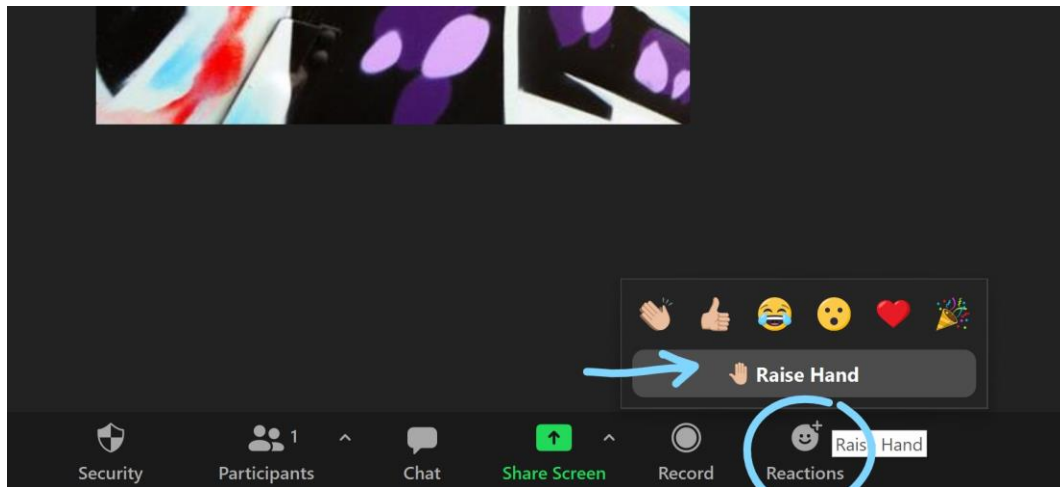
Annual General Meeting

- **Welcome**
 - POLL: Motion to adopt the Agenda
 - POLL: Motion to adopt 2021 Minutes ([View »](#))
- **Highlights 2021 & Plans for 2022**
 - POLL: Motion to adopt 2021 Annual Report ([View »](#))
- **2021 Financial Statements**
 - POLL: Motion to adopt 2021 Financial Statements ([View »](#))
 - POLL: Motion to adopt the 2022 Budget ([View »](#))
- **2022/23 Board Nominations**
 - POLL: Motion to adopt the presented slate ([View »](#))
- **Acknowledgements**
 - POLL: Motion to conclude the AGM

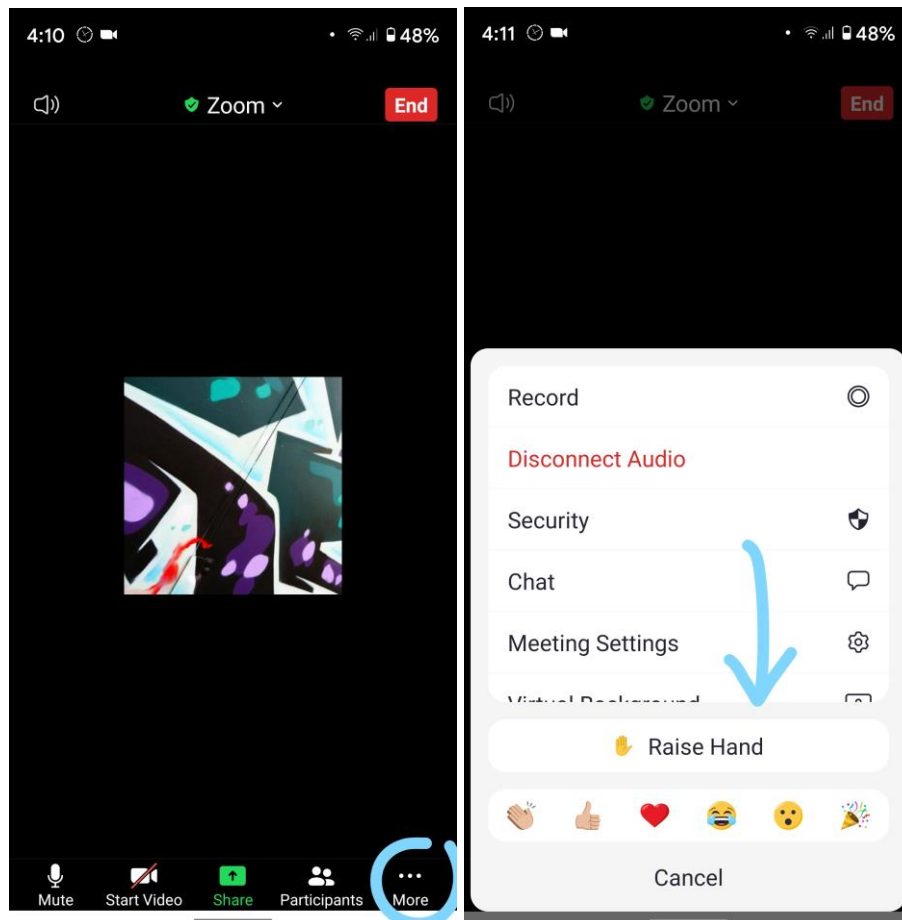
The 2021 Financial Statements, audited by *PGS CPA*, are available in your package and can be found on our website.

TO MOVE AND/OR SECOND A MOTION

ON DESKTOP



ON MOBILE



MINUTES OF THE ANNUAL GENERAL MEETING

THURSDAY, FEBRUARY 18, 2021

ATTENDING

TWENTY-ONE people REPRESENTING FOURTEEN Newton BIA properties (14 properties), TEN Newton BIA businesses (10 businesses), and guests. The City of Surrey was represented by Edward Tain.

WELCOME & INTRODUCTIONS

Newton BIA President, Linda McCabe, called the 2021 Newton BIA AGM to order: 12:03pm and a quorum was established.

AGENDA

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

MINUTES OF THE 2020 AGM February 20, 2020

MOTION: That the Minutes of the Annual General Meeting held on February 20, 2020 be adopted as circulated.
MOVED/SECONDED: - - - - - Jaspal Brar / Jay Blaschuk **CARRIED**

ANNUAL REPORT

The Annual Report for 2020 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, 2020 be accepted as circulated.

MOVED/SECONDED: - - - - - Jaspal Brar / Harry Lamba **CARRIED**

MOTION: That the proposed budget for 2021 be accepted as circulated.

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

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

Up for election

Jay Blaschuk – Sources BC

Derek Ho – Kings Cross

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

MOVED/SECONDED: - - - - Ajit Amar / Mridu Sood

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 12:21pm.

MOVED/SECONDED: - - - - - Harry Lamba / Jay Blaschuk

CARRIED

AGM ended at 12:21pm.

ONE TWENTY TWENTY ONE TWENTY TWENTY ONE TWENTY ONE

ANNUAL REPORT



NEWTON
BUSINESS IMPROVEMENT
ASSOCIATION

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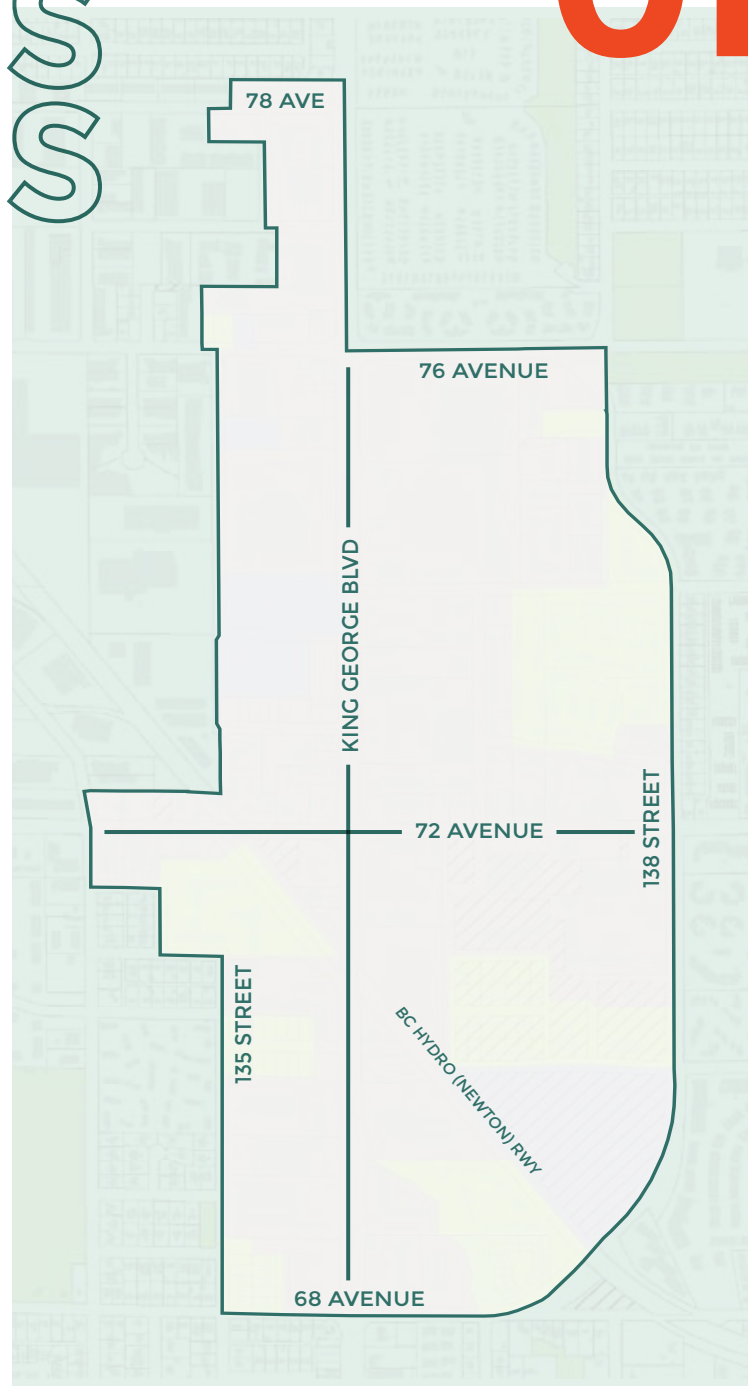
01

The Newton Business Improvement Association is a group of approximately 530 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.



2014

Newton BIA
Established

428

Business
Properties

102

Property
Owners

\$1.01b

Assessed
Property Value

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EXECUTIVE SUMMARY

2021 was another relentless and challenging year for businesses across the globe and Newton was no exception. The virus reached every part of our community and had consequences for residents and businesses alike. The continuation of the pandemic equated to ongoing public health restrictions, supply chain issues, labour shortages, vaccine uncertainty, and diminishing government supports. Additionally, record-setting high temperatures, widespread wildfires and flooding only worsened the economic conditions. Businesses have borne the brunt of these external forces yet have worked tirelessly to keep their doors open and their employees and customers safe.

The Newton Business Improvement Association has been at the forefront of business recovery. The ongoing shop local marketing campaign encourages residents to support the small business community. We have been advocating at the provincial level through our board position at BIABC and city wide with Discover Surrey & the Pandemic Economic Recovery Coalition gaining increased profile and recognition this past year through our participation.

The foundation of the association continues to be extremely effective with the Community Safety Patrol, Graffiti removal

and Team Tidy. These programs ensure that the town center continues to be a clean and safe place to work, play, shop and live.

Two new initiatives were launched to help businesses with recovery. Newton News & the Illegal Dumping Removal Program. The Newton News is a partnership with the Surrey Now Leader highlighting the community monthly, featuring a double page spread in the local newspaper. This exposure increases the awareness of the amazing Newton businesses and enhances the shop local message. The Illegal Dumping Removal Program decreases the burden of waste collection for our members. On a weekly basis the program ensures that the town center remains free of large, discarded items such as sofas and mattresses.

Due to health regulations all BIA events were again cancelled. This meant that Car Free Day, State of Newton and Spooktacular were postponed. We are hopeful they will make a strong return in 2022.

On behalf of the Newton BIA, thank you for your passion and commitment in supporting small businesses throughout the town center and for the invaluable contributions you make in creating a healthy and vital commercial district.

Stay safe Newton.



Philip Aguirre
Executive Director

STAFF 2021-22

Philip Aguirre
Executive Director

Nasrin Baji
Creative Director

Dominic Fricker
Community Safety
Patrol Supervisor

Kenneth Green
Team Tidy

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PRESIDENT'S LETTER

2021 was another year of cancelled activities and events. Our signature events were all cancelled due to Public Health Orders.

Safety and Area Enhancement: The focus in 2021 remained on keeping our streets and business areas in Newton clean and safe and welcoming for our struggling business members. Kenneth from Team Tidy has been doing his usual fantastic job of keeping our streets and sidewalks clear of litter. An unfortunate fallout of the COVID pandemic has been that services for disenfranchised people have been reduced in capacity. This resulted in the Commissionaires being kept busy with the increasing presence of homeless folks throughout our commercial centres. Goodbye Graffiti has been kept busy as well. And a new service was introduced, Goodbye Garbage, which has been a great addition to the services offered by the BIA. Local businesses can now call for removal of large dumped items such as mattresses, furniture and appliances from their lots.

Safety remains the top concern and the largest part of our budget is still dedicated to this effort.

Marketing & Events: 2021 saw Spooktacular, Car Free Day, Newton Talks and State of Newton all cancelled once again due to COVID 19. New programs were developed to assist our business members by increasing their on-line presence. Digital Mainstreet is a program developed to enhance our business members' digital presence through supports grants available to cover part of the costs. Our Executive Director Philp Aguirre continues to maintain and develop new connections throughout the Surrey Business Community by attending weekly meetings of the Covid Recovery Taskforce, City of Surrey Update, SBoT, SMART Table, 4 Surrey BIA's, and BIABC, as well as maintaining memberships with Tourism Surrey and BIABC.

Philip Aguirre and Nasrin Baji have managed to keep the Board Members connected via Zoom meetings and have stayed connected virtually with our business members and associated groups. 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
Board President

03

BOARD OF DIRECTORS 2020-21

Linda McCabe
Value Property Group

Derek Ho
Kings Cross

Harry Lamba
The UPS Store

Kamil Lotfali
Newton Crossing

Jaspal Brar
Allied Insurance

Suman Basnyat
S. Basnyat & Co. Inc.

Jay Blaschuk
Sources

Jodi Leech
StuDic 73

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GOVERNMENT RELATIONS



SAFETY & SECURITY



MARKETING & EVENTS



AREA ENHANCEMENT

BIA PILLARS
BIA PILLARS
BIA PILLARS
BIA PILLARS

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CURRENT PROGRAMS

05

DIGITAL MAIN STREET

est. 2020

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



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

COALITION OF BIAs

est. 2017

COMMUNITY SAFETY PATROL

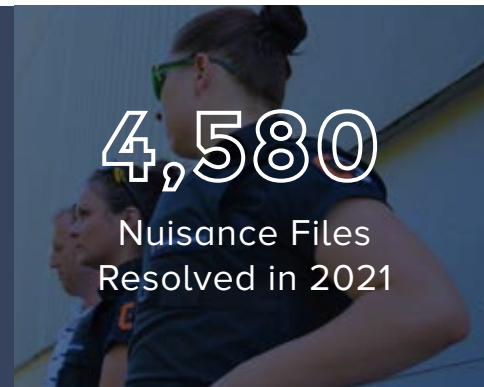
est. 2016



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

4,580

Nuisance Files Resolved in 2021



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

NEWTON SAFETY UNIT (NSU)

est. 2015



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NEWTON NEWS

est. 2020



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



11
Issues Published
in 2021



1,460
Graffiti Tags
Removed in 2021

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


GOODBYE GRAFFITI

est. 2015



TEAM TIDY

est. 2015



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.



6,470
Pounds of
Garbage

252
Bags of
Garbage



168
Shopping Carts
Returned in 2021

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.

SHOPPING CART RETRIEVAL

est. 2017



NEW!

GOODBYE GARBAGE

est. 2021



Contracted with Goodbye Garbage; a large item removal program to eliminate all illegal dumping that occurs throughout the Newton BIA boundary.



349
Pieces of Illegal
Dumping Removed
in 2021

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COMING UP IN 2022

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

NEW!

CAR-FREE DAY SURREY



PLANNED FOR JUNE



SPOOKTACULAR NEWTON

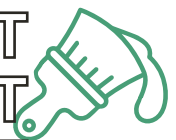
RETURNS!

TENTATIVELY PLANNED FOR OCTOBER

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

A series of seating installations along 137 Street. Each installation a combination of seating and greenery. The aim is to create safe mini parklets where people can rest and enjoy the outdoors. The hope is that the use of the installations will bring activity and vitality to the street.

137TH STREET ENHANCEMENT PROJECT



NEW!

SUMMER

INSTALLATION OF A NEW MURAL

THE 11TH ONE!

SPRING/SUMMER



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2022 BUDGET 2022 BUDGET

REVENUE

Levy	\$546,364
Other Primary Income	\$8,000

Total Revenue \$554,364

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	\$136,164
Administration Total	\$187,614

SAFETY

Community Safety Patrol	\$185,000
Safety Projects & Initiatives	\$1,000
Safety Total	\$186,000

GOVERNMENT RELATIONS

Newton Talks	\$2,000
State of Newton	\$10,000
Government Relations Total	\$12,000

AREA ENHANCEMENT

Team Tidy	\$22,000
Graffiti Removal	\$40,000
Area Enhancement Programs	\$12,000
Safe Ride	\$250
Illegal Dumping Disposal	\$18,000
Area Enhancement Total	\$92,250

EVENTS

Spooktacular Newton	\$30,000
Car-free Day Surrey	\$30,000
Events Total	\$60,000

MARKETING

Advertising	\$1,500
Made in Newton	\$1,500
Website Hosting	\$500
Newton News	\$13,000
Marketing Total	\$16,500

Total Expenses \$554,364

NEWTON BUSINESS IMPROVEMENT ASSOCIATION
Financial Statements
Year Ended December 31, 2021

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

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Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Newton Business Improvement Association

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, 2021, and the statements 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.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at December 31, 2021, 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 - Material Uncertainty Relating to Going Concern

I draw your attention to Note 10 in the financial statements, which discloses that a material uncertainty exists that may cast significant doubt on the association's ability to continue as a going concern. 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.

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.

(continues)

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

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.

(continues)



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 *(continued)*

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.

A stylized, handwritten signature in black ink, consisting of a large, flowing 'P' followed by a smaller, more complex mark.

Surrey, British Columbia
February 4, 2022

CHARTERED PROFESSIONAL ACCOUNTANT


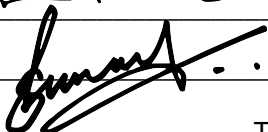
NEWTON BUSINESS IMPROVEMENT ASSOCIATION

Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 504,284	\$ 420,768
Accounts receivable	3,000	3,000
Goods and services tax recoverable	9,102	16,316
Prepaid expenses	1,935	1,935
Security / tender deposits	2,189	2,189
	\$ 520,510	\$ 444,208
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 32,987	\$ 12,677
Wages payable	5,234	4,710
Employee deductions payable	1,795	2,379
Deferred revenue (Note 7)	132,613	128,750
	172,629	148,516
NET ASSETS		
General fund	347,881	295,692
	\$ 520,510	\$ 444,208

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

The accompanying notes form an integral
part of these financial statements

NEWTON BUSINESS IMPROVEMENT ASSOCIATION**Statement of Operations****Year Ended December 31, 2021**

	2021	2020
REVENUES		
Business improvement grant	\$ 526,588	\$ 511,250
EXPENSES		
Advertising and promotion	14,861	21,932
Insurance	3,211	3,249
Administrative expenses	6,915	7,608
Government relations	14,327	3,393
Marketing	-	5,121
Area enhancement	75,067	76,588
Safety	190,070	134,315
Professional fees	8,727	8,468
Rent and utilities	29,868	28,337
Salaries and wages	131,353	126,898
	474,399	415,909
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	52,189	95,341
OTHER INCOME		
Interest income	-	136
Government subsidy	-	10,000
	-	10,136
EXCESS OF REVENUES OVER EXPENSES	\$ 52,189	\$ 105,477

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, 2021

	General Fund	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 295,692	\$ 295,692	\$ 190,215
EXCESS OF REVENUES OVER EXPENSES	52,189	52,189	105,477
NET ASSETS - END OF YEAR	\$ 347,881	\$ 347,881	\$ 295,692

The accompanying notes form an integral
part of these financial statements

NEWTON BUSINESS IMPROVEMENT ASSOCIATION**Statement of Cash Flows****Year Ended December 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 52,189	\$ 105,477
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	20,310	(11,433)
Deferred revenue	3,863	3,750
Prepaid expenses	-	(66)
Goods and services tax recoverable	7,214	(6,935)
Wages payable	524	4,710
Employee deductions payable	(584)	(1,229)
	31,327	(11,203)
Cash flow from operating activities	83,516	94,274
FINANCING ACTIVITIES		
Proceeds from CEBA loan financing	-	40,000
Proceeds from long term financing	-	(40,000)
Cash flow from financing activities	-	-
INCREASE IN CASH FLOW	83,516	94,274
Cash - beginning of year	420,768	326,494
CASH - END OF YEAR	\$ 504,284	\$ 420,768

The accompanying notes form an integral
part of these financial statements

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

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 (ASNFPO).

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

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.

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.

Capital assets

Capital assets are recorded as expenses in the year they are acquired.

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

Notes to Financial Statements

Year Ended December 31, 2021

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 one (2020 - none) employee(s) meeting this threshold and total remuneration for fiscal 2021 was \$81,167 (2020 - \$0).

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements Year Ended December 31, 2021

6. RELATED PARTY TRANSACTIONS

During the year, the Association purchased printing services in the amount of \$0 (2020 - \$716) were purchased from the UPS Store which is controlled by a board member.

The Association's rent of \$27,496 (2020 - \$28,337) 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. 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.

	2021	2020
Deferred revenue, beginning of year	\$ 128,750	\$ 125,000
Plus: Amount received related to the subsequent year	3,863	3,750
Deferred revenue, end of year	\$ 132,613	\$ 128,750

8. CONTRACTUAL OBLIGATIONS

The Association has a long-term agreement for office space that has been extended to September 14, 2026 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:

2022	\$ 30,300
2023	31,500
2024	32,700
2025	33,900
2026	26,100
	<u>\$ 154,500</u>

9. ECONOMIC DEPENDENCE

The Association receives 100% (2020 - 98%) 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.

NEWTON BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2021

10. 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.

The overall effect of these events on the association and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.

ELECTION OF DIRECTORS (2022/23)

THURSDAY, FEBRUARY 17, 2022

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 2022-AGM 2024).

Name	Company	Status
Linda McCabe	Value Industries	Mid-term
Jaspal Brar	Allied Insurance	Mid-term
Suman Basnyat	S Basnyat & Co. Inc.	Mid-term
Harry Lamba	The UPS Store	Mid-term
Kamil Lotfali	Newton Crossing	Mid-term
Derek Ho	Kings Cross	Election
Jay Blaschuk	Sources BC	Election
Jodi Leech	Studio 73	Election

Notes

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