

**MOUNT PLEASANT
COMMERCIAL IMPROVEMENT SOCIETY**

FINANCIAL STATEMENTS

MARCH 31, 2024

CONTENTS

INDEPENDENT AUDITOR'S REPORT

STATEMENT OF FINANCIAL POSITION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

STATEMENT OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members
Mount Pleasant Commercial Improvement Society

Opinion

We have audited the financial statements of Mount Pleasant Commercial Improvement Society (the "Society"), which comprise the statement of financial position as at March 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, included a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, and the results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASPNO).

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 Society 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 ASPNO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 it 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 Society'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 Society'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 Society 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, these financial statements were prepared on a basis in accordance with Canadian accounting standards for not-for-profit organizations, which is consistent with that of the preceding year.

Claassen Partners Inc.

Chartered Professional Accountants

Richmond, British Columbia
September 24, 2024

MOUNT PLEASANT COMMERCIAL IMPROVEMENT SOCIETY
STATEMENT OF FINANCIAL POSITION

As at March 31

2024

2023

Assets	Unrestricted Fund	Restricted Funds	Total	Total
Current Assets				
Cash	\$ -	\$ 592,228	\$ 592,228	\$ 475,757
Government remittances	-	-	-	12,571
Interfund receivable	4,565	15,364	-	-
Prepaid expenses	-	9,006	9,006	6,862
Property and equipment - Note 3	-	6,450	6,450	6,703
	\$ 4,565	\$ 623,048	\$ 607,684	\$ 501,893

Liabilities and Net Assets

Current Liabilities				
Accounts payable	\$ -	\$ 40,372	\$ 40,372	\$ 39,356
Government remittances payable	-	11,743	11,743	-
Interfund payable	-	19,929	-	-
	-	72,044	52,115	39,356
Fund Balances				
Unrestricted	4,565	-	4,565	4,565
Externally restricted	-	551,004	551,004	457,972
	4,565	551,004	555,569	462,537
	\$ 4,565	\$ 623,048	\$ 607,684	\$ 501,893

The accompanying notes are an integral part of these financial statements.

Approved on Behalf of the Board



Director

Director

MOUNT PLEASANT COMMERCIAL IMPROVEMENT SOCIETY
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year Ended March 31			2024	2023
	Unrestricted Fund	Restricted Funds	Total	Total
Revenue				
BIA grant	\$ -	\$ 771,653	\$ 771,653	\$ 741,908
City of Vancouver - graffiti abatement grant	-	35,000	35,000	35,000
Other grants and income	-	17,936	17,936	18,227
Interest income	-	3,511	3,511	2,364
	-	828,100	828,100	797,499
Expenditures - Note 6				
General and administrative	-	155,389	155,389	157,300
Business and tourism development	-	190,815	190,815	219,820
Government and community relations	-	67,543	67,543	23,143
Safety and security	-	56,671	56,671	53,566
Street enhancement	-	264,651	264,651	276,341
	-	735,069	735,069	730,170
Excess of revenue over expenditure	\$ -	\$ 93,031	\$ 93,031	\$ 67,329

The accompanying notes are an integral part of these financial statements.

MOUNT PLEASANT COMMERCIAL IMPROVEMENT SOCIETY
STATEMENT OF CHANGES IN NET ASSETS

Year Ended March 31 2024 2023

Unrestricted Fund

General Fund

Balance - beginning of year	\$	4,565	\$	4,565
Deficiency of revenue over expenditures		-		-
Balance - end of year	\$	4,565	\$	4,565

Restricted Funds

Externally Restricted - BIA Fund

Balance - beginning of year	\$	393,659	\$	326,285
Excess of revenue over expenditures		92,568		67,374
Balance - end of year	\$	486,227	\$	393,659

Externally Restricted - City of Vancouver Graffiti Abatement Fund

Balance - beginning of year	\$	8,943	\$	8,988
Excess (deficiency) of revenue over expenditures		464		(45)
Balance - end of year	\$	9,407	\$	8,943

Externally Restricted - BIA Reserve Fund

Balance - beginning of year	\$	55,370	\$	15,370
Transfer from Other Funds		-		40,000
Balance - end of year		55,370		55,370

Restricted funds balance - end of year	\$	551,004	\$	457,972
--	----	---------	----	---------

The accompanying notes are an integral part of these financial statements.

MOUNT PLEASANT COMMERCIAL IMPROVEMENT SOCIETY
STATEMENT OF CASH FLOWS

Year Ended March 31	2024	2023
Cash Provided By (Used For):		
Operating Activities		
BIA grant received	\$ 771,653	\$ 741,908
Other revenue and grants received	52,936	53,227
Interest income received	3,511	2,364
Payments to suppliers and employees	(710,128)	(739,939)
	<u>117,972</u>	<u>57,560</u>
Investment Activities		
Purchase of property and equipment	(1,501)	(3,217)
Increase in Cash	116,471	54,343
Cash - beginning of year	475,757	421,414
Cash - end of year	\$ 592,228	\$ 475,757

The accompanying notes are an integral part of these financial statements.

MOUNT PLEASANT COMMERCIAL IMPROVEMENT SOCIETY

NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2024

1. Profile

Mount Pleasant Commercial Improvement Society (the "Society") is incorporated under the Society Act of British Columbia. The purpose of the Society is to develop, encourage and promote business in the Mount Pleasant area of the City of Vancouver (the "City").

The Mount Pleasant area has been designated as a business improvement area (the "BIA") by the City of Vancouver. The current BIA bylaw with the City of Vancouver renews in 2026.

2. Significant Accounting Policies

Basis of Accounting

The Society prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting

The Society maintains its accounts in accordance with the principles of fund accounting and uses the restricted fund method of recognizing contributions. Resources are classified for accounting and reporting purposes into funds according to the activity or objective specified.

Unrestricted - General Fund

The general fund accounts for the revenues, expenses and activities that are not governed by the Society's business improvement area agreement with the City. This fund is unrestricted.

Restricted - BIA Fund

The BIA fund accounts for current BIA grants, as well as other externally restricted grants, other income, expenses and activities undertaken within the scope of the Society's business improvement area agreement with the City. Any money granted to the Society by the City is to be spent in accordance with the business promotion scheme determined from time to time by the Society and the City.

Restricted - BIA Reserve Fund

This fund has been established by the Society to accumulate BIA funds that are not required for immediate use.

Restricted - City of Vancouver Graffiti Abatement

This fund has been established in order to administer graffiti abatement activities in accordance with the Society's agreement with the City of Vancouver.

Inter-fund Balances

Debts existing between the funds are reflected in the statement of financial position and included in the financial position of the individual funds but eliminated in the total column.

MOUNT PLEASANT COMMERCIAL IMPROVEMENT SOCIETY

NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2024

2. Significant Accounting Policies - continued

Revenue Recognition

The Society receives an externally restricted BIA grant from the City funded by a special levy on property tax for commercial properties within the BIA boundaries. BIA grant revenue is granted to the Society annually by the City of Vancouver based on a budget submitted by the Society for the fiscal year ended March 31. This revenue is recognized by the Society when the amounts are received or become receivable. Funding received in advance is recorded as deferred revenue.

Other income is recognized at the earlier of when the amounts can be reasonably estimated and ultimate collection is reasonably assured or when received.

Interest income is recognized in the period earned.

Expenditures

Expenditures are allocated between the funds primarily based on the purpose of the expense and in accordance with the business improvement area agreement with the City.

Property, Equipment and Amortization

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.

Upon sale or retirement of such assets, the cost and related accumulated amortization are eliminated from the accounts and the resulting gain or loss is reflected in income. Amortization is recorded as follows:

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 change in the year it is recognized.

Donated Equipment, Materials and Services

The value of donated equipment, materials and services are not reflected in the statements as they cannot be reasonably estimated.

Use of Estimates

In preparing the Society's financial statements, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary they are reported in earnings in the period in which they become known.

Income Taxes

The Society is not subject to income taxation pursuant to paragraph 149(1)(f) of the Income Tax Act (Canada), subject to compliance with the rules contained therein.

Comparative Figures

2023 figures have been reclassified where applicable to conform to current presentation.

MOUNT PLEASANT COMMERCIAL IMPROVEMENT SOCIETY

NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2024

3. Property and Equipment

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Furniture and equipment	\$ 5,780	\$ 1,354	\$ 4,426	\$ 3,812
Vehicle	4,200	2,176	2,024	2,891
	\$ 9,980	\$ 3,530	\$ 6,450	\$ 6,703

4. Economic Dependence

The Society's major activity is to administer the City's BIA program in the Mount Pleasant Area. This program's main source of funding is a grant from the City of Vancouver funded by a special levy on property tax for commercial properties within the BIA boundaries. The grant is subject to bylaws passed by City that expire in March 2026. The bylaws contain various covenants that must be observed and are subject to a renewal process.

5. Financial Instruments

A financial instrument is a contract that creates a financial asset for one entity and a financial liability or equity instrument of another entity. Common financial instruments include cash, accounts receivable, accounts payable and loans.

Financial assets and liabilities are initially measured at fair value. Subsequent measurement of all financial assets and liabilities are at amortized cost.

The Society has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The principal risks assumed by the Association are as follows:

Credit Risk - The Society's financial assets that are exposed to credit risks consists of cash and short-term investments. This risk is minimized to the extent that cash is placed with a Canadian financial institution.

Interest Rate Risk - The Society's short-term investments are subject to the risks of possible interest rate changes. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income.

Liquidity Risk - Exposure to liquidity risk is dependant on the receipt of funds from government to enable the Society to pay its liabilities as they become due.

MOUNT PLEASANT COMMERCIAL IMPROVEMENT SOCIETY
NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2024

6. Commitments

Commencing March 1, 2022, the Society entered into a lease for its premises for a 5 year term. The cost of the lease includes Annual Base Rent of \$12 per annum plus additional rent as calculated pursuant to the terms of the Lease. The combined minimum expected annual payments for the lease agreement until expiry is as follows: 2025 - \$29,088; 2026 - \$29,961; 2027 - \$28,288.

7. Expense Schedules

Wages and benefits

The Society has paid the following remuneration that was at least \$80,000:

Employee Position	2024	2023
Executive Director	\$ 128,700	\$ 117,812

Total wages and benefits have been allocated across different activities of the Society detailed in the expense schedules below. Gross wages and benefits of the society are summarized as follows:

	2024	2023
Total wages and benefits	\$ 267,105	\$ 214,057

General and administrative - restricted funds

Year Ended March 31	2024	2023
Amortization	\$ 1,754	\$ 1,671
Audit, accounting and legal	20,919	20,796
Conferences and seminars	7,554	2,952
Insurance	4,515	4,480
Meetings	3,494	5,066
Office	7,801	7,502
Rent	28,652	25,924
Repairs and maintenance	3,216	2,417
Telephone	2,823	3,423
Vehicle expenses	3,902	3,337
Volunteer appreciation and travel	5,375	5,333
Wages - administrative	57,954	64,654
Website maintenance	7,430	9,745
	\$ 155,389	\$ 157,300

MOUNT PLEASANT COMMERCIAL IMPROVEMENT SOCIETY
NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2024

7. Expense Schedules - continued

Business and tourism development

Year Ended March 31	2024	2023
Advertising and promotions	\$ 12,877	\$ 11,030
Broadway line support	6,609	9,187
Just off main	17,270	13,742
Community events - other	32,643	30,164
Christmas promotions	2,634	1,400
Events: Music in the Plaza	24,612	12,538
Watson St. Festival	7,281	8,225
Events: Vancouver Mural Festival	-	25,639
Wages - Promotions and summer resource	86,889	107,895
	\$ 190,815	\$ 219,820

Government and community relations

Year Ended March 31	2024	2023
Meetings - government	\$ -	\$ 320
Membership dues & fees	840	1,522
Outreach, expansion and other	219	128
Wages - Government Relations	66,484	21,173
	\$ 67,543	\$ 23,143

Safety and Security

Year Ended March 31	2024	2023
Safety & security monitoring	\$ 56,671	\$ 53,225
Safety - other	-	341
	\$ 56,671	\$ 53,566

MOUNT PLEASANT COMMERCIAL IMPROVEMENT SOCIETY
NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2024

7. Expense Schedules - continued

Street Enhancement

Year Ended March 31	2024	2023
Banners	\$ 17,436	\$ 24,573
Flower baskets and planters	10,367	20,001
Signage	-	6,384
Lighting	43,647	16,803
Sidewalk cleaning and graffiti removal	101,366	125,743
Graffiti abatement fund expenditures	34,536	35,045
Placemaking	1,522	13,405
Wages - street enhancement	55,777	34,387
	\$ 264,651	\$ 276,341