

**FINANCIAL STATEMENTS**

**WEST BROADWAY BUSINESS  
IMPROVEMENT ASSOCIATION**

**March 31, 2018**



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## INDEPENDENT AUDITOR'S REPORT

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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, 2018 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, 2018 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 Societies 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 LLP*

Vancouver, Canada  
August 8, 2018

Chartered Professional Accountants



**Tompkins Wozny**  
Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

	2018	2017
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	48,872	39,182
GST receivable	5,047	6,454
Prepaid expenses	950	1,477
	<b>54,869</b>	47,113
Capital assets <i>[note 3]</i>	24,666	43,744
	<b>79,535</b>	90,857
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accruals	81,912	81,775
<b>NET ASSETS (DEFICIT)</b>	(2,377)	9,082
	<b>79,535</b>	90,857

*Economic dependence [note 5]*

*See accompanying notes to the financial statements*

As approved by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Invested in Capital Assets \$	Un- restricted \$	Total \$
<b>2018</b>			
<b>Balance, beginning of year</b>	43,744	(34,662)	9,082
Excess of expenses for the year	(22,018)	10,559	(11,459)
Capital assets purchased in the year	2,940	(2,940)	—
<b>Balance, end of year</b>	<b>24,666</b>	<b>(27,043)</b>	<b>(2,377)</b>
<b>2017</b>			
<b>Balance, beginning of year</b>	33,930	14,170	48,100
Excess of expenses for the year	(23,536)	(15,482)	(39,018)
Capital assets purchased in the year	33,350	(33,350)	—
<b>Balance, end of year</b>	<b>43,744</b>	<b>(34,662)</b>	<b>9,082</b>

See accompanying notes to the financial statements

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**West Broadway Business Improvement Association****STATEMENT OF OPERATIONS**

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Year ended March 31

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Business improvement levy	<b>275,000</b>	275,000
Sponsorships	<b>3,670</b>	—
Other income	<b>828</b>	2,056
Interest	<b>88</b>	99
	<b>279,586</b>	277,155
<b>EXPENSES</b>		
Street enhancement initiatives	<b>116,086</b>	132,794
Subcontracting fees	<b>77,840</b>	78,516
Special events	<b>27,428</b>	34,338
Amortization	<b>22,018</b>	23,536
Promotion and marketing	<b>18,877</b>	17,892
Office and other	<b>11,708</b>	14,437
Sponsorships	<b>10,000</b>	10,000
Professional fees	<b>3,563</b>	2,920
Insurance	<b>3,525</b>	1,740
	<b>291,045</b>	316,173
<b>Excess of expenses for the year</b>	<b>(11,459)</b>	<b>(39,018)</b>

*See accompanying notes to the financial statements*

**STATEMENT OF CASH FLOWS**

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Year ended March 31

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Excess of expenses for the year	<b>(11,459)</b>	(39,018)
Item not affecting cash		
Amortization of capital assets	<b>22,018</b>	23,536
Changes in non-cash working capital items		
Accounts receivable	<b>1,407</b>	(4,369)
Prepaid expenses	<b>527</b>	129
Accounts payable and accruals	<b>137</b>	70,576
<b>Cash provided by operating activities</b>	<b>12,630</b>	50,854
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	<b>(2,940)</b>	(33,350)
<b>Cash used in investing activities</b>	<b>(2,940)</b>	(33,350)
<b>Increase in cash for the year</b>	<b>9,690</b>	17,504
Cash, beginning of year	<b>39,182</b>	21,678
<b>Cash, end of year</b>	<b>48,872</b>	39,182

*See accompanying notes to the financial statements*

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2018

### 1. PURPOSE OF THE ASSOCIATION

The West Broadway Business Improvement Association (the "Association") was incorporated on April 1, 2011 under the British Columbia Societies 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**

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March 31, 2018

**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.



**NOTES TO FINANCIAL STATEMENTS**

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March 31, 2018

**3. CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2018</b>			
Equipment	128,012	103,346	24,666
Website	5,229	5,229	—
	<b>133,241</b>	<b>108,575</b>	<b>24,666</b>
<b>2017</b>			
Equipment	125,071	81,327	43,744
Website	5,229	5,229	—
	<b>130,300</b>	<b>86,556</b>	<b>43,744</b>

**4. 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, 2018.

**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 chartered 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.

**5. 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.