

BRIDGELAND BUSINESS IMPROVEMENT AREA
Financial Statements
Year Ended December 31, 2022

BRIDGELAND BUSINESS IMPROVEMENT AREA

**Index to Financial Statements
Year Ended December 31, 2022**

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Changes in Net Financial Assets (Debt)	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 8

NUMERIS LLP
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Bridgeland Business Improvement Area

Opinion

We have audited the financial statements of Bridgeland Business Improvement Area (the organization), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, changes in net financial assets (debt) 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 organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

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 organization in accordance with 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 the financial statements in accordance with PSAS, 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.

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 judgment and maintain professional skepticism throughout the audit. We also:

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

- 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 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 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 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.

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 15, 2023

Numeris LLP
Chartered Professional Accountants

BRIDGELAND BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2022

ASSETS

Cash	\$	138,625	\$	82,465
Accounts receivable		642		15,000
		<u>139,267</u>		<u>97,465</u>

LIABILITIES

Accounts payable and accrued liabilities		14,817		5,139
Deferred income		<u>10,000</u>		<u>15,000</u>
		<u>24,817</u>		<u>20,139</u>

NET FINANCIAL ASSETS

	<u>114,450</u>	<u>77,326</u>
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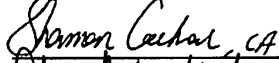
NON-FINANCIAL ASSETS

Inventory		3,789		5,223
Prepaid expenses		<u>10,500</u>		<u>-</u>
		<u>14,289</u>		<u>5,223</u>

ACCUMULATED SURPLUS

\$	128,742	\$	82,549
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ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

BRIDGELAND BUSINESS IMPROVEMENT AREA

Statement of Operations and Accumulated Surplus

Year Ended December 31, 2022

	Budget (unaudited) 2022	Total 2022	Total 2021
REVENUES			
BIA Levy	\$ 100,000	\$ 100,000	\$ 65,580
Grants	15,500	30,000	9,657
Merchandise sales	-	1,255	-
Interest	-	75	49
	115,500	131,330	75,286
EXPENSES			
Consulting and administrative services	35,000	38,690	27,391
Social events	35,000	15,680	4,331
Office	30,000	13,403	3,665
Advertising and promotion	25,000	5,494	6,200
Streetscape improvements	40,000	5,460	1,995
Professional fees	3,500	3,150	3,300
Insurance	1,500	1,283	1,719
Bank charges	-	1,191	-
Website	-	677	21,407
Memberships	-	109	-
Federal grant project	-	-	4,820
Social media	15,000	-	1,225
Urban development and planning	1,200	-	5,250
	186,200	85,137	81,303
ANNUAL SURPLUS (DEFICIT)	\$ (70,700)	46,193	(6,017)
ACCUMULATED SURPLUS - BEGINNING OF YEAR		82,549	88,566
ACCUMULATED SURPLUS - END OF YEAR		\$ 128,742	\$ 82,549

See notes to financial statements

BRIDGELAND BUSINESS IMPROVEMENT AREA**Statement of Changes in Net Financial Assets (Debt)****Year Ended December 31, 2022**

	Budget 2022	2022	2021
ANNUAL SURPLUS (DEFICIT)	\$ (70,700)	\$ 46,193	\$ (6,017)
Decrease (increase) in prepaid expenses	-	(10,500)	-
Decrease (increase) in inventory	-	1,431	(5,223)
	-	(9,069)	(5,223)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(70,700)	37,124	(11,240)
NET FINANCIAL ASSETS - BEGINNING OF YEAR	-	77,326	88,566
NET FINANCIAL ASSETS (DEBT) - END OF YEAR	\$ (70,700)	\$ 114,450	\$ 77,326

See notes to financial statements

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

	2022	2021
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 46,193	\$ (6,017)
Changes in non-cash working capital:		
Accounts receivable	14,358	(14,500)
Inventory	1,431	(5,223)
Accounts payable and accrued liabilities	9,678	1,299
Deferred income	(5,000)	15,000
Prepaid expenses	(10,500)	-
	9,967	(3,424)
INCREASE (DECREASE) IN CASH FLOW	56,160	(9,441)
Cash - beginning of year	82,465	91,906
CASH - END OF YEAR	\$ 138,625	\$ 82,465

See notes to financial statements

BRIDGELAND BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bridgeland Business Improvement Area (BBIA) was established and approved by the City of Calgary under Bylaw 33M2019 on January 1, 2020. The BBIA promotes the diversity and evolution of the Bridgeland Business community in Calgary through advocacy and community stewardship.

Basis of presentation

The financial statements of the BBIA are the representations of management. They were prepared in accordance with Canadian public sector accounting standards (PSAS).

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Cash and cash equivalents

Cash and cash equivalents consists of cash and short-term investments that have maturities at the date of purchase of less than ninety days.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Deferred revenue

Deferred revenues are amounts received for a specified purpose that will occur after the year end. The revenue is recognized as revenue in the period when the related expenses are incurred.

Revenue recognition

Revenues are recognized as follows:

- The BIA Levy revenue is recorded on an annual basis using the proportionate share of the total number of businesses for the year and an annually established rate per business. Revenue is recognized when levied.
- Grants and other revenue are recognized in the financial statements as revenue in the period in which the transactions or events occurred that give rise to the revenue.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards 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.

2. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. The carrying value of the financial instruments approximates fair value. The following analysis provides information about the organization's risk exposure as of December 31, 2020.

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BRIDGELAND BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year Ended December 31, 2022

2. FINANCIAL INSTRUMENTS *(continued)*

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from its ability to obtain funding from the City of Calgary and other grants as they become available. In order to reduce its credit risk, the organization reviews on an ongoing basis all potential grants as they become available.
