

FINANCIAL STATEMENTS

**WEST BROADWAY BUSINESS
IMPROVEMENT ASSOCIATION**

March 31, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of
West Broadway Business Improvement Association

Opinion

We have audited the financial statements of West Broadway Business Improvement Association (the Association), which comprise the statement of financial position as at March 31, 2020 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 Association as at March 31, 2020 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 Association 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 audit 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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. 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

- 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 Association'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 Association 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
August 12, 2020

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION

As at March 31

	2020 \$	2019 \$
ASSETS		
Current		
Cash	73,610	208,419
GST receivable	6,005	10,081
Prepaid expenses	10,982	16,341
Total current assets	90,597	234,841
Capital assets <i>[note 3]</i>	18,931	15,300
	109,528	250,141
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accruals	109,240	111,334
Deferred revenue - business improvement levy	—	137,500
- other	—	1,075
Total liabilities	109,240	249,909
NET ASSETS (DEFICIT)	288	232
	109,528	250,141

Economic dependence [note 5]

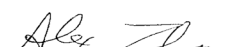
COVID-19 [note 6]

See accompanying notes to the financial statements

As approved by:



Director



Director

STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)

Year ended March 31

	Invested in Capital Assets \$	Un- restricted \$	Total \$
2020			
Balance, beginning of year	15,300	(15,068)	232
Excess of revenue (expenses) for the year	(9,045)	9,101	56
Purchase of capital assets	12,676	(12,676)	—
Balance, end of year	18,931	(18,643)	288
2019			
Balance, beginning of year	24,666	(27,043)	(2,377)
Excess of revenue (expenses) for the year	(9,366)	11,975	2,609
Balance, end of year	15,300	(15,068)	232

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended March 31

	2020 \$	2019 \$
REVENUE		
Business improvement levy	275,000	275,000
Sponsorships	17,484	2,198
Interest	114	115
Other income	—	70
	292,598	277,383
EXPENSES		
Street enhancement initiatives	133,090	122,627
Subcontracting fees	62,080	68,325
Special events	34,559	26,709
Office and other	19,271	15,475
Promotion and marketing	19,417	15,979
Sponsorships	10,000	10,000
Amortization	9,045	9,366
Professional fees	3,185	4,438
Insurance	1,895	1,855
	292,542	274,774
Excess of revenue for the year	56	2,609

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2020 \$	2019 \$
OPERATING ACTIVITIES		
Excess of revenue for the year	56	2,609
Item not affecting cash		
Amortization of capital assets	9,045	9,366
Changes in non-cash working capital items		
Accounts receivable	4,076	(5,034)
Prepaid expenses	5,359	(15,391)
Accounts payable and accruals	(2,094)	29,422
Deferred revenue - business improvement levy	(137,500)	137,500
Deferred revenue - other	(1,075)	1,075
Cash provided by (used in) operating activities	(122,133)	159,547
INVESTING ACTIVITIES		
Purchase of capital assets	(12,676)	—
Cash used in investing activities	(12,676)	—
Increase (decrease) in cash for the year	(134,809)	159,547
Cash, beginning of year	208,419	48,872
Cash, end of year	73,610	208,419

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

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

March 31, 2020

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

March 31, 2020

3. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value \$
2020			
Equipment	136,947	121,757	15,190
Website	3,741	—	3,741
	140,688	121,757	18,931
2019			
Equipment	128,012	112,712	15,300
Website	5,229	5,229	—
	133,241	117,941	15,300

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, 2020.

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 five year operating agreement with the City of Vancouver expiring March 31, 2021.

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

6. COVID-19

The recent outbreak of the coronavirus, also known as COVID-19, has spread across the globe and is impacting worldwide economic activity. The extent of the impact of this outbreak and related containment measures on the Association's operations cannot be reliably estimated at this time. Some events held by the Association were cancelled. Normal operations are continuing as much as possible.