North End Business Improvement Zone
Financial Statements
December 31, 2022

MNP LLP

To the Board of Directors of North End Business Improvement Zone:

Opinion

We have audited the financial statements of North End Business Improvement Zone (the "Organization"), 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 Organization 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 Organization 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 the 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 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.

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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:

- 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.

Winnipeg, Manitoba

MNP LLP

October 19, 2023

Chartered Professional Accountants

Statement of Financial Position

As at December 31, 2022

	2022	*2021*
Assets		
Current		
Cash	**45,169**	53,788
Goods and services tax receivable	**7,014**	5,310
	52,183	59,098
Liabilities		
Current		
Accounts payable and accruals	**8,844**	12,276
Deferred contributions *(Note 3)*	**5,721**	6,390
	14,565	18,666
Net Assets		
Unrestricted	**37,618**	40,432
	52,183	59,098

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

North End Business Improvement Zone
Statement of Operations
For the year ended December 31, 2022

	2022	*2021*
Revenue		
City of Winnipeg		
BIZ levy	**74,680**	68,550
Streetscape improvements	**25,669**	31,284
Community Incentive Grant	**-**	10,000
Province of Manitoba	**11,621**	8,243
Cost recoveries, interest and other	**35**	8
	112,005	118,085
Expenses		
Administrative	**29,425**	26,400
Automotive	**1,927**	19,705
Casual labour	**-**	215
Graffiti removal	**-**	1,250
Insurance	**-**	117
Meetings	**-**	56
Office	**2,421**	1,241
Professional fees	**4,147**	7,415
Salaries and benefits	**14,305**	11,319
Streetscape improvements	**62,130**	16,930
Utilities	**464**	1,178
	114,819	85,826
Excess (deficiency) of revenue over expenses	**(2,814)**	32,259

The accompanying notes are an integral part of these financial statements

North End Business Improvement Zone
Statement of Changes in Net Assets
For the year ended December 31, 2022

	2022	*2021*
Net assets, beginning of year	**40,432**	8,173
Excess (deficiency) of revenue over expenses	**(2,814)**	32,259
Net assets, end of year	**37,618**	40,432

The accompanying notes are an integral part of these financial statements

MNP LLP

North End Business Improvement Zone
Statement of Cash Flows
For the year ended December 31, 2022

	2022	*2021*
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	**(2,814)**	32,259
Changes in working capital accounts		
Goods and services tax receivable	**(1,704)**	(442)
Accounts payable and accruals	**(3,432)**	6,227
Deferred contributions	**(669)**	6,390
Increase (decrease) in cash	**(8,619)**	44,434
Cash, beginning of year	**53,788**	9,354
Cash, end of year	**45,169**	53,788

1. Purpose of the Organization

North End Business Improvement Zone (the "Organization") was designated as a Business Improvement Zone by City of Winnipeg By-law 622/93. A management board was established to beautify, improve and maintain land of the city within the business improvement zone subject to the authorization by Council and to promote the business improvement zone as a place to retail and commercial activity.

The North End Business Improvement Zone is a not-for-profit organization and operations are to be carried on without monetary gain to its members. It is tax exempt under Section 149 (1) of the Income Tax Act.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

Cash

Cash includes balances with banks. Cash subject to restrictions which prevents its use for current purposes is included in restricted cash.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization’s performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Use of estimates

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable is stated after evaluation as to its collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

The Organization follows the deferral method of accounting for contributions. 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.

Capital assets

Capital assets are expensed on acquisition. Capital assets held include equipment and office equipment. For the year-ended December 31, 2022, there was $nil (2021 - $18,389) of capital expenditures.

3. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for the purchase of bike racks. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2022	*2021*
Balance, beginning of year	**6,390**	-
Amount received during the year	**-**	10,000
Less: Amount recognized as revenue during the year	**(669)**	(3,610)
Balance, end of year	**5,721**	6,390

4. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.