

PRINCE GEORGE DOWNTOWN  
BUSINESS IMPROVEMENT ASSOCIATION

FINANCIAL STATEMENTS

For the year ended December 31, 2024

**PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**For the year ended December 31, 2024**

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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, 2024, 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, 2024, 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 professional skepticism throughout the audit. We also:

## INDEPENDENT AUDITOR'S REPORT, continued

- ♦ 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.

Prince George, BC  
February 26, 2025

FBB CHARTERED  
PROFESSIONAL  
ACCOUNTANTS LLP

# PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

## STATEMENT OF OPERATIONS

For the year ended December 31, 2024

	2024 Budget (unaudited)	2024 Actual	2023 Actual
<b>REVENUES</b>			
PGDBIA - Levy	\$ 358,216	\$ 358,216	\$ 347,782
City of Prince George - Other grants	27,485	38,412	28,973
Downtown alley clean team	67,675	176,002	131,789
Northern Development Initiative Trust	10,000	10,000	-
Facade program grants	20,000	5,000	5,000
Fallfest donations in-kind	3,000	5,000	3,500
Summerfest	30,000	32,678	38,848
Summerfest donation in-kind	15,000	15,000	15,712
Winterfest	5,000	798	295
Winterfest donations in-kind	15,000	16,000	15,015
Other revenue	2,500	1,400	2,067
Interest income	5,000	6,292	5,924
	<u>558,876</u>	<u>664,798</u>	<u>594,905</u>
<b>EXPENDITURES</b>			
Advertising and promotion	11,500	12,604	11,434
Amortization	-	393	122
Bookkeeping fees	2,000	1,692	1,549
Business development	10,500	6,948	977
Conferences and meetings	7,700	9,210	7,034
Insurance and memberships	6,000	6,069	5,968
Interest and bank charges	200	131	125
Projects - Schedule 1	304,675	405,524	352,992
Office	6,551	5,186	5,699
Professional fees	4,000	3,741	7,838
Premises	22,500	22,522	22,353
Telephone and utilities	3,000	3,130	3,236
Training	750	-	-
Wages and benefits	177,500	176,223	165,508
Website	2,000	1,739	1,739
	<u>558,876</u>	<u>655,112</u>	<u>586,574</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 9,686</u>	<u>\$ 8,331</u>

See accompanying notes

# **PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION**

## **STATEMENT OF CHANGES IN NET ASSETS**

For the year ended December 31, 2024

	<u>Unrestricted</u>	<u>Invested in tangible capital assets</u>	<u>Total 2024</u>	<u>Total 2023</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	\$ 267,792	\$ 864	\$ 268,656	\$ 260,325
Excess (deficiency) of revenues over expenditures	10,077	(391)	9,686	8,331
Acquisition of tangible capital assets	<u>(1,341)</u>	<u>1,341</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 276,528</u>	<u>\$ 1,814</u>	<u>\$ 278,342</u>	<u>\$ 268,656</u>

See accompanying notes

# PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 9,686	\$ 8,331
Item not affecting cash		
Amortization	<u>393</u>	<u>122</u>
	10,079	8,453
Change in non-cash working capital items		
Term deposit	(4,528)	44,940
Accounts receivable	(32,259)	-
Prepaid expenses	904	1,842
GST receivable	(932)	416
Accounts payable and accrued liabilities	(12,869)	13,862
Deferred contributions	<u>(35,312)</u>	<u>26,364</u>
	(74,917)	95,877
<b>INVESTING ACTIVITY</b>		
Acquisition of tangible capital assets	<u>(1,341)</u>	<u>-</u>
<b>(DECREASE) INCREASE IN CASH</b>	(76,258)	95,877
<b>CASH, BEGINNING OF YEAR</b>	<u>218,718</u>	<u>122,841</u>
<b>CASH, END OF YEAR</b>	<u>\$ 142,460</u>	<u>\$ 218,718</u>

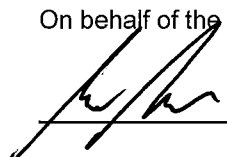
See accompanying notes

# PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

## STATEMENT OF FINANCIAL POSITION As at December 31, 2024

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 142,460	\$ 218,718
Term deposit (note 3)	116,422	111,894
Accounts receivable (note 4)	32,259	-
Prepaid expenses	1,630	2,534
GST receivable	<u>7,070</u>	<u>6,138</u>
	299,841	339,284
<b>TANGIBLE CAPITAL ASSETS (note 5)</b>	<u>1,814</u>	<u>866</u>
	<u><u>\$ 301,655</u></u>	<u><u>\$ 340,150</u></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (note 6)	\$ 15,713	\$ 28,582
Deferred contributions (note 7)	<u>7,600</u>	<u>42,912</u>
	23,313	71,494
<b>NET ASSETS</b>	<u>278,342</u>	<u>268,656</u>
	<u><u>\$ 301,655</u></u>	<u><u>\$ 340,150</u></u>

On behalf of the Board

  
\_\_\_\_\_ Member

  
\_\_\_\_\_ Member

See accompanying notes



# **PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION**

## **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended December 31, 2024**

### **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, 2024

### 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 Winterfest 2025.

#### (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, 2024

## 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 2.95% which is 3% (December 31, 2023 - 2.70% 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. Accounts receivable

	<u>2024</u>	<u>2023</u>
City of Prince George - facade grant	\$ 5,000	\$ -
Northern Health Authority	20,000	-
PGNAETA - Reaching Home	<u>7,259</u>	<u>-</u>
	<u>\$ 32,259</u>	<u>\$ -</u>

## 5. Tangible capital assets

	<u>2024</u>			<u>2023</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Furniture and fixtures	\$ 16,748	\$ 16,202	\$ 546	\$ 683
Computer	<u>3,548</u>	<u>2,280</u>	<u>1,268</u>	<u>183</u>
	<u>\$ 20,296</u>	<u>\$ 18,482</u>	<u>\$ 1,814</u>	<u>\$ 866</u>

# PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

### 6. Accounts payable and accrued liabilities

	<u>2024</u>	<u>2023</u>
Trade payables and accrued liabilities	\$ 5,790	\$ 20,169
Wages payable	7,273	6,310
Payroll and withholding taxes	<u>2,650</u>	<u>2,103</u>
	<u>\$ 15,713</u>	<u>\$ 28,582</u>

### 7. Deferred contributions

	<u>2024</u>	<u>2023</u>
Winterfest 2024/2025	\$ 7,600	\$ 14,400
City of Prince George - Vibrancy & Vitality Grant	-	18,512
NDIT - Shop Local Program	<u>-</u>	<u>10,000</u>
	<u>\$ 7,600</u>	<u>\$ 42,912</u>

	<u>Balance, beginning of year</u>	<u>Received</u>	<u>Recognized</u>	<u>Balance, end of year</u>
Winterfest 2024/2025	\$ 14,400	\$ 7,600	\$ (14,400)	\$ 7,600
NDIT - Shop Local Program	10,000	-	(10,000)	-
City of Prince George	<u>18,512</u>	<u>-</u>	<u>(18,512)</u>	<u>-</u>
	<u>\$ 42,912</u>	<u>\$ 7,600</u>	<u>\$ (42,912)</u>	<u>\$ 7,600</u>

### 8. 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, 2024

### 9. Commitments

The Association has signed a 36 month rental lease with the City of Prince George that starts March 1, 2025 and expires February 29, 2028. Monthly lease payments are \$1,309. The future minimum lease payments to the lease expiry date are as follows:

2025	\$ 15,468
2026	15,708
2027	15,708
2028	<u>2,618</u>
	<u>\$ 49,502</u>

### 10. Employee remuneration

For the 2024 fiscal year, the Association paid remuneration of \$75,000 or greater to one employee who received a total remuneration of \$98,196.

### 11. Subsequent events

In December 2024, the Association received notice that they were approved for the Prince George Community Foundation - Prince George & Region Prosperity Fund of \$20,000 to be received in 2025.

**PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT  
ASSOCIATION**

**Schedule 1**

**PROJECT EXPENDITURES**

For the year ended December 31, 2024

	<b>2024 Budget (unaudited)</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
Façade improvements partnership	\$ 20,000	\$ 5,000	\$ 5,000
Flower baskets and décor	60,000	60,372	60,883
Lighting and décor	4,000	953	2,216
Summerfest	20,000	16,343	17,388
Summerfest donations in-kind	15,000	15,000	15,712
Special projects	22,000	21,543	12,702
Clean Team Partnerships - Schedule 2	129,175	232,159	185,694
Promotions	1,500	6,599	75
Fallfest and other events	5,000	5,070	9,187
Fallfest donations in-kind	3,000	5,000	3,500
Winterfest	20,000	21,485	25,620
Winterfest donations in-kind	15,000	16,000	15,015
	<u>\$ 314,675</u>	<u>\$ 405,524</u>	<u>\$ 352,992</u>

**PRINCE GEORGE DOWNTOWN BUSINESS IMPROVEMENT  
ASSOCIATION**

Schedule 2

**Clean Team Partnerships - Statement of Operations**

For the year ended December 31, 2024

	Downtown Clean Team PG BIG/NH	Downtown Alley Clean Team DART	Biohazard Clean Team ACME	2024 Total	2023 Total
<b>REVENUE</b>					
Funding received	\$ 30,000	\$ 88,743	\$ 50,000	\$ 168,743	\$ 130,981
Deferred from prior year	-	-	-	-	808
	30,000	88,743	50,000	168,743	131,789
<b>EXPENDITURES</b>	106,524	78,661	46,974	232,159	185,694
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	(76,524)	10,082	3,026	(63,416)	(53,905)
<b>DEFERRED TO SUBSEQUENT YEAR</b>	-	-	-	-	-
<b>SURPLUS (DEFICIT), END OF YEAR</b>	\$ (76,524)	\$ 10,082	\$ 3,026	\$ (63,416)	\$ (53,905)