

**MONTGOMERY ON THE BOW
BUSINESS IMPROVEMENT AREA**

FINANCIAL STATEMENTS

DECEMBER 31, 2022

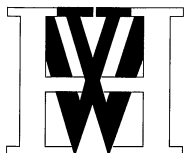
MONTGOMERY ON THE BOW BUSINESS IMPROVEMENT AREA

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Montgomery on the Bow Business Improvement Area

OPINION

We have audited the financial statements of Montgomery on the Bow Business Improvement Area, "The Association", which comprise the statement of financial position as at December 31, 2022 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Montgomery on the Bow Business Improvement Area as at December 31, 2022 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 Association 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 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.

In preparing these financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to a 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 to do so.

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

Independent Auditor's Report to the Members of the Montgomery On The Bow Business Improvement Area (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 judgement and maintain professional scepticism 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 of 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 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 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.

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.

Calgary, Alberta
May 3, 2023


Werner Haag Professional Corporation
Chartered Professional Accountants


MONTGOMERY ON THE BOW BUSINESS IMPROVEMENT AREA

STATEMENT OF FINANCIAL POSITION


DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT		
Cash (Note 2)	\$ 67,285	\$ 82,019
Goods and services tax recoverable	9,405	5,756
Prepaid expenses	<u>823</u>	<u>722</u>
	<u>\$ 77,513</u>	<u>\$ 88,497</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,000	\$ 2,000
NET ASSETS		
Unrestricted	<u>75,513</u>	<u>86,497</u>
	<u>\$ 77,513</u>	<u>\$ 88,497</u>

APPROVED ON BEHALF OF THE BOARD:



Director



Director

MONTGOMERY ON THE BOW BUSINESS IMPROVEMENT AREA

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
REVENUE		
Business Revitalization Zone Levies	\$ 80,000	\$ 50,000
City grants	<u>39,000</u>	<u>14,500</u>
	<u>119,000</u>	<u>64,500</u>
 EXPENSES		
Streetscape improvements	53,238	72,707
Administration (schedule)	41,270	40,870
Special projects and events	23,352	23,750
Public safety	741	14,014
Marketing	9,955	11,585
Member services	<u>1,428</u>	<u>1,086</u>
	<u>129,984</u>	<u>164,012</u>
 DEFICIENCY OF REVENUE OVER EXPENSES	 (10,984)	 (99,512)
 Net Assets At Beginning Of Year	 <u>86,497</u>	 <u>186,009</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 75,513</u>	 <u>\$ 86,497</u>

MONTGOMERY ON THE BOW BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Deficiency of revenue over expenses	<u>\$ (10,984)</u>	<u>\$ (99,512)</u>
Changes in non-cash working capital		
Goods and services recoverable	(3,649)	(4,415)
Prepaid expenses	(101)	(34)
Accounts payable and accrued liabilities	-	200
	<u>(3,750)</u>	<u>(4,249)</u>
DECREASE IN CASH	(14,734)	(103,761)
Cash At Beginning Of Year	<u>82,019</u>	<u>185,780</u>
CASH AT END OF YEAR	<u>\$ 67,285</u>	<u>\$ 82,019</u>

MONTGOMERY ON THE BOW BUSINESS IMPROVEMENT AREA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

PURPOSE OF THE ORGANIZATION

The Montgomery on the Bow Business Improvement Area, "the Association", is a not-for-profit Association operating to assist Calgary businesses in the Montgomery area.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, using the assumption that the Association will continue as a going concern. Significant accounting policies are described below.

REVENUE RECOGNITION

The Association follows the restricted fund method of accounting for revenues. Revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

CONTRIBUTED SERVICES

Volunteers assist in carrying out certain activities. Because of the difficulty of determining the fair value of their assistance and because such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

INCOME TAXES

The Association is a not-for-profit organization under the Income Tax Act and therefore is not subject to either federal or provincial income taxes.

MONTGOMERY ON THE BOW BUSINESS IMPROVEMENT AREA

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 2022

2. CASH

Cash is on deposit with a major financial institution and is therefore not subject to significant credit risk.

3. FINANCIAL INSTRUMENTS

Financial instruments included in these financial statements include cash, goods and services tax recoverable and accounts payable and accrued liabilities. All these financial instruments are recorded at their fair value. Any change between their fair value at the fiscal year end and the initially recorded cost is recorded as an unrealized gain or loss in the statement of operations.

The fair market value of these financial instruments approximates their carrying values at December 31, 2022 due to their relative short-term to maturity.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant currency, credit or liquidity risks arising from these financial instruments.

4. ECONOMIC DEPENDENCE

The ongoing operations of the Association are dependent on receipt of Business Improvement levies from the City of Calgary.

5. COVID-19

The World Health Organization categorized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has led to a number of public health and emergency measures which have been put in place by various levels of government to attempt to combat the spread of the virus. At this time, the duration and potential impact of COVID-19 is unknown and it is not possible to reliably estimate the impact these events may have on the financial results and condition of the Association in future periods. As at year end, the majority of public health measures were lifted in Alberta and management has implemented appropriate actions to return to normal operations in fiscal 2023.

MONTGOMERY ON THE BOW BUSINESS IMPROVEMENT AREA

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2021</u>
ADMINISTRATION		
Executive director remuneration	\$ 31,998	\$ 32,291
Rent	3,749	3,069
Insurance	2,368	2,134
Professional fees	2,000	2,200
Printing, postage, stationery and office	1,000	1,176
Bank charges	<u>155</u>	<u>-</u>
	<u>\$ 41,270</u>	<u>\$ 40,870</u>