

**HASTINGS NORTH BUSINESS IMPROVEMENT
ASSOCIATION**

Financial Statements

Year Ended March 31, 2018



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INDEPENDENT AUDITOR'S REPORT

To the Members of Hastings North Business Improvement Association

We have audited the accompanying financial statements of Hastings North Business Improvement Association, which comprise the statement of financial position as at March 31, 2018 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.

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 entity'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 entity'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.

(continues)


HASTINGS NORTH BUSINESS IMPROVEMENT ASSOCIATION
Statement of Financial Position
For the Year Ended March 31, 2018

	General Fund	BIA Fund	2018	2017
ASSETS				
CURRENT				
Cash and cash equivalents	\$ -	\$ 183,788	\$ 183,788	\$ 172,642
Accounts receivable	-	18,655	18,655	17,789
Prepaid expenses and deposits	-	3,706	3,706	3,636
Due from BIA Fund (Note 3)	84,414	-	84,414	73,214
	84,414	206,149	290,563	267,281
CAPITAL ASSETS (Note 4)	-	63,237	63,237	49,701
	\$ 84,414	\$ 269,386	\$ 353,800	\$ 316,982
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	\$ -	\$ 4,800	\$ 4,800	\$ 4,800
Due to General Fund (Note 3)	-	84,414	84,414	73,214
	-	89,214	89,214	78,014
NET ASSETS				
Unrestricted funds	84,414	-	84,414	73,214
Invested in capital assets	-	63,237	63,237	49,701
Externally restricted funds (Note 5)	-	116,935	116,935	116,053
	84,414	180,172	264,586	238,968
	\$ 84,414	\$ 269,386	\$ 353,800	\$ 316,982

LEASE COMMITMENTS (Note 6)

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

HASTINGS NORTH BUSINESS IMPROVEMENT ASSOCIATION
Statement of Changes in Net Assets
For the Year Ended March 31, 2018

	General Fund	Invested in Capital Assets	BIA Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 73,214	\$ 49,701	\$ 116,053	\$ 238,968	\$ 219,010
Excess of revenues over expenses	11,200	-	14,418	25,618	19,958
New banner costs	-	22,962	(22,962)	-	-
Amortization of capital assets	-	(9,426)	9,426	-	-
NET ASSETS - END OF YEAR	\$ 84,414	\$ 63,237	\$ 116,935	\$ 264,586	\$ 238,968

HASTINGS NORTH BUSINESS IMPROVEMENT ASSOCIATION

Schedule of Program Expenditures

(Schedule 1)

For the Year Ended March 31, 2018

	2018	2017
ADMINISTRATION		
Salaries & employee benefits allocation	\$ 41,849	\$ 41,066
Office rent	25,832	25,830
Bank service charges	416	446
Insurance	6,091	4,465
Accounting and legal fees	6,428	39,370
Meetings and AGM	15,104	15,580
Telephone, internet, and fax	3,458	2,203
Heat and power	1,482	1,079
Postage and courier service	7,207	3,068
Office supplies and general	13,407	14,336
Amortization	1,004	1,004
	<u>122,278</u>	<u>148,447</u>
SAFETY AND SECURITY PROGRAM		
Salaries & employee benefits allocation	27,624	24,198
Support of community policing office	26,700	27,696
Business safety program	54,000	54,000
	<u>108,324</u>	<u>105,894</u>
CLEAN-UP PROGRAM		
Salaries & employee benefits allocation	6,905	6,049
Coast Foundation Society - cleaning	50,905	53,580
Anti-Graffiti and rust poles	30,229	30,227
Murals	19,409	-
	<u>107,448</u>	<u>89,856</u>
MARKETING AND COMMUNICATIONS PROGRAM		
Salaries & employee benefits allocation	48,340	42,348
Communications	51,822	47,404
Events	33,242	31,897
Amortization	6,395	9,755
	<u>139,799</u>	<u>131,404</u>
REVITALIZATION AND COMMUNITY DEVELOPMENT PROGRAM		
Salaries & employee benefits allocation	13,812	12,099
Banners	1,000	17,130
Light industrial planning	3,750	-
Amortization	2,027	1,389
	<u>20,589</u>	<u>30,618</u>
	<u>\$ 498,438</u>	<u>\$ 506,219</u>

HASTINGS NORTH BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue is received from different sources and accounted for as follows:

- Unrestricted revenues and contributions are recognized as revenue of the general fund when received, or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- Restricted contributions are recognized as revenue of the BIA fund when received, or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- Investment income is recognized as revenue of the appropriate fund in the year in which the revenue is earned.

Financial instruments policy

Financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment if changes in circumstances indicate the asset could be impaired. Transactions costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. DUE TO/FROM FUNDS

Interfund amounts receivable and payable have no set terms of repayment and are non interest bearing.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Signage and banners	\$ 57,669	\$ 14,620	\$ 43,049	\$ 22,114
Web development	31,973	12,790	19,183	25,578
Computer equipment	14,184	13,219	965	1,929
Furniture and fixtures	8,370	8,330	40	80
Office equipment	7,397	7,397	-	-
Branding	27,904	27,904	-	-
	<u>\$ 147,497</u>	<u>\$ 84,260</u>	<u>\$ 63,237</u>	<u>\$ 49,701</u>

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Notes to Financial Statements

Year Ended March 31, 2018

10. ECONOMIC DEPENDENCE

The Association receives almost all of its funding from the City of Vancouver. Should the City significantly change its dealings with the Association, future continued viable operations could be in doubt.
