

**PRINCE GEORGE DOWNTOWN
BUSINESS IMPROVEMENT ASSOCIATION
FINANCIAL STATEMENTS**

For the year ended December 31, 2023

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CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGES IN NET ASSETS	4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 - 11
Schedule 1 - Project Expenditures	12
Schedule 2 - Clean Team Partnerships	13



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INDEPENDENT AUDITOR'S REPORT

To the members of

Prince George Downtown Business Improvement Association

Opinion

We have audited the financial statements of Prince George Downtown Business Improvement Association, which comprise the statement of financial position as at December 31, 2023, 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 organization as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

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 organization 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 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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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

INDEPENDENT AUDITOR'S REPORT, continued

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 organization's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ 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 organization'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 organization 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, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

*FBB Chartered Professional
Accountants LLP*

Prince George, BC
June 13, 2024

FBB CHARTERED
PROFESSIONAL
ACCOUNTANTS LLP

PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

STATEMENT OF OPERATIONS

For the year ended December 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
REVENUES			
PGDBIA - Levy	\$ 347,782	\$ 347,782	\$ 337,653
City of Prince George - Other grants	27,485	28,973	27,485
Other revenue	5,500	2,067	18,275
Summerfest	40,000	38,848	34,110
Summerfest donation in-kind	-	15,712	23,250
Winterfest donations in-kind	-	15,015	-
Winterfest	2,500	295	-
Fallfest donations in-kind	-	3,500	2,200
Interest income	-	5,924	2,562
Downtown alley clean team	102,800	131,789	133,629
Facade program grants	20,000	5,000	5,000
	<u>546,067</u>	<u>594,905</u>	<u>584,164</u>
EXPENDITURES			
Advertising and promotion	16,750	11,434	16,905
Amortization	-	122	141
Business development	5,500	977	16,309
Conferences and meetings	6,700	7,034	6,143
Consulting fees	1,250	1,549	1,366
Insurance and memberships	6,000	5,968	4,924
Interest and bank charges	200	125	125
Projects - Schedule 1	299,800	352,992	368,045
Office	6,850	5,699	4,918
Professional fees	4,000	7,838	3,741
Premises	22,500	22,353	21,927
Telephone and utilities	3,000	3,236	3,144
Training	750	-	-
Wages and benefits	171,000	165,508	173,230
Website	1,767	1,739	1,739
	<u>546,067</u>	<u>586,574</u>	<u>622,657</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ 8,331</u>	<u>\$ (38,493)</u>

See accompanying notes

**PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT
ASSOCIATION**

**STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2023**

	<u>Unrestricted</u>	<u>Invested in tangible capital assets</u>	<u>Total 2023</u>	<u>Total 2022</u>
NET ASSETS, BEGINNING OF YEAR	\$ 259,339	\$ 986	\$ 260,325	\$ 298,818
Excess (deficiency) of revenues over expenditures	<u>8,453</u>	<u>(122)</u>	<u>8,331</u>	<u>(38,493)</u>
NET ASSETS, END OF YEAR	<u>\$ 267,792</u>	<u>\$ 864</u>	<u>\$ 268,656</u>	<u>\$ 260,325</u>

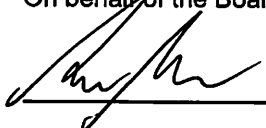
See accompanying notes


**PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT
ASSOCIATION**

STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 218,718	\$ 122,841
Term deposit (note 3)	111,894	156,834
Prepaid expenses	2,534	4,376
GST receivable	<u>6,138</u>	<u>6,554</u>
	339,284	290,605
TANGIBLE CAPITAL ASSETS (note 4)	<u>866</u>	<u>987</u>
	<u>\$ 340,150</u>	<u>\$ 291,592</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 5)	\$ 28,582	\$ 14,719
Deferred contributions (note 6)	<u>42,912</u>	<u>16,548</u>
	71,494	31,267
NET ASSETS	<u>268,656</u>	<u>260,325</u>
	<u>\$ 340,150</u>	<u>\$ 291,592</u>

On behalf of the Board


_____ Member


_____ Member

See accompanying notes

PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 8,331	\$ (38,493)
Item not affecting cash		
Amortization	<u>122</u>	<u>141</u>
	8,453	(38,352)
Change in non-cash working capital items		
Term deposit	44,940	(2,562)
Accounts receivable	-	13,061
Prepaid expenses	1,842	158
GST receivable	416	(1,863)
Accounts payable and accrued liabilities	13,862	(5,971)
Deferred contributions	<u>26,364</u>	<u>(52,782)</u>
INCREASE (DECREASE) IN CASH	95,877	(88,311)
CASH, BEGINNING OF YEAR	<u>122,841</u>	<u>211,152</u>
CASH, END OF YEAR	<u>\$ 218,718</u>	<u>\$ 122,841</u>

See accompanying notes

PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. Nature of operations

Prince George Downtown Business Improvement Association (the "Association") was incorporated under the Societies Act of British Columbia and operates as a downtown improvement association in Prince George, British Columbia. The Society is exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

2. Accounting policies and general information

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting deferred

The organization follows the deferral method of accounting for contributions which includes grants and donations. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets.

(b) Contributed services

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased. Volunteers also contribute a significant number of hours to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, the contributed hours are not recognized in the financial statements.

(c) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

2. Accounting policies and general information, continued

(d) Tangible capital assets, continued

Furniture and fixtures	20%
Computer	30%

(e) Deferred revenue

Deferred revenue consists of amounts received in advance for a broken windows microgrant special project and Winterfest 2024.

(f) Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

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

Financial assets measured at amortized cost include cash, term deposit and accounts receivable.

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

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- ♦ the present value of the cash flows expected to be generated by the asset or group of assets;
- ♦ the amount that could be realized by selling the assets or group of assets;
- ♦ the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

2. Accounting policies and general information, continued

(g) 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are in-kind donations and expenses for Winterfest and Summerfest events.

3. Term deposit

The term deposit bears interest at bank prime minus 2.70% (December 31, 2023 - 7.2% per annum prime - 4.5%). The Association follows a short-term investment policy whereby the Levy payment funds received midway through the fiscal year are invested in an effort to maximize the Association's leveraged funding by utilizing 50% of the funds for operations and saving 50% for the subsequent fiscal year. The GIC investment term deposit is completely redeemable for the first half of the subsequent fiscal year.

4. Tangible capital assets

			<u>2023</u>	<u>2022</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Furniture and fixtures	\$ 16,748	\$ 16,065	\$ 683	\$ 759
Computer	<u>2,207</u>	<u>2,024</u>	<u>183</u>	<u>228</u>
	<u>\$ 18,955</u>	<u>\$ 18,089</u>	<u>\$ 866</u>	<u>\$ 987</u>

5. Accounts payable and accrued liabilities

	<u>2023</u>	<u>2022</u>
Trade payables and accrued liabilities	\$ 19,583	\$ 6,306
Wages payable	6,961	6,310
Payroll and withholding taxes	<u>2,038</u>	<u>2,103</u>
	<u>\$ 28,582</u>	<u>\$ 14,719</u>

PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

6. Deferred contributions

	<u>2023</u>	<u>2022</u>
Winterfest 2024/2023	\$ 14,400	\$ 15,740
City of Prince George - Vibrancy & Vitality Grant	18,512	-
PG Activators - downtown graffiti cleaning	-	808
NDIT - Shop Local Program	<u>10,000</u>	<u>-</u>
	<u>\$ 42,912</u>	<u>\$ 16,548</u>

	<u>Balance, beginning of year</u>	<u>Received</u>	<u>Recognized</u>	<u>Balance, end of year</u>
City of Prince George	\$ -	\$ 102,485	\$ (83,973)	\$ 18,512
Winterfest 2023/2024	15,740	14,400	(15,740)	14,400
NDIT - Shop Local Program	-	10,000	-	10,000
Downtown graffiti	<u>808</u>	<u>-</u>	<u>(808)</u>	<u>-</u>
	<u>\$ 16,548</u>	<u>\$ 126,885</u>	<u>\$ (100,521)</u>	<u>\$ 42,912</u>

7. Financial instrument risk and concentration of risk

The Association's financial instruments consist of cash, term deposit, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the Association is not exposed to significant interest rate, currency, credit or concentration risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values.

PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS For the year ended December 31, 2023

8. Commitments

The Association has signed a 24 month rental lease with the City of Prince George that expires April 30, 2024. Monthly lease payments are \$1,160. The future minimum lease payments to the lease expiry date are as follows:

2024	<u>\$ 4,640</u>
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9. Employee remuneration

For the 2023 fiscal year, the Association paid remuneration of \$75,000 or greater to one employee who received a total remuneration of \$90,865.

10. Subsequent events

On January 3, 2024, the Association transferred \$100,000 out of their chequing account into an interest-bearing GIC at an annual floating variable rate of prime minus 2.45% (January 3, 2024 - Prime 7.2% - GIC rate 4.75%) maturing January 3, 2025.

**PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT
ASSOCIATION**

Schedule 1

PROJECT EXPENDITURES

For the year ended December 31, 2023

	2023 Budget (unaudited)	2023 Actual	2022 Actual
Façade improvements partnership	\$ 20,000	\$ 5,000	\$ 5,000
Flower baskets and décor	56,000	60,883	59,050
Lighting and décor	5,000	2,216	22,068
Summerfest	20,000	17,388	37,492
Summerfest donations in-kind	-	15,712	23,250
Special projects	12,000	12,702	11,894
Clean Team Partnerships - Schedule 2	160,300	185,694	200,204
Promotions	1,500	75	3,062
Fallfest and other events	5,000	9,187	3,825
Fallfest donations in-kind	-	3,500	2,200
Winterfest	20,000	25,620	-
Winterfest donations in-kind	-	15,015	-
	<u>\$ 299,800</u>	<u>\$ 352,992</u>	<u>\$ 368,045</u>

**PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT
ASSOCIATION**

Schedule 2

Clean Team Partnerships - Statement of Operations

For the year ended December 31, 2023

	Downtown Clean Team PG BIG	Downtown Alley Clean Team DART	Biohazard Clean Team ACME	Graffiti Clean Team PG Activators	2023 Total	2022 Total
REVENUE						
Funding received	\$ 27,000	\$ 53,981	\$ 50,000	\$ -	\$ 130,981	\$ 125,107
Deferred from prior year	-	-	-	808	808	9,330
	27,000	53,981	50,000	808	131,789	134,437
EXPENDITURES	72,912	61,907	50,067	808	185,694	200,204
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(45,912)	(7,926)	(67)	-	(53,905)	(65,767)
DEFERRED TO SUBSEQUENT YEAR	-	-	-	-	-	(808)
SURPLUS (DEFICIT), END OF YEAR	<u>\$ (45,912)</u>	<u>\$ (7,926)</u>	<u>\$ (67)</u>	<u>\$ -</u>	<u>\$ (53,905)</u>	<u>\$ (66,575)</u>