

FINANCIAL STATEMENTS

**POINT GREY VILLAGE
BUSINESS ASSOCIATION**

March 31, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of
Point Grey Village Business Association

Opinion

We have audited the financial statements of Point Grey Village Business 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
September 7, 2020

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION

As at March 31

	2020	2019
	\$	\$
ASSETS		
Current		
Cash	60,978	153,566
GST receivable	4,722	4,449
Prepaid expenses	—	8,200
	65,700	166,215
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accruals	17,564	4,540
Deferred revenue - business improvement levy	—	112,500
	17,564	117,040
NET ASSETS	48,136	49,175
	65,700	166,215

Economic dependence [note 4]

COVID-19 [note 5]

See accompanying notes to the financial statements

As approved by:

Director

Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Restricted	Un- Restricted	Total
	\$	\$	\$
2020			
Net assets, beginning of year	43,398	5,777	49,175
Excess of revenue (expenses) for the year	(3,234)	2,195	(1,039)
Net assets, end of year	40,164	7,972	48,136
2019			
Net assets, beginning of year	29,536	2,982	32,518
Excess of revenue for the year	13,862	2,795	16,657
Net assets, end of year	43,398	5,777	49,175

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended March 31

	Restricted \$	Un- Restricted \$	2020 \$	2019 \$
REVENUE				
Business improvement levy	225,000	—	225,000	225,000
Interest and other	—	2,195	2,195	3,195
Summer student grant	—	—	—	4,484
	225,000	2,195	227,195	232,679
EXPENSES				
Administration	61,188	—	61,188	74,423
Street amenities - flower beds & baskets	32,795	—	32,795	37,232
- other	8,263	—	8,263	13,470
- lighting	8,439	—	8,439	6,663
- banners	22,599	—	22,599	6,424
Advertising and promotions	36,427	—	36,427	27,023
Special events	29,908	—	29,908	18,544
Office and other	15,099	—	15,099	15,834
Utilities	5,595	—	5,595	6,179
Professional fees	3,175	—	3,175	3,023
Insurance	2,824	—	2,824	2,741
Website	1,922	—	1,922	4,066
Donation	—	—	—	400
	228,234	—	228,234	216,022
Excess of revenue (expenses) for the year	(3,234)	2,195	(1,039)	16,657

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2020	2019
	\$	\$
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OPERATING ACTIVITIES		
Excess of revenue (expenses) for the year	(1,039)	16,657
Changes in non-cash working capital items		
GST receivable	(273)	(22)
Prepaid expenses	8,200	(8,200)
Accounts payable and accruals	13,024	279
Deferred revenue - business improvement levy	(112,500)	112,500
Cash provided (used) by operating activities	(92,588)	121,214
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Increase (decrease) in cash for the year	(92,588)	121,214
Cash, beginning of year	153,566	32,352
Cash, end of year	60,978	153,566

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

1. PURPOSE OF THE ASSOCIATION

The objectives of the Point Grey Village Business Association (the "Association") are to develop, encourage, and promote business in the Point Grey area. The Association was incorporated on January 29, 2004 under the British Columbia Societies Act as a not-for-profit organization and therefore is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organization 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 net recoverable value of assets, in particular as it relates to the useful lives of capital assets. Actual results could differ from the estimates.

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 cash basis and cash flows from operating activities are reported using the indirect method.

Revenue Recognition

The Association follows the deferral method of accounting for contributions.

The Business Improvement Levy, which is externally restricted, is revenue derived from a special levy imposed on businesses within the Point Grey area 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.

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.

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 accounts receivable. Financial liabilities measured at amortized cost include accounts payable.

3. 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.

4. ECONOMIC DEPENDENCE

The primary source of the Association's revenue is through the City of Vancouver's business improvement levy. The Association's ability to continue viable operations is dependent upon maintaining this source of revenue. The 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 an operating agreement with the City of Vancouver expiring March 31, 2024.

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

5. 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.