

BELTLINE BUSINESS IMPROVEMENT AREA
Financial Statements
Year Ended December 31, 2023

BELTLINE BUSINESS IMPROVEMENT AREA
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Year Ended December 31, 2023

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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, 2023, and the statements of revenues and expenditures 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, 2023, 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.

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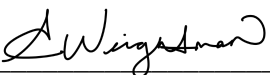
Calgary, Alberta
June 3, 2024

PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

BELTLINE BUSINESS IMPROVEMENT AREA
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 9,445	\$ 71,256
Goods and services tax recoverable	38,371	24,789
Prepaid expenses	3,000	427
	<u>50,816</u>	96,472
PROPERTY, PLANT AND EQUIPMENT <i>(Net of accumulated amortization) (Note 4)</i>	<u>151,109</u>	144,672
	<u>\$ 201,925</u>	\$ 241,144
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 9,534	\$ 11,920
Deferred revenue	23,809	90,713
	<u>33,343</u>	102,633
NET ASSETS	<u>168,582</u>	138,511
	<u>\$ 201,925</u>	\$ 241,144

Approved on behalf of the Board


_____ Director

_____ Director

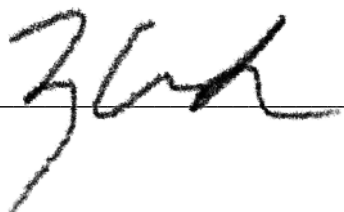
See notes to financial statements

BELTLINE BUSINESS IMPROVEMENT AREA
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Approved on behalf of the Board

Director



Director

See notes to financial statements

BELTLINE BUSINESS IMPROVEMENT AREA
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2023

	2023	2022
REVENUES		
City of Calgary grant	\$ 413,904	\$ 375,000
Other grants income	324,549	59,946
Sales	51,726	-
Interest income	3,899	1,508
	<u>794,078</u>	<u>436,454</u>
EXPENSES		
Projects and events	262,160	84,295
Advertising and promotion	167,328	180,533
Salaries and wages	165,590	115,068
Operating and administrative	120,471	38,491
Amortization	34,156	36,697
Sub-contracts	6,840	2,500
Telephone	4,229	2,938
Insurance	3,233	2,570
	<u>764,007</u>	<u>463,092</u>
NET EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	30,071	(26,638)
NET ASSETS - BEGINNING OF YEAR	<u>138,511</u>	<u>165,149</u>
NET ASSETS - END OF YEAR	\$ 168,582	\$ 138,511

See notes to financial statements

BELTLINE BUSINESS IMPROVEMENT AREA
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 30,071	\$ (26,638)
Item not affecting cash:		
Amortization of property, plant and equipment	34,156	36,697
	<u>64,227</u>	<u>10,059</u>
Changes in non-cash working capital:		
Goods and services tax recoverable	(13,582)	1,794
Accounts payable	(2,385)	7,005
Deferred revenue	(66,904)	(15,741)
Prepaid expenses	(2,573)	904
	<u>(85,444)</u>	<u>(6,038)</u>
Cash flow from (used by) operating activities	<u>(21,217)</u>	<u>4,021</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	(40,594)	(14,324)
DECREASE IN CASH FLOW		
	(61,811)	(10,303)
Cash - beginning of year	<u>71,256</u>	<u>81,559</u>
CASH - END OF YEAR	\$ 9,445	\$ 71,256
CASH CONSISTS OF:		
Cash	\$ 9,445	\$ 71,256

See notes to financial statements

BELTLINE BUSINESS IMPROVEMENT AREA
Notes to Financial Statements
Year Ended December 31, 2023

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).

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 tax receivable. Financial liabilities measured 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, 2023

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	2023 Net book value	2022 Net book value
Motor vehicles	\$ 15,279	\$ 8,925	\$ 6,354	\$ 9,085
Equipment	215,740	79,046	136,694	134,878
Computer equipment	4,826	4,507	319	709
Murals	8,602	860	7,742	-
	\$ 244,447	\$ 93,338	\$ 151,109	\$ 144,672

5. 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.

6. 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 of December 31, 2023.

Credit risk

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

(continues)

BELTLINE BUSINESS IMPROVEMENT AREA
Notes to Financial Statements
Year Ended December 31, 2023

6. FINANCIAL INSTRUMENTS *(continued)*

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.
