

**Uptown Rutland Business  
Association  
Financial Statements  
For the Year Ended December 31, 2022  
(Unaudited)**

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Financial Statements  
For the Year Ended December 31, 2022  
(Unaudited)**

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## Independent Practitioner's Review Engagement Report

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### To the directors of Uptown Rutland Business Association

We have reviewed the accompanying financial statements of Uptown Rutland Business Association that 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 a summary of significant accounting policies and other explanatory information.

### Management's Responsibility 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.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Uptown Rutland Business Association 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.

### Other Matter

The financial statements of Uptown Rutland Business Association for the year ended December 31, 2021 are neither audited nor reviewed. Prior year figures have been included with these financial statements for comparative purpose only.

*BDO Canada LLP*

Chartered Professional Accountants

Kelowna, British Columbia  
February 28, 2023

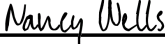
**Uptown Rutland Business Association  
Statement of Financial Position  
(Unaudited)**


December 31	2022	2021
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 43,230	\$ 78,640
Inventories	1,278	-
Prepays and deposits	4,267	1,896
	48,775	80,536
<b>Capital assets (Note 3)</b>	4,882	11,675
<b>Intangible assets (Note 4)</b>	2,356	3,926
	\$ 56,013	\$ 96,137

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 30,286	\$ 20,608
<b>Net Assets</b>		
Invested in Capital Assets	4,882	11,675
Unrestricted	20,845	63,854
	25,727	75,529
	\$ 56,013	\$ 96,137

On behalf of the Board:

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 \_\_\_\_\_ Director  
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 \_\_\_\_\_ Director  
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**Uptown Rutland Business Association  
Statement of Changes in Net Assets  
(Unaudited)**

<b>For the year ended December 31</b>	<b>Invested in Capital Assets</b>	<b>Unrestricted</b>	<b>2022 Total</b>	<b>2021 Total</b>
Balance, beginning of the year	\$ 11,675	\$ 63,854	\$ 75,529	\$ 114,508
Deficiency of revenues over expenses	<u>(6,793)</u>	<u>(43,009)</u>	<u>(49,802)</u>	<u>(38,979)</u>
Balance, end of the year	<u>\$ 4,882</u>	<u>\$ 20,845</u>	<u>\$ 25,727</u>	<u>\$ 75,529</u>

The accompanying notes are an integral part of these financial statements.

**Uptown Rutland Business Association**  
**Statement of Operations**  
**(Unaudited)**

<b>For the year ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Municipal tax levy	\$ 204,172	\$ 194,449
Municipal contributions	20,000	20,000
Special events and sponsorships	9,104	12,237
Mural merchandise sales	1,996	-
	<u>235,272</u>	<u>226,686</u>
<b>Expenses</b>		
Advertising and promotion	34,086	53,071
Amortization of capital assets	6,793	5,456
Amortization on intangible assets	1,570	1,570
Beautification / Streetscape	81,340	62,094
Insurance	3,306	2,290
Interest and bank charges	202	12
Mural merchandise	1,955	-
Office	12,692	15,558
Professional fees	13,300	8,944
Rental	10,736	11,382
Repairs and maintenance	217	1,560
Salaries and wages	108,561	92,399
Special events	-	4,312
Telephone	5,882	6,110
Training	2,882	-
Travel	1,552	907
	<u>285,074</u>	<u>265,665</u>
<b>Deficiency of revenues over expenses</b>	<b>\$ (49,802)</b>	<b>\$ (38,979)</b>

The accompanying notes are an integral part of these financial statements.

**Uptown Rutland Business Association**  
**Statement of Cash Flows**  
**(Unaudited)**

For the year ended December 31	2022	2021
<b>Cash flows from operating activities</b>		
Cash receipts from customers	\$ 235,272	\$ 251,814
Cash paid to suppliers and employees	(270,682)	(247,401)
	(35,410)	4,413
 <b>Net (decrease) increase in cash</b>	 (35,410)	 4,413
 <b>Cash, beginning of the year</b>	 78,640	 74,227
<b>Cash, end of the year</b>	\$ 43,230	\$ 78,640

The accompanying notes are an integral part of these financial statements.

# Uptown Rutland Business Association

## Notes to Financial Statements

### (Unaudited)

**December 31, 2022**

#### 1. Significant Accounting Policies

**Nature and Purpose of Organization** The Uptown Rutland Business Association is a non-profit organization incorporated without share capital under the British Columbia Society Act on December 14, 2005.

The Uptown Rutland Business Association is funded primarily by a municipal tax levy and services the Uptown Rutland Business Improvement Area by providing a forum for members to share their vision for the community and ensuring that the voice of the business community is heard by municipal, provincial and federal governments.

**Basis of Accounting** The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

**Inventories** Inventories of mural merchandise are measured at the lower of cost and net realizable value and consists entirely of finished goods. Cost is determined on an average cost basis.

**Capital Assets** Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Contributed tangible capital assets are subsequently amortized. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	<b>Method</b>	<b>Rate</b>
Banners	Straight-line	3 years
Brackets	Straight-line	10 years
Leasehold Improvements	Straight-line	5 years
Furniture	Declining balance	20%

**Intangible Assets** Intangible assets reflect assigned values related to brands and logos acquired by Uptown Rutland Business Association. These assets have a finite life and are amortized on a straight-line basis over their estimated useful life of 10 years.



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## Uptown Rutland Business Association Notes to Financial Statements (Unaudited)

December 31, 2022

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### 1. Significant Accounting Policies (continued)

**Revenue Recognition**            The Uptown Rutland Business Association 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.

Amounts received, which relate to a subsequent fiscal period are recorded as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

Revenue from mural merchandise sales is recognized upon final sale to the customer.

**Use of Estimates**                The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates and those estimates and may have impact on future periods.

**Financial Instruments**           All financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate that assets could be impaired.

**Contributed Services**           Volunteers and local business contribute many hours per year to assist the Uptown Rutland Business Association in carrying out its activities. These in-kind donations are recognized at fair value when this value can be reasonably estimated, the goods or services can be used in the Association's regular operation and the goods or services would otherwise be purchased.

## Uptown Rutland Business Association Notes to Financial Statements (Unaudited)

December 31, 2022

### 2. Re-adoption of Accounting Standards for Not-for-Profit Organizations

The Uptown Rutland Business Association has elected to apply the guidance from Section 1501, First-time Adoption and is applying Section 1501.02A(b) to use Section 1506, Accounting Changes. The Association did not apply ASNPO for the year ended December 31, 2021 as there were no external users that required ASNPO financial statements but resumed preparing financial statements in accordance with ASNPO in the current year ended December 31, 2022 as management considered it necessary to meet the users' needs. There is no impact to the comparatives for this change.

### 3. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Banners	\$ 13,782	\$ 13,783	\$ 13,782	\$ 13,782
Brackets	18,900	16,065	18,900	14,175
Leasehold Improvements	-	-	14,632	10,241
Furniture	5,374	3,326	5,374	2,815
	<b>38,056</b>	<b>33,174</b>	52,688	41,013
		<b>\$ 4,882</b>		<b>\$ 11,675</b>

### 4. Intangible Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Logo	\$ 15,701	\$ 13,345	\$ 15,701	\$ 11,775
		<b>\$ 2,356</b>		<b>\$ 3,926</b>

### 5. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$5,689 (2021 - \$5,593).

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**Uptown Rutland Business Association  
Notes to Financial Statements  
(Unaudited)**

**December 31, 2022**

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**6. Economic Dependence**

87% of the Association's revenues reported in the year (2021 - 86%) are related to a municipal tax levy that is collected by the City of Kelowna on behalf of the Association.

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**7. Commitments**

The Association continues its commitment to lease a photocopier until April 15, 2026 and has entered into an agreement to lease its vehicle until December 31, 2026. The annual payment for the following four years is estimated as follows:

2023	\$	10,425
2024		10,425
2025		10,425
2026		<u>8,289</u>
	\$	<u>39,564</u>