FINANCIAL STATEMENTS

WEST BROADWAY BUSINESS IMPROVEMENT ASSOCIATION

March 31, 2016

TOMPKINS, WOZNY, MILLER & CO.
Chartered Professional Accountants

A partnership of incorporated professionals.

INDEPENDENT AUDITOR'S REPORT

To the Members of
West Broadway Business Improvement Association

Report on the Financial Statements

We have audited the accompanying financial statements of West Broadway Business Improvement Association, which comprise the statement of financial position as at March 31, 2016 and the statement 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of West Broadway Business Improvement Association as at March 31, 2016 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society Act, we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis.

Tompkins, Wozny, Miller & Co.

Vancouver, Canada
August 16, 2016

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

	2016	2015
	$	$
ASSETS		
Current		
Cash	**21,678**	38,131
Accounts receivable *[note 3]*	**2,085**	5,140
Prepaid expenses	**1,606**	2,071
	25,369	45,342
Capital assets *[note 4]*	**33,930**	53,516
	59,299	98,858
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accruals *[note 5]*	**11,199**	20,790
	11,199	20,790
NET ASSETS	**48,100**	78,068
	59,299	98,858

Economic dependence [note 7]

See accompanying notes to the financial statements

As approved by:

Patm North
Director

Alex Zbar
Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Invested in Capital Assets $	Unrestricted $	Total $
2016			
Balance, beginning of year	**53,516**	**24,552**	**78,068**
Excess of expenses for the year	**(19,586)**	**(10,382)**	**(29,968)**
Balance, end of year	**33,930**	**14,170**	**48,100**
2015			
Balance, beginning of year	**62,559**	**48,783**	**111,342**
Excess of expenses for the year	**(19,586)**	**(13,688)**	**(33,274)**
Capital assets purchased in the year	**10,543**	**(10,543)**	**—**
Balance, end of year	**53,516**	**24,552**	**78,068**

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended March 31

	2016 $	2015 $
REVENUE		
Business improvement levy	**120,000**	120,000
Other income	**200**	10,263
Interest	**57**	82
Donations	—	750
	120,257	131,095
EXPENSES		
Subcontracting fees	**66,650**	57,885
Special events	**24,316**	26,292
Promotion and marketing	**19,650**	43,439
Amortization	**19,586**	19,586
Office and other	**8,603**	2,982
Sponsorships	**5,000**	10,000
Professional fees	**3,839**	2,850
Insurance	**1,572**	1,335
Bad debt	**1,009**	—
	150,225	164,369
Excess of expenses for the year	**(29,968)**	(33,274)

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2016 $	2015 $
OPERATING ACTIVITIES		
Excess of expenses for the year	**(29,968)**	(33,274)
Item not affecting cash		
Amortization of capital assets	**19,586**	19,586
Changes in non-cash working capital items		
Accounts receivable	**3,055**	(1,715)
Prepaid expenses	**465**	(736)
Accounts payable and accruals	**(9,591)**	(4,470)
Cash used in operating activities	**(16,453)**	(20,609)
INVESTING ACTIVITES		
Purchase of capital assets	—	(10,543)
Cash used in investing activities	—	(10,543)
Decrease in cash for the year	**(16,453)**	(31,152)
Cash, beginning of year	**38,131**	69,283
Cash, end of year	**21,678**	38,131

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

1. PURPOSE OF THE ASSOCIATION

The West Broadway Business Improvement Association (the "Association") was incorporated on April 1, 2011 under the British Columbia Society Act as a not-for-profit organization and therefore is exempt from income taxes. The objectives of the Association are to develop, encourage and promote business in the West Broadway BIA portion of the Kitsilano area of Vancouver, British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

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 reported period. Significant areas requiring the use of management estimates relate to the determination of the net recoverable value of assets, in particular as it relates to the useful lives of capital assets. Actual results could differ from the estimates.

Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and GST receivable.

Financial liabilities measured at amortized cost include accounts payable and accruals.

Cash

Cash is defined as cash on deposit, net of cheques issued and outstanding at the year-end.

The statement of cash flows is prepared on a net basis and cash flows for operating activities are reported using the indirect method.

Revenue Recognition

The Association follows the deferral method of accounting for contributions.

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Business Improvement Association Levy, which is externally restricted, is revenue derived from a special levy imposed on businesses within the defined borders of the West Broadway BIA and administered and collected through the property tax office of the City of Vancouver. This revenue is recognized when received or receivable. Funding received in advanced is deferred to the appropriate year.

Donations are recorded on a cash basis and reported as revenue when received.

Unrestricted revenue is recorded when funds are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed Services

Volunteers contribute their time to assist the Association in carrying out its activities. Due to the difficulty in determining the fair value of such services, the value of the contributed services is not recognized in these financial statements.

Capital Assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution, if a value can be reasonably estimated. Amortization is provided using the straight line basis at the following annual rates:

- Equipment 5 years
- Website 5 years

A full year's amortization is recorded on capital assets in the year of acquisition and no amortization is recorded in the year of disposition.

Capital assets are reviewed for impairment whenever events or change in circumstances indicate that the carrying amount of an asset may not be recoverable. Any non-recoverable amount will be recorded as an impairment charge in the year it is recognized.

3. ACCOUNTS RECEIVABLE

	2016	2015
	$	$
Trade	—	1,844
Government - GST	**2,085**	3,296
	2,085	5,140
Allowance for doubtful accounts	—	—
	2,085	5,140

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

4. CAPITAL ASSETS

	Cost $	Accumulated Amortization $	Net Book Value $
2016			
Equipment	**91,723**	**57,793**	**33,930**
Website	**5,229**	**5,229**	**—**
	96,952	**63,022**	**33,930**
2015			
Equipment	**91,723**	**39,253**	**52,470**
Website	**5,229**	**4,183**	**1,046**
	96,952	**43,436**	**53,516**

5. ACCOUNTS PAYABLE AND ACCRUALS

	2016 $	2015 $
Trade	**11,199**	20,790

6. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risks as at March 31, 2016.

Credit Risk

The Association is exposed to credit risk with respect to its bank deposits. The Association reduces its credit risk by placing its bank deposits with a charted Canadian bank.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

NOTES TO FINANCIAL STATEMENTS

March 31, 2016

7. ECONOMIC DEPENDENCE

The primary source of the Association's revenue is from the City of Vancouver's business improvement levy. The Association's ability to continue viable operations is dependent upon maintaining this source of revenue. These financial statements have been prepared on a going concern basis on the assumption this source of revenue will continue to finance the Association's operations.

The Association currently has a three year operating agreement with the City of Vancouver expiring March 31, 2019.