BELTLINE BUSINESS IMPROVEMENT AREA

Financial Statements

Year Ended December 31, 2022

BELTLINE BUSINESS IMPROVEMENT AREA
Index to Financial Statements
Year Ended December 31, 2022

MAGMA
CHARTERED PROFESSIONAL ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Members of Beltline Business Improvement Area

Opinion

I have audited the financial statements of Beltline Business Improvement Area (the organization), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenses and 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 organization as at December 31, 2022, 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 organization 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.

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 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.

(continues)

Independent Auditor's Report to the Members of Beltline Business Improvement Area *(continued)*

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 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 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 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.

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.

Calgary, Alberta

PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

BELTLINE BUSINESS IMPROVEMENT AREA
Statement of Financial Position
December 31, 2022

		2022		2021
ASSETS				
CURRENT				
Cash	$	**71,256**	$	81,559
Goods and services tax recoverable		**24,789**		26,583
Prepaid expenses		**427**		1,331
		96,472		109,473
CAPITAL ASSETS *(Net of accumulated amortization) (Note 4)*		**144,672**		167,043
	$	**241,144**	$	276,516
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	$	**11,920**	$	4,913
Deferred revenue *(Note 5)*		**90,713**		106,454
		102,633		111,367
NET ASSETS - UNRESTRICTED		**138,511**		165,149
	$	**241,144**	$	276,516

Approved on behalf of the Board

_______________ *Director*

_______________ *Director*

Will Overend.

See notes to financial statements

MAY 19.

ISC: UNRESTRICTED

BELTLINE BUSINESS IMPROVEMENT AREA
Statement of Revenues and Expenses and Changes in Net Assets
Year Ended December 31, 2022

	2022	2021
REVENUE		
City of Calgary grant	$ **375,000**	$ 380,520
Other grants income	**59,946**	180,322
Interest from other sources	**1,508**	407
	436,454	561,249
EXPENSES		
Advertising and promotion	**180,533**	193,925
Salaries and wages	**115,068**	126,511
Projects and events	**84,295**	28,868
Operating and administrative	**38,491**	22,419
Amortization	**36,697**	21,159
Telephone	**2,938**	1,802
Insurance	**2,570**	2,614
Sub-contracts	**2,500**	-
	463,092	397,298
NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	**(26,638)**	163,951
NET ASSETS UNRESTRICTED- BEGINNING OF YEAR	**165,149**	1,198
NET ASSETS UNRESTRICTED - END OF YEAR	$ **138,511**	$ 165,149

See notes to financial statements

BELTLINE BUSINESS IMPROVEMENT AREA
Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	**$ (26,638)**	$ 163,951
Item not affecting cash:		
Amortization of property, plant and equipment	**36,697**	21,159
	10,059	185,110
Changes in non-cash working capital:		
Goods and services tax recoverable	**1,794**	(22,057)
Accounts payable	**7,005**	4,016
Deferred revenue	**(15,741)**	9,481
Prepaid expenses	**904**	(1,313)
	(6,038)	(9,873)
Cash flow from operating activities	**4,021**	175,237
INVESTING ACTIVITY		
Purchase of property, plant and equipment	**(14,324)**	(184,703)
DECREASE IN CASH FLOW	**(10,303)**	(9,466)
Cash - beginning of year	**81,559**	91,025
CASH - END OF YEAR	**$ 71,256**	$ 81,559
CASH CONSISTS OF:		
Cash	**$ 71,256**	$ 81,559

See notes to financial statements

BELTLINE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year Ended December 31, 2022

1. PURPOSE OF THE ORGANIZATION

Beltline Business Improvement Area (the "organization") is a not-for-profit organization incorporated provincially under the Societies Act of Province. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act. In order to maintain its status as a not-for-profit organization under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The organization's mission is to improve beautify, develop and promote the Beltline zone as business and shopping area, and to advocate on behalf of businesses in that zone on issues that matter most to them.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Beltline Business Improvement Area follows the deferral method of accounting for contributions.

Restricted grant 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.

Deferred revenue represents funds for programs to be carried out in future periods. If these funds are not expended in accordance with the funding arrangement, the funder could request that the funds be repaid.

Cash and cash equivalents

The Organization's policy is to present bank balances and term deposits with a maturity period of twelve months or less from the date of acquisition under cash and cash equivalents.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, and goods and services rax receoverable. Financial liabilities measeured at amortized cost include accounts payable and accrued liabilities. Unless otherwise disclosed, there are no significant differences between the carrying value of these amounts and their estimated fair value.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

(continues)

BELTLINE BUSINESS IMPROVEMENT AREA
Notes to Financial Statements
Year Ended December 31, 2022

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

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates:

Equipment	20%
Motor vehicles	30%
Computer equipment	55%

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 at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	**2022 Net book value**	2021 Net book value
Motor vehicles	$ 15,279	$ 6,194	**$ 9,085**	$ 12,987
Equipment	183,749	48,871	**134,878**	169,424
Computer equipment	4,826	4,117	**709**	(15,368)
	$ 203,854	$ 59,182	**$ 144,672**	$ 167,043

5. DEFERRED REVENUE

Deferred revenue represents funds received by the organization where there are external restrictions on their use and therefore deferred for future peroods or for a specific purpose.

	2022	2021
City of Calgary - Business Improvement Area Grant	**$ 91,454**	$ 91,454
City of Calgary - BIA Midwinter Event	**-**	15,000
Total deferred revenue	**$ 91,454**	$ 106,454

6. RELATED PARTY TRANSACTIONS

The organization sponsored the Big Winter Classic Event that Adrian Urlacher, Executive Director, is the Chair of the Board for the not-for-profit organization. This is also noted within his contract.

7. ECONOMIC DEPENDENCE

The organization operates programs which are funded by governments and agencies. These contracts are annually renewed and can be cancelled based on policy changes on redirection of funding.

8. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as ofDecember 31, 2022.

Credit risk

A substantial portion of accounts receivable are with known and reliable funders, and are subject to normal credit risks.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Accounts payable and accrued liabilities are generally paid within 30 days. Programs are funded on an annual basis. The organization operates these programs within the budgets established. There is no certainty that the programs will be continued beyond the current year. Accordingly, the Organization's commitments with respect to these programs are of a short term nature.

Fair value risk

The carrying value of the Organization's financial instruments including cash and cash equivalents, goods and services tax recoverable, and accounts payable and accrued liabilities approximate their fair value due to their short term nature or existing terms similar to those that could be obtained currently.

Interest rate risk

The Organization is not subject to significant interest rate risk as it does not currently carry significant liabilities subject to interest.