

Financial Statements of

**ANCASTER BUSINESS
IMPROVEMENT AREA**

Year ended December 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Ancaster Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Ancaster Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Ancaster Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "KPMG LLP". The letters are slanted and connected in a cursive style. A horizontal line is drawn underneath the signature, starting from the left and extending past the end of the text.

Chartered Professional Accountants, Licensed Public Accountants

September 19, 2016
Hamilton, Canada

ANCASTER BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

Financial Statements

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ANCASTER BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 69,664	\$ 36,799
HST receivable (note 5)	8,468	4,525
Due from City of Hamilton (note 4)	2,029	413
	<u>80,161</u>	<u>41,737</u>
Financial liabilities		
Accounts payable and accrued liabilities	3,524	1,387
Net financial assets	<u>76,637</u>	<u>40,350</u>
Non-financial assets		
Tangible capital assets (note 2)	10,150	32,746
Prepaid expenses	1,053	966
	<u>11,203</u>	<u>33,712</u>
Commitment (note 7)		
Accumulated surplus (note 3)	<u>\$ 87,840</u>	<u>\$ 74,062</u>

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

ANCASTER BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 6)	2015	2014
Revenues:			
Assessment levy (note 4)	\$ 93,300	\$ 93,300	\$ 93,300
City of Hamilton grants (note 4)	-	15,458	14,463
Farmer's Market income	-	28,430	26,917
Other income	-	11,464	2,348
Total revenues	93,300	148,652	137,028
Expenses:			
Advertising and promotion	32,300	12,929	11,516
Amortization	-	24,869	22,540
Ancaster Farmer's Market	-	18,401	18,898
Bad debt expense	-	227	587
Bank charges and interest	-	145	268
Beautification	21,000	13,379	9,188
Business taxes	-	563	560
Community events support	-	100	347
Donations	-	10,000	5,000
Insurance	-	1,927	1,753
Loss on disposal of assets	-	574	-
Office expenses	-	1,311	1,433
Professional fees	-	3,027	641
Salaries	40,000	45,174	36,433
Utilities	-	2,248	1,395
Total expenses	93,300	134,874	110,559
Annual surplus	-	13,778	26,469
Accumulated surplus, beginning of year		74,062	47,593
Accumulated surplus, end of year		\$ 87,840	\$ 74,062

See accompanying notes to financial statements.

ANCASTER BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus	\$ 13,778	\$ 26,469
Acquisition of tangible capital assets	(5,487)	(14,207)
Proceeds from sale of tangible capital assets	2,640	-
Loss on disposal of tangible capital assets	574	-
Amortization of tangible capital assets	24,869	22,540
Increase in prepaid expenses	(87)	(139)
Change in net financial assets	36,287	34,663
Net financial assets, beginning of year	40,350	5,687
Net financial assets, end of year	\$ 76,637	\$ 40,350

See accompanying notes to financial statements.

ANCASTER BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 13,778	\$ 26,469
Items not involving cash:		
Amortization	24,869	22,540
Loss on disposal of tangible capital assets	574	-
Changes in non-cash operating working capital:		
Prepaid expenses	(87)	(139)
HST receivable	(3,943)	(4,525)
Accounts payable and accrued liabilities	2,137	(916)
Net change in cash from operating activities	37,328	43,429
Capital activities:		
Cash used to acquire tangible capital assets	(5,487)	(14,207)
Proceeds from sale of tangible capital assets	2,640	-
Financing activities:		
Change in due to/from City of Hamilton	(1,616)	72
Net increase in cash	32,865	29,294
Cash, beginning of year	36,799	7,505
Cash, end of year	\$ 69,664	\$ 36,799

See accompanying notes to financial statements.

ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

The Ancaster Business Improvement Area (the "Business Improvement Area") was established in 2009 in accordance with Section 220 of the Municipal Act, (R.S.O. 1990) for the purpose of providing improvement, beautification and maintenance of municipally owned land, buildings and structures in the area and the promotion of Ancaster Village as a business and shopping area. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(d) Deferred revenue:

Deferred revenues represent the tax bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Decorations	5
Computers	5
Furniture	10

(f) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Decorations	\$ 116,724	\$ 4,029	\$ 32,143	\$ 88,610
Computers	1,475	593	-	2,068
Furniture	3,204	865	-	4,069
Total	\$ 121,403	\$ 5,487	\$ 32,143	\$ 94,747

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Decorations	\$ 86,157	\$ 28,929	\$ 24,151	\$ 81,379
Computers	738	-	354	1,092
Furniture	1,762	-	364	2,126
Total	\$ 88,657	\$ 28,929	\$ 24,869	\$ 84,597

Net book value	December 31, 2014	December 31, 2015
Decorations	\$ 30,567	\$ 7,231
Computers	737	976
Furniture	1,442	1,943
Total	\$ 32,746	\$ 10,150

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has recorded the write-down of decorations during the year.

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 10,150	\$ 32,746
Operating	77,690	41,316
	\$ 87,840	\$ 74,062

4. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

	2015	2014
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 93,300	\$ 93,300

The City of Hamilton has also contributed \$6,648 (2014 - \$6,186) to commercial improvement programs undertaken by the Business Improvement Area, \$5,993 (2014 - \$7,277) from parking revenue sharing program, and \$2,817 (2014 - \$1,000) in other miscellaneous grants. An additional grant received of \$2,700 (2014 - \$3,000) for the Farmer's Market has been recorded as part of Farmer's Market income.

At the end of the year, grants of \$7,965 (2014 - \$1,000) was receivable from the City of Hamilton. The amount recorded in due from City of Hamilton also includes a payable to the City of Hamilton of \$5,936 (2014 - \$587) for the cash received in excess of the member levy collected by the City of Hamilton and the expenses paid by the City of Hamilton on behalf of the Business Improvement Area.

5. HST receivable:

On December 17, 2014 the Business Improvement Area received a determination from Canada Revenue Agency noting that it had been granted para-municipal status per Part IX of the Excise Tax Act. Under this determination, the Business Improvement Area is permitted to retroactively file for a return of a 100% rebate of the federal component and 78% of the provincial component of HST remitted during the preceding four fiscal years. The amount recorded in the current year of \$8,468 (2014 - \$4,525) represents management's estimate of amounts to be recovered for the 2014 and 2015 filing years.

6. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board. Amortization was not contemplated on development of the budget and, as such, has not been included.

7. Lease commitment:

The Business Improvement Area is committed to future minimum annual lease payments under an operating lease for its Farmer's Market as follows:

2016	\$	5,000
2017		5,000
2018 and thereafter		-
	\$	10,000

Financial Statements of

**BARTON VILLAGE
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of Barton Village Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of Barton Village Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial asset and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Barton Village Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

September 27, 2016
Hamilton, Canada

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

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BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 24,127	\$ 8,347
HST receivable (note 4)	23,874	20,635
Due from City of Hamilton (note 3)	2,048	-
	<u>50,049</u>	<u>28,982</u>
Financial liabilities		
Accounts payable and accrued liabilities	1,200	504
Due to City of Hamilton (note 3)	-	3,302
	<u>1,200</u>	<u>3,806</u>
Net financial assets	48,849	25,176
Non-financial assets		
Tangible capital assets (note 2)	14,055	20,469
Prepaid expenses	931	931
	<u>14,986</u>	<u>21,400</u>
Commitments (note 6)		
Accumulated surplus (note 5)	\$ 63,835	\$ 46,576

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 7)	2015	2014
Revenue:			
Assessment levy (note 3)	\$ 53,970	\$ 55,018	\$ 53,970
City of Hamilton grants (note 3)	-	17,704	41,094
HST recovery (note 4)	-	3,239	20,635
Total revenue	53,970	75,961	115,699
Expenses:			
Advertising and promotion	2,000	4,053	6,018
Amortization	-	6,414	5,890
Bad debts	-	317	4,302
Bank charges	100	176	65
Commercial improvement	7,500	6,876	22,782
Event equipment and supplies	1,200	4,364	501
Insurance	1,960	2,121	1,835
Meetings and business development	2,850	1,852	1,678
Office expenses	2,665	4,322	3,662
Professional fees	1,975	1,269	1,574
Rent	6,780	7,345	6,780
Salaries – administrative	26,940	19,412	29,052
Parking expenses	-	181	-
Total expenses	53,970	58,702	84,139
Annual surplus	-	17,259	31,560
Accumulated surplus, beginning of year		46,576	15,016
Accumulated surplus, end of year	\$	\$ 63,835	\$ 46,576

See accompanying notes to financial statements.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus	\$ 17,259	\$ 31,560
Acquisition of tangible capital assets	-	(10,052)
Amortization of tangible capital assets	6,414	5,890
Change in prepaid expenses	-	(617)
Change in net financial assets	23,673	26,781
Net financial assets, beginning of year	25,176	(1,605)
Net financial assets, end of year	\$ 48,849	\$ 25,176

See accompanying notes to financial statements.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 17,259	\$ 31,560
Items not involving cash:		
Amortization	6,414	5,890
Changes in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	696	(164)
HST recovery	(3,239)	(20,635)
Prepaid expenses	-	(617)
Net change in cash from operating activities	21,130	16,034
Capital activities:		
Cash used to acquire tangible capital assets	-	(10,052)
Financing activities:		
Change in due to City of Hamilton	(5,350)	(15,645)
Net increase (decrease) in cash	15,780	(9,663)
Cash, beginning of year	8,347	18,010
Cash, end of year	\$ 24,127	\$ 8,347

See accompanying notes to financial statements.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

The Barton Village Business Improvement Area ("Business Improvement Area") was established by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the improvement area, beyond such expenditures by the City of Hamilton. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computer hardware	5
Decorations	5
Furniture and equipment	10

(e) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Computer hardware	\$ 1,524	\$ -	\$ -	\$ 1,524
Decorations	23,467	-	-	23,467
Furniture and equipment	14,158	-	-	14,158
Total	\$ 39,149	\$ -	\$ -	\$ 39,149

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Computer hardware	\$ 1,117	\$ -	\$ 305	\$ 1,422
Decorations	14,930	-	4,694	19,624
Furniture and equipment	2,633	-	1,415	4,048
Total	\$ 18,680	\$ -	\$ 6,414	\$ 25,094

	Net book value December 31, 2014	Net book value December 31, 2015
Computer hardware	\$ 407	\$ 102
Decorations	8,537	3,843
Furniture and equipment	11,525	10,110
Total	\$ 20,469	\$ 14,055

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$8,605) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2015	2014
Member levy collected on behalf of the Business Improvement Area	\$ 55,018	\$ 53,970

The City of Hamilton has also contributed \$6,603 (2014 - \$6,134) to commercial improvement programs undertaken by the Business Improvement Area, \$9,784 (2014 - \$12,448) from parking sharing revenue program and \$1,317 (2014 - \$22,512) in other grants.

At the end of the year, the Business Improvement Area had a receivable from the City of Hamilton of \$2,048 (2014 - (\$3,302)) which includes \$1,317 in other grants and \$731 in member levy surplus.

4. HST receivable:

On December 17, 2014, the Business Improvement Area received a determination from Canada Revenue Agency noting that it had been granted para-municipal status per *Part IX of the Excise Tax Act*. Under this determination, the Business Improvement Area is permitted to retroactively file for a return of a 100% rebate of the federal component and 78% of the provincial component of HST remitted during the preceding four fiscal years. The amount recorded in the current year of \$23,874 (2014 - \$20,635) represents management's estimate of amounts to be recovered based on prior year's outstanding claims and the current year claim.

5. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 14,055	\$ 20,469
Operating	49,780	26,107
Accumulated surplus	\$ 63,835	\$ 46,576

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

6. Commitments:

The Business Improvement Area is committed under an operating lease for the rental of office space. Future minimum lease payments under this operating lease are as follows:

2016	\$ 6,780
2017	6,780
2018	3,390
2019	-
2020 and thereafter	-

7. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**CONCESSION STREET
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Concession Street Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Concession Street Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Concession Street Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

September 15, 2016
Hamilton, Canada

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

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CONCESSION STREET BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 51,082	\$ 68,981
Due from City of Hamilton (note 4)	21,665	1,211
HST receivable	-	12,588
	<u>72,747</u>	<u>82,780</u>
Financial liabilities		
Accounts payable and accrued liabilities	2,982	2,124
Deferred revenue	-	40,375
HST payable	1,917	-
	<u>4,899</u>	<u>42,499</u>
Net financial assets	67,848	40,281
Non-financial assets		
Tangible capital assets (note 2)	8,633	11,514
Prepaid expenses	1,744	295
	<u>10,377</u>	<u>11,809</u>
Commitment (note 6)		
Accumulated surplus (note 3)	\$ 78,225	\$ 52,090

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 6)	2015	2014
Revenue:			
Assessment levy (note 4)	\$ 80,750	\$ 80,841	\$ 80,961
City of Hamilton grants (note 4)	-	27,879	26,070
Other income	-	545	12,425
Total revenue	80,750	109,265	119,456
Expenses:			
Advertising and promotion	7,200	7,499	8,686
Amortization	-	2,881	3,581
Bad debts	1,250	512	50
Christmas decorations	7,200	2,595	3,895
Contract services	-	2,545	3,341
Festivals	1,000	6,889	43,353
General beautification and improvements	7,300	221	17,600
Insurance	3,500	4,236	3,927
Interest and bank charges	-	99	99
Meals and entertainment	-	1,313	527
Miscellaneous	1,000	511	242
Office and general	5,000	2,856	4,398
Professional fees	1,100	1,132	1,195
Rent	1,200	4,065	200
Repairs and maintenance	-	2,552	2,534
Salaries and wages	45,000	42,863	28,766
Utilities	-	361	-
Total expenses	80,750	83,130	122,394
Annual surplus (deficit)	-	26,135	(2,938)
Accumulated surplus, beginning of year		52,090	55,028
Accumulated surplus, end of year		\$ 78,225	\$ 52,090

See accompanying notes to financial statements.

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus (deficit)	\$ 26,135	\$ (2,938)
Acquisition of tangible capital assets	-	(5,316)
Amortization of tangible capital assets	2,881	3,581
Increase in prepaid expenses	(1,449)	-
Change in net financial assets	27,567	(4,673)
Net financial assets, beginning of year	40,281	44,954
Net financial assets, end of year	\$ 67,848	\$ 40,281

See accompanying notes to financial statements.

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 26,135	\$ (2,938)
Items not involving cash:		
Amortization	2,881	3,581
Changes in non-cash assets and liabilities:		
HST receivable	14,505	7,976
Accounts payable and accrued liabilities	858	(1,546)
Deferred revenue	(40,375)	-
Prepaid expenses	(1,449)	-
Net change in cash from operating activities	2,555	7,073
Capital activities:		
Cash used to acquire tangible capital assets	-	(5,316)
Financing activities:		
Change in due from City of Hamilton	(20,454)	(38)
Net (decrease) increase in cash	(17,899)	1,719
Cash, beginning of year	68,981	67,262
Cash, end of year	\$ 51,082	\$ 68,981

See accompanying notes to financial statements.

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

The Concession Street Business Improvement Area (the "Business Improvement Area") was established in 1983 by the Council of the City of Hamilton and has been entrusted with the improvements, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(d) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computer hardware	5
Computer software	3
Decorations	5
Furniture and equipment	10

(f) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Computer hardware	\$ 5,405	\$ -	\$ -	\$ 5,405
Computer software	490	-	490	-
Decorations	29,804	-	-	29,804
Furniture and equipment	8,930	-	-	8,930
Total	\$ 44,629	\$ -	\$ 490	\$ 44,139

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Computer hardware	\$ 3,675	\$ -	\$ 1,081	\$ 4,756
Computer software	490	490	-	-
Decorations	25,721	-	907	26,628
Furniture and equipment	3,229	-	893	4,122
Total	\$ 33,115	\$ 490	\$ 2,881	\$ 35,506

Net book value	December 31, 2014	December 31, 2015
Computer hardware	\$ 1,730	\$ 649
Computer software	-	-
Decorations	4,083	3,176
Furniture and equipment	5,701	4,808
Total	\$ 11,514	\$ 8,633

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets (continued):

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 8,633	\$ 11,514
Operating	69,592	40,576
Accumulated surplus	\$ 78,225	\$ 52,090

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

4. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2015	2014
Member levy collected on behalf of the Business Improvement Area	\$ 80,841	\$ 80,961

The City of Hamilton has also contributed \$6,160 (2014 - \$5,658) to commercial improvement programs undertaken by the Business Improvement Area, \$20,402 (2014 - \$10,000) from parking revenue sharing program and \$1,317 (2014 - \$10,412) in other grants. At the end of the year, the Business Improvement Area had a receivable of \$21,665 (2014 - \$1,211) from the City of Hamilton for the outstanding grants.

5. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board. Amortization was not contemplated on development of the budget and, as such, has not been included.

6. Lease commitment:

The Business Improvement Area is committed to minimum annual lease payments under an operating lease for its office space as follows:

2016	\$	2,000
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Financial Statements of

**DOWNTOWN HAMILTON
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Downtown Hamilton Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Downtown Hamilton Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Downtown Hamilton Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

A handwritten signature in black ink that reads "KPMG LLP". The letters are slanted and connected, with a long horizontal stroke underneath the entire signature.

Chartered Professional Accountants, Licensed Public Accountants

September 15, 2016
Hamilton, Canada

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

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DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 29,969	\$ 203,859
HST receivable	23,353	12,672
Accounts receivable	23,056	14,227
	<u>76,378</u>	<u>230,758</u>
Financial liabilities		
Accounts payable and accrued liabilities	25,521	25,257
Due to City of Hamilton (note 6)	8,717	2,994
Deferred revenue	-	150,000
	<u>34,238</u>	<u>178,251</u>
Net financial assets	42,140	52,507
Non-financial assets		
Tangible capital assets (note 2)	35,400	40,166
Prepaid expenses	3,399	3,257
	<u>38,799</u>	<u>43,423</u>
Accumulated surplus (note 3)	\$ 80,939	\$ 95,930

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 7)	2015	2014
Revenue:			
Assessment levy (note 5)	\$ 300,000	\$ 291,500	\$ 296,006
City of Hamilton grants (note 6)	20,000	27,056	26,837
Federal grant	-	14,799	15,724
Interest	100	39	52
Pan AM revenue	-	88,817	-
Other	100,700	34,261	61,839
	420,800	456,472	400,458
Expenses:			
Administration	13,100	7,625	9,937
Amortization	12,000	10,731	13,407
Bad debt expense	-	-	3,044
Beautification	58,000	26,678	29,106
Office	47,700	59,481	44,566
Professional fees	2,000	3,683	2,291
Promotions	158,000	97,797	122,929
Salaries	130,000	151,103	146,056
Pan AM Art Explosion	-	22,825	-
Pan AM Promenade	-	85,180	-
Miscellaneous	-	6,360	-
	420,800	471,463	371,336
Annual (deficit) surplus	-	(14,991)	29,122
Accumulated surplus, beginning of year		95,930	66,808
Accumulated surplus, end of year		\$ 80,939	\$ 95,930

See accompanying notes to financial statements.

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual (deficit) surplus	\$ (14,991)	\$ 29,122
Acquisition of tangible capital assets	(5,965)	(3,798)
Amortization of tangible capital assets	10,731	13,407
Increase in prepaid expenses	(142)	(659)
Change in net financial assets	(10,367)	38,072
Net financial assets, beginning of year	52,507	14,435
Net financial assets, end of year	\$ 42,140	\$ 52,507

See accompanying notes to financial statements.

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (14,991)	\$ 29,122
Items not involving cash:		
Amortization	10,731	13,407
Changes in non-cash financial assets and liabilities:		
HST receivable	(10,681)	713
Accounts receivable	(7,829)	(4,942)
Prepaid expenses	(142)	(659)
Accounts payable and accrued liabilities	264	12,332
Deferred revenue	(150,000)	150,000
Net change in cash from operating activities	(172,648)	199,973
Capital activities:		
Cash used to acquire tangible capital assets	(5,965)	(3,798)
Financing activities:		
Change in due to City of Hamilton	4,723	(8,835)
Net (decrease) increase in cash	(173,890)	187,340
Cash, beginning of year	203,859	16,519
Cash, end of year	\$ 29,969	\$ 203,859

See accompanying notes to financial statements.

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

The Downtown Hamilton Business Improvement Area (the "Business Improvement Area") was established in 1982 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipality owned lands, buildings and structures in the improvement area, beyond such expenditure by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computer hardware	5
Computer software	3
Decorations	5
Furniture and equipment	10

(e) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Computer hardware	\$ 3,439	\$ -	\$ -	\$ 3,439
Computer software	206	-	-	206
Decorations	103,091	-	-	103,091
Furniture and equipment	58,241	5,965	-	64,206
Total	\$ 164,977	\$ 5,965	\$ -	\$ 170,942

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Computer hardware	\$ 2,649	\$ -	\$ 187	\$ 2,836
Computer software	206	-	-	206
Decorations	93,115	-	4,123	97,238
Furniture and equipment	28,841	-	6,421	35,262
Total	\$ 124,811	\$ -	\$ 10,731	\$ 135,542

	Net book value December 31, 2015	Net book value December 31, 2014
Computer hardware	\$ 603	\$ 790
Computer software	-	-
Decorations	5,853	9,976
Furniture and equipment	28,944	29,400
Total	\$ 35,400	\$ 40,166

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

2. Tangible capital assets (continued):

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital during the year.

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 35,400	\$ 40,166
Operating	45,539	55,764
	\$ 80,939	\$ 95,930

4. Commitments:

The Business Improvement Area is committed under a long-term operating lease for the rental of office space. Future minimum lease payments under this operating lease are as follows:

2016	\$ 28,145
2017	28,145
2018	28,145
2019	23,454
2020 and thereafter	-

5. Assessment levy:

The City of Hamilton has approved funding to the Business Improvement Area in the amount of \$300,000 (2014 - \$300,000). The difference between the assessment in the statement of operations is due to supplementary revenues received from the City of Hamilton of \$nil (2014 - \$2,333) which have been added to the approved assessment levy and tax appeals of \$8,500 (2014 - \$6,327), which have been deducted from the approved assessment levy.

6. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

	2015	2014
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 291,500	\$ 296,006

The City of Hamilton also contributed \$5,258 (2014 - \$4,687) to commercial improvement programs undertaken by the Business Improvement Area, \$13,408 (2014 - \$18,150) from parking revenue sharing program, \$50,700 (2014 - \$nil) for Pan AM contribution and \$8,390 (2014 - \$4,000) in other grants. At the end of the year, the Christmas grant of \$1,317 (2014 - \$1,000) was receivable from the City of Hamilton. In addition, the Business Improvement Area had a payable of \$8,717 (2014 - \$3,994) primarily for the cash received in excess of the member levy collected by the City of Hamilton.

7. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board on December 10, 2014.

8. Comparative information:

Certain 2014 comparative information has been reclassified to conform to the financial statement presentation adopted for the current year. There is no impact to accumulated surplus as a result of the reclassification.

Financial Statements of

**DUNDAS BUSINESS
IMPROVEMENT AREA**

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of Dundas Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of Dundas Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dundas Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

November 1, 2016
Hamilton, Canada

DUNDAS BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

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DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 2,448	\$ 100,159
Investments	76,235	70,453
Accounts receivable	-	600
Due from City of Hamilton (note 5)	1,439	4,736
HST receivable	53,866	34,771
	<u>133,988</u>	<u>210,719</u>
Financial liabilities		
Accounts payable and accrued liabilities	44,393	51,928
Deferred revenue	-	59,900
	<u>44,393</u>	<u>111,828</u>
Net financial assets	89,595	98,891
Non-financial assets		
Tangible capital assets (note 2)	14,579	21,886
Prepaid expenses	1,180	1,180
	<u>15,759</u>	<u>23,066</u>
Accumulated surplus (note 3)	\$ 105,354	\$ 121,957

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 6)	2015	2014
Revenue:			
Assessment levy (note 5)	\$ 119,800	\$ 119,922	\$ 120,435
City of Hamilton grants (note 5)	42,000	40,145	42,174
Buskerfest revenue (note 5)	-	55,490	52,582
Buskerfest sponsorship – in kind (note 4)	-	51,950	62,262
Interest	300	782	296
Donations	-	3,000	11,400
Other income	13,250	3,237	10
Total revenue	175,350	274,526	289,159
Expenses:			
Advertising and promotion	11,000	40,507	70,472
Amortization	-	7,307	7,149
Bad debts	2,000	600	-
Beautification	27,000	23,200	19,376
Buskerfest expenses	25,000	70,497	75,292
Buskerfest other – in kind (note 4)	-	51,950	62,262
Contract services	31,850	32,176	29,277
Economic development	4,000	3,498	3,588
Grants	-	-	1,000
Insurance	3,500	3,494	6,658
Member services	2,000	3,286	1,066
Office and general	17,500	4,754	7,652
Other events	4,000	169	-
Professional fees	3,500	4,666	3,191
Rent	-	16,149	16,446
Seasonal events	44,000	28,876	832
Total expenses	\$ 175,350	291,129	304,261
Annual deficit	-	(16,603)	(15,102)
Accumulated surplus, beginning of year		121,957	137,059
Accumulated surplus, end of year		\$ 105,354	\$ 121,957

See accompanying notes to financial statements.

DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual deficit	\$ (16,603)	\$ (15,102)
Acquisition of tangible capital assets	-	(1,930)
Amortization of tangible capital assets	7,307	7,149
Decrease in prepaid expenses	-	1,281
Change in net financial assets	(9,296)	(8,602)
Net financial assets, beginning of year	98,891	107,493
Net financial assets, end of year	\$ 89,595	\$ 98,891

See accompanying notes to financial statements.

DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (16,603)	\$ (15,102)
Items not involving cash:		
Amortization	7,307	7,149
Change in fair value of investments	-	(203)
Change in non-cash assets and liabilities:		
Accounts receivable	600	(600)
HST receivable	(19,095)	(10,200)
Accounts payable and accrued liabilities	(7,535)	11,337
Deferred revenue	(59,900)	1,551
Prepaid expenses	-	1,281
Net change in cash from operating activities	(95,226)	(4,787)
Investing activities:		
Purchase of tangible capital assets	-	(1,930)
Purchase of investments	(5,782)	(45,000)
Net change in cash from investing activities	(5,782)	(46,930)
Financing activities:		
Change in due from City of Hamilton	3,297	11,101
Net decrease in cash	(97,711)	(40,616)
Cash, beginning of year	100,159	140,775
Cash, end of year	\$ 2,448	\$ 100,159

See accompanying notes to financial statements.

DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

The Dundas Business Improvement Area (the "Business Improvement Area") was established in 1978 by the Council of the former Town of Dundas and has been entrusted with the improvements, beautification and maintenance of municipally owned lands, buildings and structures in the improvement area, beyond such expenditures by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Investments:

Investments consist of Guaranteed Investment Certificates and are stated at fair value. Gains and losses on investments are recorded when incurred and interest is recorded when received or receivable.

(d) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(e) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computer software	3
Computer hardware	5
Decorations	5
Furniture and equipment	10

(g) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Computer software	\$ 426	\$ -	\$ -	\$ 426
Computer hardware	1,239	-	-	1,239
Furniture and equipment	15,489	-	-	15,489
Decorations	60,934	-	-	60,934
Total	\$ 78,088	\$ -	\$ -	\$ 78,088

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Computer software	\$ 426	\$ -	\$ -	\$ 426
Computer hardware	124	-	248	372
Furniture and equipment	11,250	-	1,549	12,799
Decorations	44,402	-	5,510	49,912
Total	\$ 56,202	\$ -	\$ 7,307	\$ 63,509

	Net book value December 31, 2014	Net book value December 31, 2015
Computer software	\$ -	\$ -
Computer hardware	1,115	867
Furniture and equipment	4,239	2,690
Decorations	16,532	11,022
Total	\$ 21,886	\$ 14,579

DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 14,579	\$ 21,886
Operating surplus	53,817	63,113
Total surplus	68,396	84,999
Reserves set aside by the Board:		
Economic development reserve	24,150	24,150
Promotional development reserve	4,820	4,820
Christmas decoration and other beautification projects reserve	7,988	7,988
Total reserves	36,958	36,958
	\$ 105,354	\$ 121,957

4. Sponsorship:

Donated services, which would otherwise be paid for by the Business Improvement Area are recorded at fair value when provided. The value of the donation in-kind, as determined by the donors, amounted to \$51,950 (2014 - \$62,262) and has been included in Buskerfest sponsorship in-kind and Buskerfest other in-kind expenses.

5. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2015	2014
Member levy collected on behalf of the Business Improvement Area	\$ 119,922	\$ 120,435

The City of Hamilton has also contributed \$12,381 (2014 - \$11,712) to commercial improvement programs undertaken by the Business Improvement Area, \$23,162 (2014 - \$29,462) from parking sharing revenue program and \$4,602 (2014 - \$1,000) in other grants. The Buskerfest grant of \$21,470 (2014 - \$20,906) from the City of Hamilton is included in Buskerfest revenue in the statement of operations.

DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Related party transactions (continued):

At the end of the year, other grants of \$1,439 (2014 - \$4,736) was receivable from the City of Hamilton.

6. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board on November 4, 2014. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**INTERNATIONAL VILLAGE
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the International Village Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the International Village Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the International Village Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

October 12, 2016
Hamilton, Canada

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

Financial Statements

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INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 61,420	\$ 109,587
Due from City of Hamilton (note 3)	-	3,070
Accounts receivable	10,218	23,745
	<u>71,638</u>	<u>136,402</u>
Financial liabilities		
Accounts payable and accrued liabilities	3,138	4,129
Due to City of Hamilton (note 3)	1,872	-
Deferred revenue	-	70,000
	<u>5,010</u>	<u>74,129</u>
Net financial assets	66,628	62,273
Non-financial assets		
Prepaid expenses	2,263	1,409
Tangible capital assets (note 2)	2,034	4,368
Commitments (note 5)		
Accumulated surplus (note 4)	<u>\$ 70,925</u>	<u>\$ 68,050</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 6)	2015	2014
Revenue:			
Assessment levy (note 3)	\$ 140,000	\$ 138,127	\$ 140,000
City of Hamilton grants (note 3)	-	21,749	35,343
Pan AM revenue	-	15,000	-
Other	-	8,498	14,366
Total revenue	140,000	183,374	189,709
Expenses:			
Advertising and promotion	42,200	35,333	41,112
Amortization	-	2,334	2,244
Audit fees	-	611	610
Beautification and maintenance	2,500	617	2,780
Board expenses	2,000	1,978	1,853
Commercial improvement	-	2,285	-
Contingency	5,000	1,644	4,238
Insurance	3,500	3,238	3,172
Interest and bank charges	3,200	3,196	3,430
Member events and office	6,500	7,927	6,804
Oktoberfest expenses	-	-	3,047
Parking program expenditures	-	12,911	11,695
Pan AM expenditures	-	23,587	-
Rent	11,500	10,119	9,909
Repairs and maintenance	1,500	713	1,026
Wages – administrative and program delivery	57,600	72,263	75,863
Telephone and internet	4,500	1,743	3,068
Total expenses	140,000	180,499	170,851
Annual surplus	\$ -	2,875	18,858
Accumulated surplus, beginning of year		68,050	49,192
Accumulated surplus, end of year		\$ 70,925	\$ 68,050

See accompanying notes to financial statements.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus	\$ 2,875	\$ 18,858
(Increase) decrease in prepaid expenses	(854)	2,355
Amortization of tangible capital assets	2,334	2,244
Acquisition of tangible capital assets	-	(584)
Change in net financial assets	4,355	22,873
Net financial assets, beginning of year	62,273	39,400
Net financial assets, end of year	\$ 66,628	\$ 62,273

See accompanying notes to financial statements.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative figures for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,875	\$ 18,858
Items not involving cash:		
Amortization	2,334	2,244
Change in non-cash assets and liabilities:		
Accounts receivable	13,527	(7,881)
Prepaid expenses	(854)	2,355
Accounts payable and accrued liabilities	(991)	4,129
Deferred revenue	(70,000)	-
Net change in cash from operating activities	(53,109)	19,705
Capital activities:		
Acquisition of tangible capital assets	-	(584)
Financing activities:		
Change in due to/from City of Hamilton	4,942	(3,584)
Net (decrease) increase in cash	(48,167)	15,537
Cash, beginning of year	109,587	94,050
Cash, end of year	\$ 61,420	\$ 109,587

See accompanying notes to financial statements.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

The International Village Business Improvement Area ("Business Improvement Area") was established by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the improvement area, beyond such expenditure by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(d) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computer hardware	5
Furniture and equipment	10
Decorations	5

(f) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Computer hardware	\$ 3,236	\$ -	\$ -	\$ 3,236
Furniture and equipment	7,187	-	-	7,187
Decorations	7,489	-	-	7,489
Total	\$ 17,912	\$ -	\$ -	\$ 17,912

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Computer hardware	\$ 2,710	\$ -	\$ 117	\$ 2,827
Furniture and equipment	5,592	-	719	6,311
Decorations	5,242	-	1,498	6,740
Total	\$ 13,544	\$ -	\$ 2,334	\$ 15,878

Net book value	December 31, 2014	December 31, 2015
Computer hardware	\$ 526	\$ 409
Furniture and equipment	1,595	876
Decorations	2,247	749
Total	\$ 4,368	\$ 2,034

- (a) Contributed tangible capital assets:
The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.
- (b) Tangible capital assets disclosed at nominal values:
There are no tangible capital assets recognized at a nominal value.
- (c) Write-down of tangible capital assets:
The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2015	2014
Member levy collected on behalf of the Business Improvement Area	\$ 138,127	\$140,000

The City of Hamilton has also contributed \$7,858 (2014 - \$7,659) to commercial improvement programs undertaken by the Business Improvement Area, \$13,891 (2014 - \$17,784) from parking sharing revenue program, \$nil (2014 - \$9,900) for the Downtown Alleyway Study grant and \$5,000 (2014 - \$nil) for the Pan AM Games grant, which has been included in Pan Am revenue.

At the end of the year the Business Improvement Area had a receivable of \$nil (2014 - \$3,300) related to the Downtown Alleyway Study grant from the City of Hamilton and a payable to the City of Hamilton of \$1,872 (2014 - \$230) for vacancy rebates on the member levy collected by the City of Hamilton.

4. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 2,034	\$ 4,368
Operating	68,891	63,682
Accumulated surplus	\$ 70,925	\$ 68,050

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Commitments:

The Business Improvement Area has a \$3,000 revolving demand line of credit. The line of credit bears interest at 8.35%. As at December 31, 2015, there was a balance of \$nil (2014 - \$nil) in the line of credit.

The Business Improvement Area is committed under a long-term operating lease for the rental of office space. Future minimum lease payments under this operating lease are as follows:

2016	\$	11,400
2017		11,400
2018		5,700
2019		-
2020 and thereafter		-

6. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board on September 10, 2014. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**KING STREET WEST
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the King Street West Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the King Street West Business Improvement Area, which comprise the statement of financial position as at December 31, 2015 and the statements of operations, changes in net financial assets and cash flows for the year then ended and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the King Street West Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

October 24, 2016
Hamilton, Canada

KING STREET WEST BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

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KING STREET WEST BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 12,590	\$ 13,117
Financial liabilities		
Accounts payable and accrued liabilities	699	-
<u>Due to City of Hamilton</u>	<u>45</u>	<u>143</u>
	744	143
Net financial assets	11,846	12,974
Non-financial assets		
Tangible capital assets (note 2)	2,010	2,844
<u>Prepaid expenses</u>	<u>2,273</u>	<u>1,377</u>
	4,283	4,221
Accumulated surplus (note 4)	\$ 16,129	\$ 17,195

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

KING STREET WEST BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 5)	2015	2014
Revenue:			
City of Hamilton grants (note 3)	\$ -	\$ 3,728	\$ 4,896
Assessment levy (note 3)	18,000	4,955	5,144
Total revenue	18,000	8,683	10,040
Expenses:			
Beautification	4,900	1,893	1,619
Insurance	1,500	1,519	1,377
Administration	6,250	508	1,008
Amortization	-	834	834
Professional fees	350	1,038	60
Special events	5,000	3,957	-
Total expenses	18,000	9,749	4,898
Annual (deficit) surplus	\$ -	(1,066)	5,142
Accumulated surplus, beginning of year		17,195	12,053
Accumulated surplus, end of year	\$	16,129	\$ 17,195

See accompanying notes to financial statements.

KING STREET WEST BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual (deficit) surplus	\$ (1,066)	\$ 5,142
Acquisition of tangible capital asset	-	(1,908)
Amortization of tangible capital asset	834	834
Prepaid expenses	(896)	-
Change in net financial assets	(1,128)	4,068
Net financial assets, beginning of year	12,974	8,906
Net financial assets, end of year	\$ 11,846	\$ 12,974

See accompanying notes to financial statements.

KING STREET WEST BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (1,066)	\$ 5,142
Amortization	834	834
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	699	(277)
Due to City of Hamilton	(98)	143
Prepaid expenses	(896)	-
Net change in cash from operating activities	(527)	5,842
Capital activities:		
Cash used to acquire tangible capital assets	-	(1,908)
Net (decrease) increase in cash	(527)	3,934
Cash, beginning of year	13,117	9,183
Cash, end of year	\$ 12,590	\$ 13,117

See accompanying notes to financial statements.

KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

The King Street West Business Improvement Area ("Business Improvement Area") was established in 1998 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the City of Hamilton. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenue when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(d) Non-financial assets (continued):

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Streetscape improvements	5

(e) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates.

KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Streetscape improvements	\$ 4,168	\$ -	\$ -	\$ 4,168

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Streetscape improvements	\$ 1,324	\$ -	\$ 834	\$ 2,158

	Net book value December 31, 2015	Net book value December 31, 2014
Streetscape improvements	\$ 2,010	\$ 2,844

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2015	2014
Member levy collected on behalf of the Business Improvement Area	\$ 4,955	\$ 5,144

The City of Hamilton has also contributed \$1,752 (2014 - \$1,638) to commercial improvement programs undertaken by the Business Improvement Area and \$1,976 (2014 - \$3,545) for parking sharing program.

4. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 2,010	\$ 2,844
Operating	14,119	14,351
Accumulated surplus	\$ 16,129	\$ 17,195

5. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board on December 10, 2014. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**LOCKE STREET BUSINESS
IMPROVEMENT AREA**

Year ended December 31, 2015



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Locke Street Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Locke Street Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Locke Street Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

November 22, 2016
Hamilton, Canada

LOCKE STREET BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

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LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 65,246	\$ 23,886
Accounts receivable	-	19,639
Due from City of Hamilton (note 2)	1,316	1,000
HST receivable	2,291	-
	<u>68,853</u>	<u>44,525</u>
Financial liabilities		
Accounts payable and accrued liabilities	10,258	5,610
Deferred revenue	12,975	-
Net financial assets	<u>45,620</u>	<u>38,915</u>
Non-financial assets		
Tangible capital assets (note 3)	21,867	20,358
Prepaid expenses	869	4,885
	<u>22,736</u>	<u>25,243</u>
Accumulated surplus (note 4)	<u>\$ 68,356</u>	<u>\$ 64,158</u>

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 6)	2015	2014
Revenue:			
Festival income	\$ 40,000	\$ 36,356	\$ 42,299
Assessment levy (note 2)	30,000	29,947	30,000
City of Hamilton grants (note 2)	15,000	19,657	14,355
Other income	-	1,695	5,353
LSMA funding (note 5)	-	-	17,061
Total revenue	85,000	87,655	109,068
Expenses:			
Advertising and promotion	18,000	26,738	4,805
Amortization	-	5,386	2,262
Commercial improvement	15,000	21,361	20,717
Donations	-	500	500
Festival expenses	40,000	23,239	29,569
Insurance	2,500	1,672	1,890
Office supplies	500	415	644
Professional fees	1,500	1,319	546
Special events	3,000	1,388	513
Website development	-	-	501
Miscellaneous	4,500	689	705
Rent	-	750	-
Total expenses	85,000	83,457	62,652
Annual surplus	\$ -	4,198	46,416
Accumulated surplus, beginning of year		64,158	17,742
Accumulated surplus, end of year		\$ 68,356	\$ 64,158

See accompanying notes to financial statements.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus	\$ 4,198	\$ 46,416
Acquisition of tangible capital assets	(6,895)	(22,620)
Amortization of tangible capital assets	5,386	2,262
Decrease (increase) in prepaid expenses	4,016	(3,044)
Change in net financial assets	6,705	23,014
Net financial assets, beginning of year	38,915	15,901
Net financial assets, end of year	\$ 45,620	38,915

See accompanying notes to financial statements.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 4,198	\$ 46,416
Items not involving cash:		
Amortization	5,386	2,262
Change in non-cash assets and liabilities:		
Accounts receivable	19,639	(18,204)
HST receivable	(2,291)	
Prepaid expenses	4,016	(3,044)
Accounts payable and accrued liabilities	4,648	4,550
Deferred revenue	12,975	-
Net change in cash from operating activities	48,571	31,980
Capital activities:		
Cash used to acquire tangible capital assets	(6,895)	(22,620)
Financing activities:		
Change in due from City of Hamilton	(316)	(39)
Net increase in cash	41,360	9,321
Cash, beginning of year	23,886	14,565
Cash, end of year	\$ 65,246	\$ 23,886

See accompanying notes to financial statements.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

The Locke Street Business Improvement Area ("Business Improvement Area") was established in 2007 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipality owned lands, buildings and structures in the improvement area, beyond such expenditures by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping as well as the Locke Street Festival and commercial expenses incurred on Locke Street. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

During the year ended December 31, 2014, the Business Improvement Area assumed a large portion of the Locke Street Merchants Association's ("LSMA") responsibilities. As part of this change, the Business Improvement Area accepted responsibility for the Locke Street Festival, including related revenues and expenditures of the festival and commercial improvement expenses incurred on Locke Street that were previously performed by the LSMA.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Decorations	5
Banners	4

(e) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2015	2014
Member levy collected on behalf of the Business Improvement Area	\$ 29,947	\$ 30,000

The City of Hamilton has also contributed \$4,813 (2014 - \$4,527) to commercial improvement programs undertaken by the Business Improvement Area and \$13,528 (2014 - \$8,828) from the parking sharing revenue program. At the end of the year, the Christmas grant of \$1,316 (2014 - \$1,000) was owing from the City of Hamilton.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Decorations	\$ 22,620	\$ -	\$ -	\$ 22,620
Banners	-	6,895	-	6,895
Total	\$ 22,620	\$ 6,895	\$ -	\$ 29,515

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Decorations	\$ 2,262	\$ -	\$ 4,524	\$ 6,786
Banners	-	-	862	862
Total	\$ 2,262	\$ -	\$ 5,386	\$ 7,648

Net book value	December 31, 2014	December 31, 2015
Decorations	\$ 20,358	\$ 15,834
Banners	-	6,033
Total	\$ 20,358	\$ 21,867

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

4. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 21,867	\$ 20,358
Operating	46,489	43,800
	\$ 68,356	\$ 64,158

5. LSMA Funding:

LSMA funding in the prior year includes transfers made from the Locke Street Merchants Association for commercial improvement expenses incurred by the Business Improvement Area during the year.

6. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board on January 13, 2015. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**MAIN STREET WEST
ESPLANADE BUSINESS
IMPROVEMENT AREA**

Year ended December 31, 2015



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Main Street West Esplanade Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Main Street West Esplanade Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Main Street West Esplanade Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

July 5, 2016
Hamilton, Canada

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

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MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 9,138	\$ 11,024
Due from City of Hamilton	589	928
HST Receivable	54	27
	<u>9,781</u>	<u>11,979</u>
Financial liabilities		
Accounts payable and accrued liabilities	-	-
Net financial assets	9,781	11,979
Non-financial assets		
Tangible capital assets (note 2)	3,776	5,286
Prepaid expenses	1,071	1,071
	<u>4,847</u>	<u>6,357</u>
Accumulated surplus (note 3)	<u>\$ 14,628</u>	<u>\$ 18,336</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

Director

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget	2015	2014
	(note 5)		
Revenue:			
City of Hamilton grants (note 4)	-	-	1,349
Total revenue	-	-	1,349
Expenses:			
Amortization	-	1,510	1,510
Bad debts expense	-	-	82
Other	-	50	-
Insurance and professional fees	-	2,148	851
Total expenses	-	3,708	2,443
Deficit	-	(3,708)	(1,094)
Accumulated surplus, beginning of year		18,336	19,430
Accumulated surplus, end of year	\$	14,628	18,336

See accompanying notes to financial statements.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative figures for 2014

	2015	2014
Deficit	\$ (3,708)	\$ (1,094)
Amortization of tangible assets	1,510	1,510
Change in net financial assets	(2,198)	416
Net financial assets, beginning of year	11,979	11,563
Net financial assets, end of year	9,781	11,979

See accompanying notes to financial statements.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative figures for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Deficit	\$ (3,708)	\$ (1,094)
Items not involving cash:		
Amortization	1,510	1,510
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	-	(1,636)
HST receivable	(27)	(27)
Cash used in operating activities	(2,225)	(1,247)
Financing activities:		
Change in due from City of Hamilton	339	(928)
Net decrease in cash	(1,886)	(2,175)
Cash, beginning of year	11,024	13,199
Cash, end of year	\$ 9,138	\$ 11,024

See accompanying notes to financial statements.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

Main Street West Esplanade Business Improvement Area (the "Business Improvement Area") was established in 1982 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the Municipality. The Business Improvement Area is also responsible for the promotion of the area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Decorations	5

(e) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Decorations	\$ 7,551	\$ -	\$ -	\$ 7,551
Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2014
Decorations	\$ 2,265	\$ -	\$ 1,510	\$ 3,775
		Net book value December 31, 2014	Net book value December 31, 2015	
Decorations		\$ 5,286	\$ 3,776	

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

There were no write-downs of tangible capital assets during the year.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 3,776	\$ 5,286
Operating	10,852	13,050
	<u>\$ 14,628</u>	<u>\$ 18,336</u>

4. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

	2015	2014
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ -	\$ -

The City of Hamilton has also contributed \$nil (2014 - \$nil) to commercial improvement programs undertaken by the Business Improvement Area, and \$nil (2014 - \$1,349) from a parking sharing revenue program.

5. Budget data:

There is no budget data presented on these financial statements as the 2015 budget was not completed. The Business Improvement Area was inactive in 2015.

Financial Statements of

**OTTAWA STREET
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of Ottawa Street Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of Ottawa Street Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ottawa Street Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

October 13, 2016
Hamilton, Canada

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

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OTTAWA STREET BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 7,800	\$ 67,438
Accounts receivable	-	211
HST receivable	31,133	8,160
Due from City of Hamilton (note 3)	3,444	1,591
	<u>42,377</u>	<u>77,400</u>
Financial liabilities		
Accounts payable and accrued liabilities	14,150	21,666
Deferred revenue	-	66,500
	<u>14,150</u>	<u>88,166</u>
Net financial assets (debt)	28,227	(10,766)
Non-financial assets		
Tangible capital assets (note 2)	110,704	13,692
Prepaid expenses	-	1,745
	<u>110,704</u>	<u>15,437</u>
Commitments (note 5)		
Accumulated surplus (note 4)	\$ 138,931	\$ 4,671

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (Note 6)	2015	2014
Revenue:			
Assessment levy (note 3)	\$ 133,000	\$ 133,000	\$ 133,000
City of Hamilton grants (note 3)	38,489	171,567	53,101
Farmer's market	19,000	15,350	19,405
Other income	34,425	36,689	27,208
Total revenue	224,914	356,606	232,714
Expenses:			
Advertising and promotion	42,458	36,032	33,886
Administrative services	94,000	76,170	99,789
Amortization	-	9,331	3,981
Bad debts	4,625	997	1,381
Beautification	17,831	26,373	20,424
Insurance	2,700	4,969	3,031
Office	1,500	8,564	5,416
Project costs	38,500	33,232	35,338
Rent	23,300	26,678	33,752
Total expenses	224,914	222,346	236,998
Annual surplus (deficit)	\$ -	134,260	(4,284)
Accumulated surplus, beginning of year		4,671	8,955
Accumulated surplus, end of year		\$ 138,931	\$ 4,671

See accompanying notes to financial statements.

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets (Debt)

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus (deficit)	\$ 134,260	\$ (4,284)
Acquisition of tangible capital assets	(106,343)	(9,851)
Amortization of tangible capital assets	9,331	3,981
Decrease in prepaid expenses	1,745	25
Change in net financial assets (debt)	38,993	(10,129)
Net financial debt, beginning of year	(10,766)	(637)
Net financial assets (debt), end of year	\$ 28,227	\$ (10,766)

See accompanying notes to financial statements.

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 134,260	\$ (4,284)
Items not involving cash:		
Amortization	9,331	3,981
Changes in non-cash assets and liabilities:		
Accounts receivable	211	9,815
HST receivable	(22,973)	-
Prepaid expenses	1,745	25
Accounts payable and accrued liabilities	(7,516)	5,843
Deferred revenue	(66,500)	-
Net change in cash from operating activities	48,558	15,380
Capital activities:		
Cash used to acquire tangible capital assets	(106,343)	(9,851)
Financing activities:		
Change in due from City of Hamilton	(1,853)	(3,056)
Net (decrease) increase in cash	(59,638)	2,473
Cash, beginning of year	67,438	64,965
Cash, end of year	\$ 7,800	\$ 67,438

See accompanying notes to financial statements.

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

Ottawa Street Business Improvement Area (the "Business Improvement Area") was established in 1985 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the City of Hamilton. The Business Improvement Area is also responsible for the promotion of this area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(d) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computers	5
Decorations	5
Furniture and equipment	10
Leasehold improvements	10

(f) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Computers	\$ 1,022	\$ 660	\$ -	\$ 1,682
Decorations	14,126	-	-	14,126
Furniture and equipment	3,658	105,683	-	109,341
Leasehold improvements	5,848	-	-	5,848
Total	\$ 24,654	\$ 106,343	\$ -	\$ 130,997

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Computers	\$ 550	\$ -	\$ 270	\$ 820
Decorations	8,873	-	2,825	11,698
Furniture and equipment	366	-	5,650	6,016
Leasehold improvements	1,173	-	586	1,759
Total	\$ 10,962	\$ -	\$ 9,331	\$ 20,293

Net book value	December 31, 2014	December 31, 2015
Computers	\$ 472	\$ 862
Decorations	5,253	2,428
Furniture and equipment	3,292	103,325
Leasehold improvements	4,675	4,089
Total	\$ 13,692	\$ 110,704

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2015	2014
Member levy collected on behalf of the Ottawa Street Business Improvement Area	\$ 133,000	\$133,000

The City of Hamilton has also contributed \$15,758 (2014 - \$14,459) to commercial improvement programs undertaken by the Business Improvement Area, \$19,164 (2014 - \$24,287) from parking sharing revenue program and \$19,289 (2014 - \$14,355) in other grants. During the year ended December 31, 2015, the City contributed \$117,356 (2014 - \$nil) towards street furniture. At the end of the year, other grants of \$4,441 were receivable (2014 - \$1,591) from the City of Hamilton. The amount due from the City of Hamilton at December 31, 2015 also includes a payable of \$997 (2014 - \$881) for vacancy rebates net of levy write-offs.

4. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 110,704	\$ 13,692
Operating	28,227	(9,021)
Accumulated surplus	\$ 138,931	\$ 4,671

5. Commitments:

The Business Improvement Area is committed under an operating lease for the rental of office space. Future minimum lease payments under this operating lease are as follows:

2016	\$ 20,200
2017	20,400
2018 and thereafter	6,800

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

6. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board on November 4, 2014. Amortization was not contemplated on development of the budget and, as such, has not been included.

7. Comparative information:

Certain 2014 comparative information has been reclassified to conform to the financial statement presentation adopted in the current year. The changes do not affect prior year earnings.

Financial Statements of

**STONEY CREEK BUSINESS
IMPROVEMENT AREA**

Year ended December 31, 2015



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton Ontario L8P 4W7
Canada
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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Stoney Creek Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Stoney Creek Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Stoney Creek Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

September 21, 2016
Hamilton, Canada

STONEY CREEK BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

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STONEY CREEK BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 3,415	\$ 18,587
HST receivable	2,875	3,627
Due from the City of Hamilton (note 3)	970	460
	<u>7,260</u>	<u>22,674</u>
Financial liabilities		
Accounts payable and accruals	1,717	-
Deferred revenue	-	6,539
Net financial assets	<u>5,543</u>	<u>16,135</u>
Non-financial assets		
Tangible capital assets (note 2)	2,614	-
Prepaid expenses	628	628
	<u>3,242</u>	<u>628</u>
Accumulated surplus	<u>\$ 8,785</u>	<u>\$ 16,763</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

STONEY CREEK BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 4)	2015	2014
Revenue:			
Assessment levy (note 3)	\$ 13,077	\$ 13,077	\$ 12,944
City of Hamilton grants (note 3)	-	5,150	2,639
Invoiced Revenue (note 3)	-	1,827	-
Total revenue	13,077	20,054	15,583
Expenses:			
Administration	3,400	13,842	2,491
Advertising and promotion	3,100	5,586	600
Amortization	-	44	1,949
Audit fees	500	427	427
Bad debts	-	180	354
Bank charges and interest	-	20	-
Beautification	6,000	824	3,922
Christmas decorations and Santa Claus parade	3,000	2,661	2,659
Contingency fund	2,200	-	-
Commercial improvement	1,000	-	1,825
Insurance	1,500	1,508	1,504
Miscellaneous	-	78	-
Office and general	-	183	-
Special events	6,000	2,679	711
Total expenses	26,700	28,032	16,442
Annual deficit	(13,623)	(7,978)	(859)
Accumulated surplus, beginning of year	16,763	16,763	17,622
Accumulated surplus, end of year	\$ 3,140	\$ 8,785	\$ 16,763

See accompanying notes to financial statements.

STONE CREEK BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual deficit	\$ (7,978)	\$ (859)
Amortization of tangible capital assets	44	1,949
Acquisition of tangible capital assets	(2,658)	-
Increase in prepaid expenses	-	(4)
Change in net financial assets	(10,592)	1,086
Net financial assets, beginning of year	16,135	15,049
Net financial assets, end of year	\$ 5,543	\$ 16,135

See accompanying notes to financial statements.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (7,978)	\$ (859)
Items not involving cash:		
Amortization	44	1,949
Change in non-cash assets and liabilities:		
HST receivable	752	(1,167)
Accounts payable and accruals	1,717	-
Prepaid expenses	-	(4)
Deferred revenue	(6,539)	67
Net change in cash from operating activities	(12,004)	(14)
Financing activities:		
Change in due from City of Hamilton	(510)	49
Investing activities		
Purchase of tangible capital assets	(2,658)	-
Net (decrease) increase in cash	(15,172)	35
Cash, beginning of year	18,587	18,552
Cash, end of year	\$ 3,415	\$ 18,587

See accompanying notes to financial statements.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

The Stoney Creek Business Improvement Area (the "Business Improvement Area") was established in 1978 by the council of the former City of Stoney Creek and has been entrusted with the improvement, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the City of Hamilton. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(d) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Decorations	5

(f) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Decorations	\$ 14,329	\$ 2,658	\$ -	\$ 16,987

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Decorations	\$ 14,329	\$ -	\$ 44	\$ 14,373

Net book value	December 31, 2015	December 31, 2014
Decorations	\$ 2,614	\$ -

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2015	2014
Member levy collected on behalf of the Business Improvement Area	\$ 13,077	\$ 12,944

The City of Hamilton has also contributed \$1,999 (2014 - \$1,825) to commercial improvement programs undertaken by the Business Improvement Area, \$2,000 (2014 - \$nil) to BIA events and \$1,151 (2014 - \$814) in other grants. At the end of the year, the Christmas grant of \$1,151 (2014 - \$814) was owing from the City of Hamilton net of levy tax write-offs of \$181 (2014 - \$354).

4. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board in November 2014. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**WATERDOWN BUSINESS
IMPROVEMENT AREA**

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of Waterdown Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of Waterdown Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Waterdown Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

December 1, 2016
Hamilton, Canada

WATERDOWN BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

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WATERDOWN BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 106,010	\$ 163,052
Due from City of Hamilton (note 3)	11,866	-
HST receivable	16,688	16,797
	<u>134,564</u>	<u>179,849</u>
Financial liabilities		
Accounts payable and accrued liabilities	500	3,463
Deferred revenue	-	114,975
Due to City of Hamilton (note 3)	-	685
	<u>500</u>	<u>119,123</u>
Net financial assets	134,064	60,726
Non-financial assets		
Tangible capital assets (note 2)	55,033	50,276
Prepaid expenses	3,762	13,654
	<u>58,795</u>	<u>63,930</u>
Accumulated surplus (note 4)	<u>\$ 192,859</u>	<u>\$ 124,656</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

WATERDOWN BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 6)	2015	2014
Revenues:			
Assessment levy (note 3)	\$ 199,950	\$ 209,252	\$ 153,764
City of Hamilton grants (note 3)	-	12,725	7,667
Other income	-	41,742	29,228
Total revenue	199,950	263,719	190,659
Expenses:			
Advertising and promotion	51,500	30,730	14,863
Amortization	-	7,130	5,625
Bad debts	-	-	3,249
Christmas tree of hope	6,000	2,976	7,393
Festival and parades	38,000	54,906	55,465
Insurance	5,300	4,907	4,959
Management contracts and salaries	21,000	28,508	13,432
Memberships, conferences, and seminars	2,100	2,037	2,647
Office and general expenses	7,200	7,184	6,936
Professional fees	1,350	1,698	2,687
Streetscaping and decorations	67,500	55,440	50,444
Total expenses	199,950	195,516	167,700
Annual surplus	\$ -	68,203	22,959
Accumulated surplus, beginning of year		124,656	101,697
Accumulated surplus, end of year		\$ 192,859	\$ 124,656

See accompanying notes to financial statements.

WATERDOWN BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus	\$ 68,203	\$ 22,959
Acquisition of tangible capital assets	(11,887)	(18,224)
Amortization of tangible capital assets	7,130	5,625
Decrease (increase) in prepaid expenses	9,892	(11,595)
Change in net financial assets (debt)	73,338	(1,235)
Net financial assets, beginning of year	60,726	61,961
Net financial assets, end of year	\$ 134,064	\$ 60,726

See accompanying notes to financial statements.

WATERDOWN BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 68,203	\$ 22,959
Items not involving cash:		
Amortization	7,130	5,625
Changes in non-cash assets and liabilities:		
HST receivable	109	21,296
Prepaid expenses	9,892	(11,595)
Accounts payable and accrued liabilities	(2,963)	2,137
Deferred revenue	(114,975)	21,344
Net change in cash from operating activities	(32,604)	61,766
Capital activities:		
Cash used to acquire tangible capital assets	(11,887)	(18,224)
Financing activities:		
Change in due to/from City of Hamilton	(12,551)	3,249
Net (decrease) increase in cash	(57,042)	46,791
Cash, beginning of year	163,052	116,261
Cash, end of year	\$ 106,010	\$ 163,052

See accompanying notes to financial statements.

WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

The Waterdown Business Improvement Area ("Business Improvement Area") was established in 1985 by the Council of the former Town of Flamborough and has been entrusted with the improvement, beautification and maintenance of the municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(d) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue and farmer's market grant which have been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Furniture and equipment	10

(f) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Furniture and equipment	\$ 65,364	\$ 11,887	\$ -	\$ 77,251

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Furniture and equipment	\$ 15,088	\$ -	\$ 7,130	\$ 22,218

Net book value	December 31, 2014	December 31, 2015
Furniture and equipment	\$ 50,276	\$ 55,033

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

	2015	2014
Member levy collected on behalf of the Business Improvement Area	\$ 209,252	\$153,764

The City of Hamilton has also contributed \$5,415 (2014 - \$3,706) to commercial improvement programs undertaken by the Business Improvement Area and \$7,310 (2014 - \$3,961) in other grants.

At the end of the year, the Business Improvement Area had a receivable from the City of Hamilton of \$11,866 (2014 – (\$685)) for the excess of the member levy collected by the City of Hamilton in excess of the cash paid to the Business Improvement Area.

4. Accumulated surplus:

Accumulated surplus consists of balances as follows at December 31:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 55,033	\$ 50,276
Operating fund	137,826	30,814
	192,859	81,090
Reserve funds set aside by Waterdown Business Improvement Area:		
Advertising – Discover Waterdown	-	4,315
Advertising – Festivals	-	3,096
Advertising – SNAP Burlington	-	4,696
Streetscaping / Decorations	-	31,459
	-	43,566
	\$ 192,859	\$ 124,656

WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Commitments:

The Business Improvement Area is committed under an operating lease for the rental of Farmer's Market space. Future minimum lease payments under this operating lease are as follows:

2016	\$	598
2017		598

6. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**WESTDALE BUSINESS
IMPROVEMENT AREA**

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Westdale Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Westdale Business Improvement Area, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 our 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, we consider 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.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Westdale Business Improvement Area as at December 31, 2015, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

September 21, 2016
Hamilton, Canada

WESTDALE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2015

Financial Statements

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WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial assets		
Cash	\$ 18,497	\$ 47,179
Accounts receivable	32,496	17,867
Due from City of Hamilton	-	3,775
	50,993	68,821
Financial liabilities		
Accounts payable and accrued liabilities	21,906	19,870
Due to City of Hamilton	577	-
Net financial assets	28,510	48,951
Non-financial assets		
Tangible capital assets (note 2)	7,758	17,865
Prepaid expenses	2,248	5,691
	10,006	23,556
Accumulated surplus (note 3)	\$ 38,516	\$ 72,507

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget (note 5)	2015	2014
Revenue:			
Assessment levy (note 4)	\$ 121,000	\$ 119,865	\$ 122,500
City of Hamilton grants (note 4)	-	36,418	42,208
HST recovery	-	4,658	6,941
	121,000	160,941	171,649
Expenses:			
Advertising	28,000	45,127	33,699
Amortization	-	10,107	10,107
Audit and legal fees	-	2,415	1,007
Bad debts expense	-	759	-
Bank charges	-	583	128
Beautification	15,000	53,696	32,257
Festival	28,000	37,846	59,337
Insurance	-	5,501	4,780
Miscellaneous	1,000	-	-
Office and general expense	16,000	5,371	8,544
Rent	-	7,244	7,643
Wages	33,000	26,283	13,365
	121,000	194,932	170,867
Annual (deficit) surplus	-	(33,991)	782
Accumulated surplus, beginning of year		72,507	71,725
Accumulated surplus, end of year		\$ 38,516	\$ 72,507

See accompanying notes to financial statements.

WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual (deficit) surplus	\$ (33,991)	\$ 782
Amortization of tangible capital assets	10,107	10,107
Decrease in prepaid expenses	3,443	(3,000)
Change in net financial assets	(20,441)	7,889
Net financial assets, beginning of year	48,951	41,062
Net financial assets, end of year	\$ 28,510	\$ 48,951

See accompanying notes to financial statements.

WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (33,991)	\$ 782
Items not involving cash:		
Amortization	10,107	10,107
Change in non-cash assets and liabilities:		
Accounts receivable	(14,629)	(14,626)
Accounts payable and accrued liabilities	2,036	1,981
Prepaid expenses	3,443	(3,000)
Cash used in operating activities	(33,034)	(4,756)
Financing activities:		
Change in due from City of Hamilton	4,352	(3,775)
Net decrease in cash	(28,682)	(8,531)
Cash, beginning of year	47,179	55,710
Cash, end of year	\$ 18,497	\$ 47,179

See accompanying notes to financial statements.

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2015

The Westdale Business Improvement Area (the "Business Improvement Area") was established in 1986 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Furniture and equipment	10
Computer hardware	5
Decorations	5

(e) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets:

Cost	Balance at December 31, 2014	Additions	Disposals	Balance at December 31, 2015
Furniture and equipment	\$ 7,129	\$ -	\$ -	\$ 7,129
Computer hardware	1,337	-	-	1,337
Decorations	46,972	-	-	46,972
Total	\$ 55,438	\$ -	\$ -	\$ 55,438

Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Furniture and equipment	\$ 3,208	\$ -	\$ 713	\$ 3,921
Computer hardware	1,337	-	-	1,337
Decorations	33,028	-	9,394	42,422
Total	\$ 37,573	\$ -	\$ 10,107	\$ 47,680

Net book value	December 31, 2014	December 31, 2015
Furniture and equipment	\$ 3,921	\$ 3,208
Computer hardware	-	-
Decorations	13,944	4,550
Total	\$ 17,865	\$ 7,758

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Tangible capital assets (continued):

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2014 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

There were no write-downs of tangible capital assets during the year.

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 7,758	\$ 17,865
Operating	30,758	54,642
Accumulated surplus	\$ 38,516	\$ 72,507

4. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

	2015	2014
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 119,865	\$ 122,500

The City of Hamilton has also contributed \$14,456 (2014 - \$13,736) to commercial improvement programs undertaken by the Business Improvement Area, \$1,316 (2014 - \$4,736) in other grants and \$20,646 (2014 - \$23,736) to a parking revenue sharing program.

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Budget data:

The budget data presented in these financial statements is based upon the 2015 budget approved by the Board on December 10, 2014. Amortization was not contemplated on development of the budget and, as such, has not been included.