

Financial Statements of

**ANCASTER BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2016



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## **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, 2016, 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, 2016, 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*

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Chartered Professional Accountants, Licensed Public Accountants

May 15, 2017  
Hamilton, Canada

# ANCASTER BUSINESS IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2016

### Financial Statements

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# ANCASTER BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 158,063	\$ 69,664
Accounts receivable	8,150	-
HST receivable	7,113	8,468
Due from City of Hamilton (note 3)	-	2,029
	<u>173,326</u>	<u>80,161</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	54,101	3,524
Deferred revenue (note 2)	48,250	-
Due to City of Hamilton (note 3)	2,591	-
Net financial assets	<u>68,384</u>	<u>76,637</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 4)	11,456	10,150
Prepaid expenses	1,073	1,053
	<u>12,529</u>	<u>11,203</u>
Commitment (note 7)		
Accumulated surplus (note 5)	<u>\$ 80,913</u>	<u>\$ 87,840</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, 2016, with comparative information for 2015

	Budget (note 6)	2016	2015
<b>Revenues:</b>			
Assessment levy (note 3)	\$ 93,300	\$ 99,069	\$ 93,300
City of Hamilton grants (note 3)	-	12,193	15,458
Government of Canada grants	-	11,152	3,996
Farmer's Market income	-	32,770	28,430
Other income	-	23,899	7,468
<b>Total revenues</b>	<b>93,300</b>	<b>179,083</b>	<b>148,652</b>
<b>Expenses:</b>			
Advertising and promotion	32,300	25,838	12,929
Amortization	-	11,196	24,869
Ancaster Farmer's Market	-	15,689	18,401
Bad debt expense	-	-	227
Bank charges and interest	-	329	145
Beautification	21,000	18,238	13,379
Business taxes	-	351	563
Community events support	-	50,000	100
Donations	-	7,075	10,000
Insurance	-	1,989	1,927
Loss on disposal of assets	-	-	574
Office expenses	-	482	1,311
Professional fees	-	427	3,027
Salaries	40,000	54,140	45,174
Utilities	-	-	2,248
Miscellaneous	-	256	-
<b>Total expenses</b>	<b>93,300</b>	<b>186,010</b>	<b>134,874</b>
<b>Annual (deficit) surplus</b>	<b>-</b>	<b>(6,927)</b>	<b>13,778</b>
<b>Accumulated surplus, beginning of year</b>	<b>87,840</b>	<b>87,840</b>	<b>74,062</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 87,840</b>	<b>\$ 80,913</b>	<b>\$ 87,840</b>

See accompanying notes to financial statements.

## ANCASTER BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual (deficit) surplus	\$ (6,927)	\$ 13,778
Acquisition of tangible capital assets	(12,502)	(5,487)
Proceeds from sale of tangible capital assets	-	2,640
Loss on disposal of tangible capital assets	-	574
Amortization of tangible capital assets	11,196	24,869
Increase in prepaid expenses	(20)	(87)
Change in net financial assets	(8,253)	36,287
Net financial assets, beginning of year	76,637	40,350
Net financial assets, end of year	\$ 68,384	\$ 76,637

See accompanying notes to financial statements.

## ANCASTER BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (6,927)	\$ 13,778
Items not involving cash:		
Amortization	11,196	24,869
Loss on disposal of tangible capital assets	-	574
Changes in non-cash operating working capital:		
Prepaid expenses	(20)	(87)
HST receivable	1,355	(3,943)
Accounts receivable	(8,150)	-
Deferred Revenue	48,250	-
Accounts payable and accrued liabilities	50,577	2,137
Net change in cash from operating activities	96,281	37,328
Capital activities:		
Cash used to acquire tangible capital assets	(12,502)	(5,487)
Proceeds from sale of tangible capital assets	-	2,640
	(12,502)	(2,847)
Financing activities:		
Change in due to/from City of Hamilton	4,620	(1,616)
Net increase in cash	88,399	32,865
Cash, beginning of year	69,664	36,799
Cash, end of year	\$ 158,063	\$ 69,664

See accompanying notes to financial statements.



# ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2016

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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. Government transfers paid are recognized when the transfer has been authorized and any eligibility criteria are met.

(d) Other income:

Other income is reported as revenue in the period earned.

# ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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## 1. Significant accounting policies (continued):

(e) Deferred revenue:

Deferred revenues represent the 2017 Assessment levy which has been collected, but which is for 2017 operations. These amounts will be recognized as revenues in the 2017 fiscal year.

(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
Decorations	5
Computers	5
Furniture	10

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(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.

# ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

## 2. Deferred revenue:

Deferred revenue consists of the following:

	2016	2015
Balance, beginning of year	\$ -	\$ -
Add: receipts	48,250	-
Less: amounts recognized in revenue	-	-
	<b>\$ 48,250</b>	<b>\$ -</b>

## 3. Related party transactions:

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

	2016	2015
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 99,069	\$ 93,300

The City of Hamilton has also contributed \$6,108 (2015 - \$6,648) to commercial improvement programs undertaken by the Business Improvement Area, \$4,758 (2015 - \$5,993) from parking revenue sharing program, and \$1,327 (2015 - \$2,817) in other miscellaneous grants. An additional grant received of \$3,000 (2015 - \$2,700) for the Farmer's Market has been recorded as part of Farmer's Market income.

At the end of the year, grants and supplemental member levies of \$7,095 (2015 - \$7,965) was receivable from the City of Hamilton. The amount recorded in due to City of Hamilton also includes a payable to the City of Hamilton of \$9,687 (2015 - \$5,936) for expenses paid by the City of Hamilton on behalf of the Business Improvement Area.

## ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 4. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Decorations	\$ 88,610	\$ 8,626	\$ 50,641	\$ 46,595
Computers	2,068	-	-	2,068
Furniture	4,069	3,876	-	7,945
<b>Total</b>	<b>\$ 94,747</b>	<b>\$ 12,502</b>	<b>\$ 50,641</b>	<b>\$ 56,608</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Decorations	\$ 81,379	\$ 50,641	\$ 10,181	\$ 40,919
Computers	1,092	-	414	1,506
Furniture	2,126	-	601	2,727
<b>Total</b>	<b>\$ 84,597</b>	<b>\$ 50,641</b>	<b>\$ 11,196</b>	<b>\$ 45,152</b>

Net book value	December 31, 2015	December 31, 2016
Decorations	\$ 7,231	\$ 5,676
Computers	976	562
Furniture	1,943	5,218
<b>Total</b>	<b>\$ 10,150</b>	<b>\$ 11,456</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2015 - \$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.

# **ANCASTER BUSINESS IMPROVEMENT AREA**

Notes to Financial Statements (continued)

Year ended December 31, 2016

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# ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

**5. Accumulated surplus:**

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 11,456	\$ 10,150
Operating	69,457	77,690
	<b>\$ 80,913</b>	<b>\$ 87,840</b>

**6. Budget data:**

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, has not been included. For this reason, budget figures were not provided on the statement of changes in net financial assets.

**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:

2017	\$	5,000
	<b>\$</b>	<b>5,000</b>

Financial Statements of

**BARTON VILLAGE  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2016



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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, 2016, 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 Barton Village Business Improvement Area as at December 31, 2016, 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 signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

September 26, 2017  
Hamilton, Canada

# **BARTON VILLAGE BUSINESS IMPROVEMENT AREA**

## Financial Statements

Year ended December 31, 2016

### Financial Statements

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# BARTON VILLAGE BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 55,631	\$ 24,127
HST receivable	20,392	23,874
Due from City of Hamilton (note 3)	-	2,048
	<u>76,023</u>	<u>50,049</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	2,197	1,200
Deferred Revenue (note 4)	32,150	-
Due to City of Hamilton (note 3)	15,792	-
	<u>50,139</u>	<u>1,200</u>
Net financial assets	25,884	48,849
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	20,281	14,055
Prepaid expenses	931	931
	<u>21,212</u>	<u>14,986</u>
Commitments (note 6)		
Accumulated surplus (note 5)	\$ 47,096	\$ 63,835

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, 2016, with comparative information for 2015

	Budget (note 7)	2016	2015
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 53,970	\$ 39,619	\$ 55,018
City of Hamilton grants (note 3)	-	19,679	17,704
Other revenue	-	45	-
HST recovery	-	-	3,239
<b>Total revenue</b>	<b>53,970</b>	<b>59,343</b>	<b>75,961</b>
<b>Expenses:</b>			
Advertising and promotion	6,000	9,273	4,053
Amortization	-	4,454	6,414
Bad debts	-	9,276	317
Bank charges	100	136	176
Commercial improvement	6,000	15,073	6,876
Event equipment and supplies	5,000	4,357	4,364
Insurance	1,960	2,303	2,121
Meetings and business development	3,290	1,699	1,852
Office expenses	3,210	5,311	4,322
Professional fees	1,350	799	1,269
Rent	6,780	6,000	7,345
Salaries – administrative	20,280	17,401	19,412
Parking expenses	-	-	181
<b>Total expenses</b>	<b>53,970</b>	<b>76,082</b>	<b>58,702</b>
Annual (deficit) surplus	-	(16,739)	17,259
Accumulated surplus, beginning of year	63,835	63,835	46,576
<b>Accumulated surplus, end of year</b>	<b>\$ 63,835</b>	<b>\$ 47,096</b>	<b>\$ 63,835</b>

See accompanying notes to financial statements.

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual (deficit) surplus	\$ (16,739)	\$ 17,259
Acquisition of tangible capital assets	(10,680)	-
Amortization of tangible capital assets	4,454	6,414
Change in net financial assets	(22,965)	23,673
Net financial assets, beginning of year	48,849	25,176
Net financial assets, end of year	\$ 25,884	\$ 48,849

See accompanying notes to financial statements.

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (16,739)	\$ 17,259
Items not involving cash:		
Amortization	4,454	6,414
Changes in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	997	696
HST receivable	3,482	(3,239)
Deferred revenue	32,150	-
Net change in cash from operating activities	24,344	21,130
Capital activities:		
Cash used to acquire tangible capital assets	(10,680)	-
Financing activities:		
Change in due to City of Hamilton	17,840	(5,350)
Net increase in cash	31,504	15,780
Cash, beginning of year	24,127	8,347
Cash, end of year	\$ 55,631	\$ 24,127

See accompanying notes to financial statements.

# BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2016

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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"). 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) 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.

(c) Other income:

Other income is reported as revenue in the period earned.

# BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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## 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, 2016

### 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Computer hardware	\$ 1,524	\$ -	\$ -	\$ 1,524
Decorations	23,467	10,680	-	34,147
Furniture and equipment	14,158	-	-	14,158
<b>Total</b>	<b>\$ 39,149</b>	<b>\$ 10,680</b>	<b>\$ -</b>	<b>\$ 49,829</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Computer hardware	\$ 1,422	\$ -	\$ 102	\$ 1,524
Decorations	19,624	-	3,268	22,892
Furniture and equipment	4,048	-	1,084	5,132
<b>Total</b>	<b>\$ 25,094</b>	<b>\$ -</b>	<b>\$ 4,454</b>	<b>\$ 29,548</b>

	Net book value December 31, 2015	Net book value December 31, 2016
Computer hardware	\$ 102	\$ -
Decorations	3,843	11,255
Furniture and equipment	10,110	9,026
<b>Total</b>	<b>\$ 14,055</b>	<b>\$ 20,281</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2016 or 2015.

(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 or 2015.

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 3. Related party transactions:

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

Revenue:

	2016	2015
Member levy collected on behalf of the Business Improvement Area	\$ 39,619	\$ 55,018

The City of Hamilton has also contributed \$6,352 (2015 - \$6,603) to commercial improvement programs undertaken by the Business Improvement Area, \$8,701 (2015 - \$9,784) from parking sharing revenue program and \$4,626 (2015 - \$1,317) in other grants.

At the end of the year, the Business Improvement Area had a payable the City of Hamilton of \$15,792 (2015 - (\$2,048)) which includes \$14,351 in member levy deficit as well as reimbursements for decorations and audit accrual totalling \$2,767, net of the 2016 Christmas grant of \$1,326.

### 4. Deferred revenue:

Deferred revenue is comprised of the 2017 assessment levy received in advance. The Business Improvement Area is required to use these funds for 2017 operations of the Business Improvement Area.

### 5. Accumulated surplus:

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 20,281	\$ 14,055
Operating	26,815	49,780
Accumulated surplus	\$ 47,096	\$ 63,835

# BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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**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:

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2017	\$ 6,780
2018	3,390

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**7. Budget data:**

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on October 28, 2015. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, were not provided on the statement of changes in net financial assets.

Financial Statements of

**CONCESSION STREET  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2016



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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, 2016, 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, 2016, 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

May 2, 2017  
Hamilton, Canada

# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2016

## Financial Statements

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# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 41,613	\$ 51,082
Due from City of Hamilton (note 4)	9,301	21,665
HST receivable	5,238	-
	<u>56,152</u>	<u>72,747</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	3,129	2,982
Deferred revenue	660	-
HST payable	-	1,917
	<u>3,789</u>	<u>4,899</u>
Net financial assets	52,363	67,848
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	12,561	8,633
Prepaid expenses	1,244	1,744
	<u>13,805</u>	<u>10,377</u>
Commitment (note 6)		
Accumulated surplus (note 3)	\$ 66,168	\$ 78,225

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, 2016, with comparative information for 2015

	Budget (note 5)	2016	2015
<b>Revenue:</b>			
Assessment levy (note 4)	\$ 128,812	\$ 81,343	\$ 80,841
City of Hamilton grants (note 4)	-	24,163	27,879
Other income	-	16,764	545
<b>Total revenue</b>	<b>128,812</b>	<b>122,270</b>	<b>109,265</b>
<b>Expenses:</b>			
Advertising and promotion	12,000	5,256	7,499
Amortization	-	2,763	2,881
Bad debts	-	-	512
Christmas decorations	3,000	4,247	2,595
Contract services	-	1,570	2,545
Festivals	28,000	45,721	6,889
General beautification and improvements	35,832	28,115	221
Insurance	4,230	4,970	4,236
Interest and bank charges	-	115	99
Meals and entertainment	-	811	1,313
Miscellaneous	-	85	511
Office and general	5,650	2,593	2,856
Professional fees	1,100	1,715	1,132
Rent	7,000	6,100	4,065
Repairs and maintenance	-	109	2,552
Salaries and wages	32,000	29,132	42,863
Utilities	-	1,025	361
<b>Total expenses</b>	<b>128,812</b>	<b>134,327</b>	<b>83,130</b>
Annual (deficit) surplus	-	(12,057)	26,135
Accumulated surplus, beginning of year	78,225	78,225	52,090
Accumulated surplus, end of year	\$ 78,225	\$ 66,168	\$ 78,225

See accompanying notes to financial statements.

## CONCESSION STREET BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual (deficit) surplus	\$ (12,057)	\$ 26,135
Acquisition of tangible capital assets	(6,691)	-
Amortization of tangible capital assets	2,763	2,881
Increase in prepaid expenses	500	(1,449)
Change in net financial assets	(15,485)	27,567
Net financial assets, beginning of year	67,848	40,281
Net financial assets, end of year	\$ 52,363	\$ 67,848

See accompanying notes to financial statements.

## CONCESSION STREET BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (12,057)	\$ 26,135
Items not involving cash:		
Amortization	2,763	2,881
Changes in non-cash assets and liabilities:		
HST receivable	(7,155)	14,505
Accounts payable and accrued liabilities	147	858
Deferred revenue	660	(40,375)
Prepaid expenses	500	(1,449)
Net change in cash from operating activities	(15,142)	2,555
Capital activities:		
Cash used to acquire tangible capital assets	(6,691)	-
Financing activities:		
Change in due from City of Hamilton	12,364	(20,454)
Net decrease in cash	(9,469)	(17,899)
Cash, beginning of year	51,082	68,981
Cash, end of year	\$ 41,613	\$ 51,082

See accompanying notes to financial statements.

# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2016

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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.

(c) Deferred revenue:

Deferred revenues represents amounts received for services to be performed in the next fiscal year. 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, 2016

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## 1. Significant accounting policies (continued):

(e) Other income:

Other income is reported as revenue in the period earned.

(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:

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

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(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.

# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

## 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Computer hardware	\$ 5,405	\$ 691	\$ 4,626	\$ 1,470
Decorations	29,804	6,000	-	35,804
Furniture and equipment	8,930	-	-	8,930
<b>Total</b>	<b>\$ 44,139</b>	<b>\$ 6,691</b>	<b>\$ 4,626</b>	<b>\$ 46,204</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Computer hardware	\$ 4,756	\$ 4,626	\$ 363	\$ 493
Decorations	26,628	-	1,507	28,135
Furniture and equipment	4,122	-	893	5,015
<b>Total</b>	<b>\$ 35,506</b>	<b>\$ 4,626</b>	<b>\$ 2,763</b>	<b>\$ 33,643</b>

Net book value	December 31, 2015	December 31, 2016
Computer hardware	\$ 649	\$ 977
Decorations	3,176	7,669
Furniture and equipment	4,808	3,915
<b>Total</b>	<b>\$ 8,633</b>	<b>\$ 12,561</b>

# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

**2. Tangible capital assets (continued):**

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2016 or 2015.

(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 written down any tangible capital assets during the year.

**3. Accumulated surplus:**

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 12,561	\$ 8,633
Operating	53,607	69,592
<b>Accumulated surplus</b>	<b>\$ 66,168</b>	<b>\$ 78,225</b>

# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

**4. Related party transactions:**

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

Revenue:

	2016	2014
Member levy collected on behalf of the Business Improvement Area	\$ 81,343	\$ 80,841

The City of Hamilton has also contributed \$5,868 (2015 - \$6,160) to commercial improvement programs undertaken by the Business Improvement Area, \$7,693 (2015 - \$20,402) from parking revenue sharing program and \$10,602 (2015 - \$1,317) in other grants. At the end of the year, the Business Improvement Area had a receivable of \$9,301 (2015 - \$21,665) from the City of Hamilton for the outstanding grants and a member levy surplus.

**5. Budget data:**

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, were not provided on the statement of changes in net financial assets.

**6. Lease commitment:**

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

2017	\$	2,100
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Financial Statements of

**DOWNTOWN HAMILTON  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2016



KPMG LLP  
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21 King Street West, Suite 700  
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Telephone (905) 523-8200  
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## 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, 2016, 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, 2016, 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*

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Chartered Professional Accountants, Licensed Public Accountants

June 15, 2017  
Hamilton, Canada

# **DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA**

## Financial Statements

Year ended December 31, 2016

### Financial Statements

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## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 69,434	\$ 29,969
HST receivable	17,975	23,353
Accounts receivable	4,138	10,849
Due from City of Hamilton (note 5)	-	3,490
	<u>91,547</u>	<u>67,661</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	18,402	25,521
Due to City of Hamilton (note 5)	28,503	-
	<u>46,905</u>	<u>25,521</u>
Net financial assets	44,642	42,140
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	55,407	35,400
Prepaid expenses	3,776	3,399
	<u>59,183</u>	<u>38,799</u>
Accumulated surplus (note 3)	<u>\$ 103,825</u>	<u>\$ 80,939</u>

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, 2016, with comparative information for 2015

	Budget (note 6)	2016	2015
<b>Revenue:</b>			
Assessment levy (note 5)	\$ 325,000	\$ 296,138	\$ 291,500
City of Hamilton grants (note 5)	-	49,664	27,056
Federal grant	-	10,146	14,799
Interest	100	145	39
Pan AM revenue	-	-	88,817
Other	74,900	51,740	34,261
	400,000	407,833	456,472
<b>Expenses:</b>			
Administration	11,200	8,470	7,625
Amortization	12,000	18,227	10,731
Bad debt expense	-	5,883	-
Beautification	50,600	21,024	26,678
Office	48,000	54,021	59,481
Professional fees	2,200	3,669	3,683
Promotions	141,000	123,547	97,797
Salaries	135,000	141,568	151,103
Pan AM Art Explosion	-	-	22,825
Pan AM Promenade	-	-	85,180
Miscellaneous	-	8,538	6,360
	400,000	384,947	471,463
Annual surplus (deficit)	-	22,886	(14,991)
Accumulated surplus, beginning of year	80,939	80,939	95,930
Accumulated surplus, end of year	\$ 80,939	\$ 103,825	\$ 80,939

See accompanying notes to financial statements.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual surplus (deficit)	\$ 22,886	\$ (14,991)
Acquisition of tangible capital assets	(38,234)	(5,965)
Amortization of tangible capital assets	18,227	10,731
Increase in prepaid expenses	(377)	(142)
Change in net financial assets	2,502	(10,367)
Net financial assets, beginning of year	42,140	52,507
Net financial assets, end of year	\$ 44,642	\$ 42,140

See accompanying notes to financial statements.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 22,886	\$ (14,991)
Items not involving cash:		
Amortization	18,227	10,731
Changes in non-cash financial assets and liabilities:		
HST receivable	5,378	(10,681)
Accounts receivable	6,711	(7,829)
Prepaid expenses	(377)	(142)
Accounts payable and accrued liabilities	(7,119)	264
Deferred revenue	-	(150,000)
Net change in cash from operating activities	45,706	(172,648)
Capital activities:		
Cash used to acquire tangible capital assets	(38,234)	(5,965)
Financing activities:		
Change in due to City of Hamilton	31,993	4,723
Net increase (decrease) in cash	39,465	(173,890)
Cash, beginning of year	29,969	203,859
Cash, end of year	\$ 69,434	\$ 29,969

See accompanying notes to financial statements.



# DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2016

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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"). 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) Other income:

Other income is reported as revenue in the period earned.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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### 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	3
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.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Computer hardware	\$ 3,439	\$ -	\$ -	\$ 3,439
Computer software	206	-	-	206
Decorations	103,091	35,148	-	138,239
Furniture and equipment	64,206	3,086	-	67,292
<b>Total</b>	<b>\$ 170,942</b>	<b>\$ 38,234</b>	<b>\$ -</b>	<b>\$ 209,176</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Computer hardware	\$ 2,836	\$ -	\$ 187	\$ 3,023
Computer software	206	-	-	206
Decorations	97,238	-	11,464	108,702
Furniture and equipment	35,262	-	6,576	41,838
<b>Total</b>	<b>\$ 135,542</b>	<b>\$ -</b>	<b>\$ 18,227</b>	<b>\$ 153,769</b>

	Net book value December 31, 2016	Net book value December 31, 2015
Computer hardware	\$ 416	\$ 603
Computer software	-	-
Decorations	29,537	5,853
Furniture and equipment	25,454	28,944
<b>Total</b>	<b>\$ 55,407</b>	<b>\$ 35,400</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2016 or 2015.

(b) Tangible capital assets disclosed at nominal values:

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

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 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 or 2015.

### 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 55,407	\$ 35,400
Operating	48,418	45,539
	<b>\$ 103,825</b>	<b>\$ 80,939</b>

### 4. Commitments:

The Business Improvement Area is committed under a long-term operating lease for the rental of office space until November, 2019. Future minimum lease payments under this operating lease are as follows:

2017	\$ 28,145
2018	28,145
2019	23,454

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 5. Related party transactions:

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

	2016	2015
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 296,138	\$ 291,500

The City of Hamilton also contributed \$5,545 (2015 - \$5,258) to commercial improvement programs undertaken by the Business Improvement Area, \$11,629 (2015 - \$13,408) from parking revenue sharing program, \$nil (2015 - \$50,700) for Pan AM contribution and \$32,490 (2015 - \$8,390) in other grants. At the end of the year, the Christmas grant of \$1,326 (2015 - \$1,317) was receivable from the City of Hamilton in addition to a \$50 (2015 - \$nil) receivable for a project specialist. In addition, the Business Improvement Area had a payable of \$29,879 (2015 - \$8,717) primarily for the cash received in excess of the member levy collected by the City of Hamilton.

### 6. Budget data:

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on December 10, 2015. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, were not provided on the statement of changes in net financial assets.

### 7. Comparative information:

Certain 2015 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, 2016



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Canada  
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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, 2016, 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, 2016, 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*

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Chartered Professional Accountants, Licensed Public Accountants

April 18, 2017  
Hamilton, Canada



# DUNDAS BUSINESS IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2016

### Financial Statements

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## DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 15,539	\$ 2,448
Investments	51,062	76,235
Accounts receivable	6,523	-
Due from City of Hamilton (note 5)	-	1,439
HST receivable	56,754	53,866
	<u>129,878</u>	<u>133,988</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	42,089	44,393
Due to City of Hamilton (note 5)	4,113	-
	<u>46,202</u>	<u>44,393</u>
Net financial assets	83,676	89,595
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	7,272	14,579
Prepaid expenses	1,180	1,180
	<u>8,452</u>	<u>15,759</u>
Accumulated surplus (note 3)	\$ 92,128	\$ 105,354

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2016, with comparative information for 2015

	Budget (note 6)	2016	2015
<b>Revenue:</b>			
Assessment levy (note 5)	\$ 119,800	\$ 119,902	\$ 119,922
City of Hamilton grants (note 5)	44,400	37,662	40,145
Buskerfest revenue (note 5)	-	55,889	55,490
Buskerfest sponsorship – in kind (note 4)	-	55,162	51,950
Interest	300	898	782
Donations	-	6,250	3,000
Federal grant	-	3,013	-
Other income	13,250	2,768	3,237
<b>Total revenue</b>	<b>177,750</b>	<b>281,544</b>	<b>274,526</b>
<b>Expenses:</b>			
Advertising and promotion	11,000	34,543	40,507
Amortization	-	7,307	7,307
Bad debts	2,000	-	600
Beautification	29,200	23,606	23,200
Buskerfest expenses	25,000	75,489	70,497
Buskerfest other – in kind (note 4)	-	55,162	51,950
Contract services	31,850	37,949	32,176
Economic development	4,000	2,468	3,498
Insurance	3,500	3,215	3,494
Member services	2,000	1,890	3,286
Office and general	17,500	6,539	4,754
Other events	3,700	4,608	169
Professional fees	3,500	3,072	4,666
Rent	-	16,892	16,149
Seasonal events	44,500	22,030	28,876
<b>Total expenses</b>	<b>\$ 177,750</b>	<b>294,770</b>	<b>291,129</b>
Annual deficit	-	(13,226)	(16,603)
Accumulated surplus, beginning of year	105,354	105,354	121,957
Accumulated surplus, end of year	105,354	\$ 92,128	\$ 105,354

See accompanying notes to financial statements.

## DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual deficit	\$ (13,226)	\$ (16,603)
Amortization of tangible capital assets	7,307	7,307
Change in net financial assets	(5,919)	(9,296)
Net financial assets, beginning of year	89,595	98,891
Net financial assets, end of year	\$ 83,676	\$ 89,595

See accompanying notes to financial statements.

## DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (13,226)	\$ (16,603)
Items not involving cash:		
Amortization	7,307	7,307
Change in non-cash assets and liabilities:		
Accounts receivable	(6,523)	600
HST receivable	(2,888)	(19,095)
Accounts payable and accrued liabilities	(2,304)	(7,535)
Deferred revenue	-	(59,900)
Net change in cash from operating activities	(17,634)	(95,226)
Investing activities:		
Disposal (purchase) of investments	25,173	(5,782)
Net change in cash from investing activities	25,173	(5,782)
Financing activities:		
Change in due from City of Hamilton	5,552	3,297
Net increase (decrease) in cash	13,091	(97,711)
Cash, beginning of year	2,448	100,159
Cash, end of year	\$ 15,539	\$ 2,448

See accompanying notes to financial statements.

# DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements  
Year ended December 31, 2016

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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"). 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, 2016

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### 1. Significant accounting policies (continued):

(e) Other income:

Other income is reported as revenue in the period earned.

(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, 2016

### 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Computer software	\$ 426	\$ -	\$ -	\$ 426
Computer hardware	1,239	-	-	1,239
Furniture and equipment	15,489	-	-	15,489
Decorations	60,934	-	-	60,934
<b>Total</b>	<b>\$ 78,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 78,088</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Computer software	\$ 426	\$ -	\$ -	\$ 426
Computer hardware	372	-	248	620
Furniture and equipment	12,799	-	1,549	14,348
Decorations	49,912	-	5,510	55,422
<b>Total</b>	<b>\$ 63,509</b>	<b>\$ -</b>	<b>\$ 7,307</b>	<b>\$ 70,816</b>

	Net book value December 31, 2015	Net book value December 31, 2016
Computer software	\$ -	\$ -
Computer hardware	867	619
Furniture and equipment	2,690	1,141
Decorations	11,022	5,512
<b>Total</b>	<b>\$ 14,579</b>	<b>\$ 7,272</b>



## DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)  
Year ended December 31, 2016

### 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 7,272	\$ 14,579
Operating surplus	47,898	53,817
<b>Total surplus</b>	<b>55,170</b>	<b>68,396</b>
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
<b>Total reserves</b>	<b>36,958</b>	<b>36,958</b>
	<b>\$ 92,128</b>	<b>\$ 105,354</b>

### 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 \$55,162 (2015 - \$51,950) 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:

	2016	2015
Member levy collected on behalf of the Business Improvement Area	\$ 119,902	\$ 119,922

The City of Hamilton has also contributed \$11,782 (2015 - \$12,381) to commercial improvement programs undertaken by the Business Improvement Area, \$19,184 (2015 - \$23,162) from parking sharing revenue program and \$6,696 (2015 - \$4,602) in other grants. The Buskerfest grant of \$21,480 (2015 - \$21,470) 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, 2016

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### **5. Related party transactions (continued):**

At the end of the year, other grants and supplemental member levies of \$1,428 (2015 - \$1,439) was receivable from the City of Hamilton. In addition, the Business Improvement Area had a payable \$5,541 (2015 - \$nil) primarily for maintaining hanging baskets for a net amount owing of \$4,113 (2015 - \$1,439 receivable).

### **6. Budget data:**

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on October 6, 2015. Amortization and acquisition of tangible capital assets were not contemplated on development of the budget. For this reason, budget figures have been excluded from the statement of changes in net assets.

Financial Statements of

**INTERNATIONAL VILLAGE  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2016



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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, 2016, 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, 2016, 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*

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Chartered Professional Accountants, Licensed Public Accountants

September 13, 2017  
Hamilton, Canada

# **INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA**

Financial Statements

Year ended December 31, 2016

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# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 144,568	\$ 61,420
Accounts receivable	250	-
HST receivable	17,713	10,218
	<u>162,531</u>	<u>71,638</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	1,817	2,527
Due to City of Hamilton (note 3)	2,426	2,483
Deferred revenue (note 5)	72,500	-
	<u>76,743</u>	<u>5,010</u>
Net financial assets	85,788	66,628
<b>Non-financial assets</b>		
Prepaid expenses	4,254	2,263
Tangible capital assets (note 2)	4,747	2,034
Commitments (note 6)		
Accumulated surplus (note 4)	<u>\$ 94,789</u>	<u>\$ 70,925</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, 2016, with comparative information for 2015

	Budget (note 7)	2016	2015
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 140,000	\$ 138,174	\$ 138,127
City of Hamilton grants (note 3)	-	20,702	21,749
Pan AM revenue	-	-	15,000
Other	-	5,724	8,498
<b>Total revenue</b>	<b>140,000</b>	<b>164,600</b>	<b>183,374</b>
<b>Expenses:</b>			
Advertising and promotion	41,500	30,146	35,333
Amortization	-	2,061	2,334
Audit fees	-	600	611
Beautification and maintenance	3,000	30	617
Board expenses	2,000	2,324	1,978
Commercial improvement	-	4,519	2,285
Contingency	5,000	-	1,644
Insurance	3,500	3,322	3,238
Interest and bank charges	3,300	3,314	3,196
Member events and office	6,500	7,911	7,927
Parking program expenditures	-	11,095	12,911
Pan AM expenditures	-	-	23,587
Rent	11,400	10,248	10,119
Repairs and maintenance	800	295	713
Wages – administrative and program delivery	59,000	62,704	72,263
Telephone and internet	4,000	2,167	1,743
<b>Total expenses</b>	<b>140,000</b>	<b>140,736</b>	<b>180,499</b>
Annual surplus	-	23,864	2,875
Accumulated surplus, beginning of year	70,925	70,925	68,050
<b>Accumulated surplus, end of year</b>	<b>\$ 70,925</b>	<b>\$ 94,789</b>	<b>\$ 70,925</b>

See accompanying notes to financial statements.



## INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016		2015	
Annual surplus	\$	23,864	\$	2,875
Increase in prepaid expenses		(1,991)		(854)
Amortization of tangible capital assets		2,061		2,334
Acquisition of tangible capital assets		(4,774)		-
Change in net financial assets		19,160		4,355
Net financial assets, beginning of year		66,628		62,273
Net financial assets, end of year	\$	85,788	\$	66,628

See accompanying notes to financial statements.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

## Statement of Cash Flows

Year ended December 31, 2016, with comparative figures for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 23,864	\$ 2,875
Items not involving cash:		
Amortization	2,061	2,334
Change in non-cash assets and liabilities:		
Accounts receivable	(250)	-
HST receivable	(7,495)	13,527
Prepaid expenses	(1,991)	(854)
Accounts payable and accrued liabilities	(710)	(991)
Deferred revenue	72,500	(70,000)
Net change in cash from operating activities	87,979	(53,109)
Capital activities:		
Acquisition of tangible capital assets	(4,774)	-
Financing activities:		
Change in due to/from City of Hamilton	(57)	4,942
Net increase (decrease) in cash	83,148	(48,167)
Cash, beginning of year	61,420	109,587
Cash, end of year	\$ 144,568	\$ 61,420

See accompanying notes to financial statements.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2016

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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) Other income:

Other income is reported as revenue in the period earned.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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## 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:

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

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### (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, 2016

## 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Computer hardware	\$ 3,236	\$ -	\$ -	\$ 3,236
Furniture and equipment	7,187	-	-	7,187
Decorations	7,489	4,774	-	12,263
<b>Total</b>	<b>\$ 17,912</b>	<b>\$ 4,774</b>	<b>\$ -</b>	<b>\$ 22,686</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Computer hardware	\$ 2,827	\$ -	\$ 116	\$ 2,943
Furniture and equipment	6,311	-	719	7,030
Decorations	6,740	-	1,226	7,966
<b>Total</b>	<b>\$ 15,878</b>	<b>\$ -</b>	<b>\$ 2,061</b>	<b>\$ 17,939</b>

Net book value	December 31, 2015	December 31, 2016
Computer hardware	\$ 409	\$ 293
Furniture and equipment	876	157
Decorations	749	4,297
<b>Total</b>	<b>\$ 2,034</b>	<b>\$ 4,747</b>

- (a) Contributed tangible capital assets:  
The Business Improvement Area received no contributed tangible capital assets in 2016 or 2015.
- (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 or 2015.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 3. Related party transactions:

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

Revenue:

	2016	2015
Member levy collected on behalf of the Business Improvement Area	\$ 138,174	\$138,127

The City of Hamilton has also contributed \$9,702 (2015 - \$7,858) to commercial improvement programs undertaken by the Business Improvement Area, \$11,000 (2015 - \$13,891) from parking sharing revenue program and \$nil (2015 – \$5,000) 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 payable to the City of Hamilton of \$2,426 (2015 - \$2,483) for vacancy rebates on the member levy collected by the City of Hamilton and year-end audit fees.

### 4. Accumulated surplus:

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 4,747	\$ 2,034
Operating	90,042	68,891
Accumulated surplus	\$ 94,789	\$ 70,925

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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**5. Deferred revenue:**

Deferred revenue is comprised of 2017 assessment levy received in advance. The Business Improvement Area is required to use these funds for 2017 operations of the Business Improvement Area.

**6. Commitments:**

The Business Improvement Area is committed under a long-term operating lease for the rental of office space until June 30, 2018. Future minimum lease payments under this operating lease are as follows:

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2017	\$ 11,400
2018	5,700

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**7. Budget data:**

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on November 24, 2015. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, were not provided on the statement of changes in net financial assets.

Financial Statements of

**KING STREET WEST  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2016





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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, 2016 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, 2016, 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 signature is written in a cursive, slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

August 9, 2017  
Hamilton, Canada

# **KING STREET WEST BUSINESS IMPROVEMENT AREA**

## Financial Statements

Year ended December 31, 2016

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# KING STREET WEST BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 6,486	\$ 12,590
Due from City of Hamilton (note 3)	3,559	-
	<u>10,045</u>	<u>12,590</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	247	360
Due to City of Hamilton (note 3)	-	384
	<u>247</u>	<u>744</u>
Net financial assets	9,798	11,846
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	1,176	2,010
Prepaid expenses	2,273	2,273
	<u>3,449</u>	<u>4,283</u>
Accumulated surplus (note 4)	<u>\$ 13,247</u>	<u>\$ 16,129</u>

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, 2016, with comparative information for 2015

	Budget (note 5)	2016	2015
<b>Revenue:</b>			
City of Hamilton grants (note 3)	\$ -	\$ 3,520	\$ 3,728
Assessment levy (note 3)	5,000	5,378	4,955
<b>Total revenue</b>	<b>5,000</b>	<b>8,898</b>	<b>8,683</b>
<b>Expenses:</b>			
Beautification	2,700	5,325	1,893
Insurance	2,273	2,273	1,519
Administration	8,476	292	508
Amortization	-	834	834
Professional fees	350	585	1,038
Special events	3,000	2,471	3,957
<b>Total expenses</b>	<b>16,799</b>	<b>11,780</b>	<b>9,749</b>
<b>Annual deficit</b>	<b>(11,799)</b>	<b>(2,882)</b>	<b>(1,066)</b>
Accumulated surplus, beginning of year	16,129	16,129	17,195
<b>Accumulated surplus, end of year</b>	<b>\$ 4,330</b>	<b>\$ 13,247</b>	<b>\$ 16,129</b>

See accompanying notes to financial statements.

## KING STREET WEST BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual deficit	\$ (2,882)	\$ (1,066)
Amortization of tangible capital asset	834	834
Prepaid expenses	-	(896)
Change in net financial assets	(2,048)	(1,128)
Net financial assets, beginning of year	11,846	12,974
Net financial assets, end of year	\$ 9,798	\$ 11,846

See accompanying notes to financial statements.

# KING STREET WEST BUSINESS IMPROVEMENT AREA

## Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (2,882)	\$ (1,066)
Amortization	834	834
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	(113)	360
Prepaid expenses	-	(896)
Net change in cash from operating activities	(2,161)	(768)
Investing activities:		
Due to City of Hamilton	(3,943)	241
Net decrease in cash	(6,104)	(527)
Cash, beginning of year	12,590	13,117
Cash, end of year	\$ 6,486	\$ 12,590

See accompanying notes to financial statements.

# KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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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) 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.

### (c) 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, 2016

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## 1. Significant accounting policies (continued):

### (c) 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

---

### (d) 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, 2016

## 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Streetscape improvements	\$ 4,168	\$ -	\$ -	\$ 4,168

  

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Streetscape improvements	\$ 2,158	\$ -	\$ 834	\$ 2,992

  

	Net book value December 31, 2016	Net book value December 31, 2015
Streetscape improvements	\$ 1,176	\$ 2,010

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2016 or 2015.

(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 or 2015.

# KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 3. Related party transactions:

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

Revenue:

	2016	2015
Member levy collected on behalf of the Business Improvement Area	\$ 5,378	\$ 4,955

The City of Hamilton has also contributed \$1,657 (2015 - \$1,752) to commercial improvement programs undertaken by the Business Improvement Area and \$1,863 (2015 - \$1,976) for parking sharing program.

At the end of the year, the Business Improvement Area had a receivable from the City of Hamilton in the amount of \$3,520 (2015 - \$nil) for the 2016 commercial improvement and parking sharing grants, as well as receivable of \$378 (2015 - \$(45)) for supplementary levies on the member levy collected by the City of Hamilton, net of a payable of \$339 (2015 - \$339) for the 2016 audit accrual.

### 4. Accumulated surplus:

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 1,176	\$ 2,010
Operating	12,071	14,119
Accumulated surplus	\$ 13,247	\$ 16,129

### 5. Budget data:

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on December 1, 2015. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, were not provided on the statement of changes in net financial assets.

### 6. Comparative information:

Certain 2015 comparative information has been reclassified to conform to the presentation adopted in the current year. There has been no impact to accumulated surplus.

Financial Statements of

**LOCKE STREET BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2016



KPMG LLP  
Commerce Place  
21 King Street West, Suite 700  
Hamilton Ontario L8P 4W7  
Canada  
Telephone (905) 523-8200  
Fax (905) 523-2222

## **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, 2016, 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, 2016, 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 signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

October 24, 2017  
Hamilton, Canada

# LOCKE STREET BUSINESS IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2016

### Financial Statements

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# LOCKE STREET BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 51,326	\$ 65,246
Accounts receivable	1,639	-
Due from City of Hamilton (note 2)	-	550
HST receivable	2,320	2,291
	<u>55,285</u>	<u>68,087</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	2,255	9,492
Due to City of Hamilton (note 2)	2,624	-
Deferred revenue (note 4)	9,701	12,975
Net financial assets	<u>40,705</u>	<u>45,620</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 3)	31,702	21,867
Prepaid expenses	875	869
	<u>32,577</u>	<u>22,736</u>
Accumulated surplus (note 5)	<u>\$ 73,282</u>	<u>\$ 68,356</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, 2016, with comparative information for 2015

	Budget (note 6)	2016	2015
<b>Revenue:</b>			
Festival income	\$ -	\$ 34,300	\$ 36,356
Assessment levy (note 2)	30,000	29,334	29,947
City of Hamilton grants (note 2)	-	17,351	19,657
Other income	15,000	2,370	1,695
LSMA funding (note 4)	-	3,274	-
<b>Total revenue</b>	<b>45,000</b>	<b>86,629</b>	<b>87,655</b>
<b>Expenses:</b>			
Advertising and promotion	26,500	26,926	26,738
Amortization	-	8,110	5,386
Commercial improvement	12,500	2,142	21,361
Donations	-	-	500
Festival expenses	-	34,349	23,239
Insurance	2,500	1,884	1,672
Office supplies	500	688	415
Professional fees	1,500	474	1,319
Special events	-	3,540	1,388
Miscellaneous	1,500	3,085	689
Meeting space rental	-	505	750
<b>Total expenses</b>	<b>45,000</b>	<b>81,703</b>	<b>83,457</b>
Annual surplus	-	4,926	4,198
Accumulated surplus, beginning of year	68,356	68,356	64,158
<b>Accumulated surplus, end of year</b>	<b>\$ 68,356</b>	<b>\$ 73,282</b>	<b>\$ 68,356</b>

See accompanying notes to financial statements.

## LOCKE STREET BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual surplus	\$ 4,926	\$ 4,198
Acquisition of tangible capital assets	(17,945)	(6,895)
Amortization of tangible capital assets	8,110	5,386
(Increase) decrease in prepaid expenses	(6)	4,016
Change in net financial assets	(4,915)	6,705
Net financial assets, beginning of year	45,620	38,915
Net financial assets, end of year	\$ 40,705	\$ 45,620

See accompanying notes to financial statements.

## LOCKE STREET BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 4,926	\$ 4,198
Items not involving cash:		
Amortization	8,110	5,386
Change in non-cash assets and liabilities:		
Accounts receivable	(1,639)	19,639
HST receivable	(29)	(2,291)
Prepaid expenses	(6)	4,016
Accounts payable and accrued liabilities	(7,237)	3,882
Deferred revenue	(3,274)	12,975
Net change in cash from operating activities	851	47,805
Capital activities:		
Cash used to acquire tangible capital assets	(17,945)	(6,895)
Financing activities:		
Change in due from City of Hamilton	3,174	450
(Decrease) increase in cash	(13,920)	41,360
Cash, beginning of year	65,246	23,886
Cash, end of year	\$ 51,326	\$ 65,246

See accompanying notes to financial statements.

# LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2016

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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) 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.

### (c) Other income:

Other income is reported as revenue in the period earned.

Income, with external restrictions, is recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are recognized when the restrictions are satisfied either when the asset is acquired or as the asset is used in accordance with the terms of the restriction.

# LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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## 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, 2016

## 2. Related party transactions:

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

Revenue:

	2016	2015
Member levy collected on behalf of the Business Improvement Area	\$ 29,334	\$ 29,947

The City of Hamilton has also contributed \$4,468 (2015 - \$4,813) to commercial improvement programs undertaken by the Business Improvement Area and \$11,558 (2015 - \$13,528) from the parking sharing revenue program. At the end of the year, the Christmas grant of \$1,325 (2015 - \$1,316) was owing from the City of Hamilton net of \$489 owing for the 2016 member levies, \$750 owing for the annual audit accrual and \$2,710 owing for expenditures related to the 2016 Locke St. festival.

## LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 3. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Decorations	\$ 22,620	\$ 15,248	\$ -	\$ 37,868
Banners	6,895	2,697	-	9,592
<b>Total</b>	<b>\$ 29,515</b>	<b>\$ 17,945</b>	<b>\$ -</b>	<b>\$ 47,460</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Decorations	\$ 6,786	\$ -	\$ 6,049	\$ 12,835
Banners	862	-	2,061	2,923
<b>Total</b>	<b>\$ 7,648</b>	<b>\$ -</b>	<b>\$ 8,110</b>	<b>\$ 15,758</b>

Net book value	December 31, 2015	December 31, 2016
Decorations	\$ 15,834	\$ 25,033
Banners	6,033	6,669
<b>Total</b>	<b>\$ 21,867</b>	<b>\$ 31,702</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2016 or 2015.

(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 or 2015.

# LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

**4. Deferred revenue:**

Deferred revenue is comprised of amounts received from the Locke St. Merchant Association ("LSMA") which dissolved in 2015. The Business Improvement Area is required to spend these funds on beautification and enhancements to the Business Improvement Area with funds specifically allocated to the area of the Business Improvement Area previously covered under the LSMA jurisdiction. The deferred revenue reported on the statement of financial position is made up of:

	2016	2015
Balance, beginning of year	\$ 12,975	\$ -
Receipts	-	12,975
Recognized as revenue	(3,274)	-
Balance, end of year	\$ 9,701	\$ 12,975

**5. Accumulated surplus:**

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 31,702	\$ 21,867
Operating	41,580	46,489
	\$ 73,282	\$ 68,356

**6. Budget data:**

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on January 26, 2016. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, were not provided on the statement of changes in net financial assets.

**7. Comparative information:**

Certain comparative information has been reclassified to conform to the presentation adopted in the current year. There is no impact to ending accumulated surplus.



Financial Statements of

**MAIN STREET WEST  
ESPLANADE BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2016



KPMG LLP  
Commerce Place  
21 King Street West, Suite 700  
Hamilton Ontario L8P 4W7  
Canada  
Telephone (905) 523-8200  
Fax (905) 523-2222

## 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, 2016, 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, 2016, 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*

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Chartered Professional Accountants, Licensed Public Accountants

June 28, 2017  
Hamilton, Canada

## **MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA**

### Financial Statements

Year ended December 31, 2016

#### Financial Statements

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# MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 5,323	\$ 9,138
Due from City of Hamilton (note 4)	1,684	589
Other receivables	-	54
	<u>7,007</u>	<u>9,781</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	159	-
Net financial assets	6,848	9,781
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	2,266	3,776
Prepaid expenses	1,071	1,071
	<u>3,337</u>	<u>4,847</u>
Accumulated surplus (note 3)	<u>\$ 10,185</u>	<u>\$ 14,628</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, 2016, with comparative information for 2015

	Budget (note 5)	2016	2015
<b>Revenue:</b>			
Assessment levy (note 4)	\$ 7,848	\$ 7,888	\$ -
City of Hamilton grants (note 4)	-	2,164	-
Other Income	9,138	-	-
<b>Total revenue</b>	<b>16,986</b>	<b>10,052</b>	<b>-</b>
<b>Expenses:</b>			
Amortization	-	1,510	1,510
Beautification	9,000	8,159	-
Bad debts expense	-	54	-
Marketing	1,000	1,434	-
Office supplies	750	952	-
Other	4,000	211	50
Insurance and professional fees	2,236	2,175	2,148
<b>Total expenses</b>	<b>16,986</b>	<b>14,495</b>	<b>3,708</b>
<b>Deficit</b>	<b>\$ -</b>	<b>(4,443)</b>	<b>(3,708)</b>
Accumulated surplus, beginning of year		14,628	18,336
<b>Accumulated surplus, end of year</b>		<b>\$ 10,185</b>	<b>\$ 14,628</b>

See accompanying notes to financial statements.

## MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Deficit	\$ (4,443)	\$ (3,708)
Amortization of tangible assets	1,510	1,510
Change in net financial assets	(2,933)	(2,198)
Net financial assets, beginning of year	9,781	11,979
Net financial assets, end of year	\$ 6,848	\$ 9,781

See accompanying notes to financial statements.

## MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2016, with comparative figures for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Deficit	\$ (4,443)	\$ (3,708)
Items not involving cash:		
Amortization	1,510	1,510
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	159	-
Other receivables	54	(27)
Cash used in operating activities	(2,720)	(2,225)
Financing activities:		
Change in due from City of Hamilton	(1,095)	339
Net decrease in cash	(3,815)	(1,886)
Cash, beginning of year	9,138	11,024
Cash, end of year	\$ 5,323	\$ 9,138

See accompanying notes to financial statements.



# MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2016

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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"). 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) 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.

(c) Other income:

Other income is recognized as revenue in the period earned.

# MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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## 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

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(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, 2016

## 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Decorations	\$ 7,551	\$ -	\$ -	\$ 7,551
Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Decorations	\$ 3,775	\$ -	\$ 1,510	\$ 5,285
			Net book value December 31, 2015	Net book value December 31, 2016
Decorations		\$ 3,776	\$ 2,266	

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2016 or 2015.

(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 or 2015.

# MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 2,266	\$ 3,776
Operating	7,919	10,852
	<u>\$ 10,185</u>	<u>\$ 14,628</u>

### 4. Related party transactions:

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

	2016	2015
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 7,888	\$ -

The City of Hamilton has also contributed \$1,191 (2015 - \$nil) to commercial improvement programs undertaken by the Business Improvement Area and \$973 (2015 - \$nil) from a parking sharing revenue program. At the end of the year, the Business Improvement Area had a receivable of \$1,684 (2015 - \$589), consisting of 2014 and 2016 parking revenue in the amount of \$2,322 (2015 - \$1,349) and member levy surplus of \$40 (2015 - (\$89)). This is offset by outstanding amounts owing to the City of Hamilton for the 2014 and 2016 audit fees totalling \$678.

### 5. Budget data:

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, were not provided on the statement of changes in net financial assets.

Financial Statements of

**OTTAWA STREET  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2016



KPMG LLP  
Commerce Place  
21 King Street West, Suite 700  
Hamilton Ontario L8P 4W7  
Canada  
Telephone (905) 523-8200  
Fax (905) 523-2222

## 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, 2016, 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 Ottawa Street Business Improvement Area as at December 31, 2016, 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

August 10, 2017  
Hamilton, Canada

# OTTAWA STREET BUSINESS IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2016

### Financial Statements

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# OTTAWA STREET BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 84,091	\$ 7,800
Accounts receivable	4,421	-
HST receivable	25,467	31,133
Due from City of Hamilton (note 3)	8,549	3,444
	<u>122,528</u>	<u>42,377</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	2,539	14,150
Deferred revenue (note 4)	66,500	-
	<u>69,039</u>	<u>14,150</u>
Net financial assets	53,489	28,227
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	100,533	110,704
	<u>100,533</u>	<u>110,704</u>
Commitments (note 6)		
Accumulated surplus (note 5)	\$ 154,022	\$ 138,931

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, 2016, with comparative information for 2015

	Budget (Note 7)	2016	2015
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 133,000	\$ 140,643	\$ 132,003
City of Hamilton grants (note 3)	-	33,244	171,567
Farmer's market	21,500	20,895	15,350
Other income	22,525	14,974	36,689
<b>Total revenue</b>	<b>177,025</b>	<b>209,756</b>	<b>355,609</b>
<b>Expenses:</b>			
Advertising and promotion	56,400	38,395	36,032
Administrative services	80,000	66,304	76,170
Amortization	-	13,530	9,331
Bad debts	8,725	-	-
Beautification	4,400	21,341	26,373
Insurance	2,700	3,294	4,969
Office	1,500	6,409	8,564
Project costs	-	14,930	33,232
Rent	23,300	30,462	26,678
<b>Total expenses</b>	<b>177,025</b>	<b>194,665</b>	<b>221,349</b>
Annual surplus	-	15,091	134,260
Accumulated surplus, beginning of year	138,931	138,931	4,671
<b>Accumulated surplus, end of year</b>	<b>\$ 138,931</b>	<b>\$ 154,022</b>	<b>\$ 138,931</b>

See accompanying notes to financial statements.

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual surplus	\$ 15,091	\$ 134,260
Acquisition of tangible capital assets	(3,359)	(106,343)
Amortization of tangible capital assets	13,530	9,331
Decrease in prepaid expenses	-	1,745
Change in net financial assets	25,262	38,993
Net financial assets (debt), beginning of year	28,227	(10,766)
Net financial assets, end of year	\$ 53,489	\$ 28,227

See accompanying notes to financial statements.

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 15,091	\$ 134,260
Items not involving cash:		
Amortization	13,530	9,331
Changes in non-cash assets and liabilities:		
Accounts receivable	(4,421)	211
HST receivable	5,666	(22,973)
Prepaid expenses	-	1,745
Accounts payable and accrued liabilities	(11,611)	(7,516)
Deferred revenue	66,500	(66,500)
Net change in cash from operating activities	84,755	48,558
Capital activities:		
Cash used to acquire tangible capital assets	(3,359)	(106,343)
Financing activities:		
Change in due from City of Hamilton	(5,105)	(1,853)
Net increase (decrease) in cash	76,291	(59,638)
Cash, beginning of year	7,800	67,438
Cash, end of year	\$ 84,091	\$ 7,800

See accompanying notes to financial statements.

# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2016

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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"). 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) 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.

(c) Other income:

Other income is reported as revenue in the period earned.

# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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## 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
Computers	5
Decorations	5
Furniture and equipment	10
Leasehold improvements	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.

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Computers	\$ 1,682	\$ -	\$ -	\$ 1,682
Decorations	14,126	3,359	-	17,485
Furniture and equipment	109,341	-	-	109,341
Leasehold improvements	5,848	-	-	5,848
<b>Total</b>	<b>\$ 130,997</b>	<b>\$ 3,359</b>	<b>\$ -</b>	<b>\$ 134,356</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Computers	\$ 820	\$ -	\$ 276	\$ 1,096
Decorations	11,698	-	1,735	13,433
Furniture and equipment	6,016	-	10,934	16,950
Leasehold improvements	1,759	-	585	2,344
<b>Total</b>	<b>\$ 20,293</b>	<b>\$ -</b>	<b>\$ 13,530</b>	<b>\$ 33,823</b>

Net book value	December 31, 2015	December 31, 2016
Computers	\$ 862	\$ 586
Decorations	2,428	4,052
Furniture and equipment	103,325	92,391
Leasehold improvements	4,089	3,504
<b>Total</b>	<b>\$ 110,704</b>	<b>\$ 100,533</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2016 or 2015.

(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 or 2015.

# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 3. Related party transactions:

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

Revenue:

	2016	2015
Member levy collected on behalf of the Ottawa Street Business Improvement Area	\$ 140,643	\$132,003

The City of Hamilton has also contributed \$14,265 (2015 - \$15,758) to commercial improvement programs undertaken by the Business Improvement Area, \$15,559 (2015 - \$19,164) from parking sharing revenue program and \$3,420 (2015 - \$19,289) in other grants. During the year ended December 31, 2016, the City contributed \$nil (2015 - \$117,356) towards street furniture.

At the end of the year, other grants of \$1,326 were receivable (2015 - \$4,441) from the City of Hamilton. The amount due from the City of Hamilton at December 31, 2016 also includes a net receivable of \$7,643 (2015 - (\$997)) for supplementary levies and vacancy rebates as well as a payable for the 2016 audit accrual of \$420 (2015 - \$nil).

### 4. Deferred revenue:

Deferred revenue is comprised of the 2017 assessment levy received in advance. The Business Improvement Area is required to use these funds for 2017 operations of the Business improvement Area.

### 5. Accumulated surplus:

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 100,533	\$110,704
Operating	53,489	28,227
Accumulated surplus	\$ 154,022	\$138,931



# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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**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:

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2017	\$ 20,400
2018	6,800

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**7. Budget data:**

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on December 4, 2015. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, were not provided on the statement of changes in net financial assets.

**8. Comparative information:**

Certain comparative information has been reclassified to conform to the presentation adopted in the current year. There is no impact to ending accumulated surplus.

Financial Statements of

**STONEY CREEK BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2016



KPMG LLP  
Commerce Place  
21 King Street West, Suite 700  
Hamilton Ontario L8P 4W7  
Canada  
Telephone (905) 523-8200  
Fax (905) 523-2222

## 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, 2016, 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, 2016, 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*

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Chartered Professional Accountants, Licensed Public Accountants

April 19, 2017  
Hamilton, Canada

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2016

Financial Statements

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# STONEY CREEK BUSINESS IMPROVEMENT AREA

Statement of Financial Position  
December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 3,480	\$ 3,415
HST receivable	3,525	2,875
Due from the City of Hamilton (note 3)	1,279	970
	<u>8,284</u>	<u>7,260</u>
<b>Financial liabilities</b>		
Accounts payable and accruals	768	1,717
Net financial assets	7,516	5,543
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	10,068	2,614
Prepaid expenses	674	628
	<u>10,742</u>	<u>3,242</u>
Accumulated surplus (note 5)	<u>\$ 18,258</u>	<u>\$ 8,785</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, 2016, with comparative information for 2015

	Budget (note 4)	2016	2015
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 28,000	\$ 27,953	\$ 13,077
City of Hamilton grants (note 3)	-	18,766	5,150
Other revenue	5,900	3,611	1,827
<b>Total revenue</b>	<b>33,900</b>	<b>50,330</b>	<b>20,054</b>
<b>Expenses:</b>			
Administration	4,400	6,293	13,842
Advertising and promotion	1,250	3,638	5,586
Amortization	-	1,190	44
Audit fees	-	847	427
Beautification	2,000	1,895	824
Christmas decorations and Santa Claus parade	3,500	4,379	2,661
Contingency fund	3,000	-	-
Insurance	1,550	1,572	1,508
Miscellaneous	-	158	461
Special events	18,200	20,885	2,679
<b>Total expenses</b>	<b>33,900</b>	<b>40,857</b>	<b>28,032</b>
Annual surplus (deficit)	-	9,473	(7,978)
Accumulated surplus, beginning of year	8,785	8,785	16,763
<b>Accumulated surplus, end of year (note 5)</b>	<b>\$ 8,785</b>	<b>\$ 18,258</b>	<b>\$ 8,785</b>

See accompanying notes to financial statements.

## STONEY CREEK BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual surplus (deficit)	\$ 9,473	\$ (7,978)
Amortization of tangible capital assets	1,190	44
Acquisition of tangible capital assets	(8,644)	(2,658)
Increase in prepaid expenses	(46)	-
Change in net financial assets	1,973	(10,592)
Net financial assets, beginning of year	5,543	16,135
Net financial assets, end of year	\$ 7,516	\$ 5,543

See accompanying notes to financial statements.



## STONEY CREEK BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 9,473	\$ (7,978)
Items not involving cash:		
Amortization	1,190	44
Change in non-cash assets and liabilities:		
HST receivable	(650)	752
Accounts payable and accruals	(949)	1,717
Prepaid expenses	(46)	-
Deferred revenue	-	(6,539)
Net change in cash from operating activities	9,018	(12,004)
Financing activities:		
Change in due from City of Hamilton	(309)	(510)
Investing activities		
Purchase of tangible capital assets	(8,644)	(2,658)
Net increase (decrease) in cash	65	(15,172)
Cash, beginning of year	3,415	18,587
Cash, end of year	\$ 3,480	\$ 3,415

See accompanying notes to financial statements.

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements  
Year ended December 31, 2016

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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"). 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.

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)  
Year ended December 31, 2016

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## 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) Other income:

Other income is reported as revenue in the period earned.

(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. Significant estimates include provisions for accruals. Actual results could differ from those estimates.

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)  
Year ended December 31, 2016

## 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Decorations	\$ 16,987	\$ 8,644	\$ -	\$ 25,631

  

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Decorations	\$ 14,373	\$ -	\$ 1,190	\$ 15,563

  

Net book value	December 31, 2016	December 31, 2015
Decorations	\$ 10,068	\$ 2,614

(a) Contributed tangible capital assets:

The Business Improvement Area received \$4,829 (2015 - \$nil) in contributed tangible capital assets from the City of Hamilton. The City of Hamilton contributed banners. This has been recorded as a government transfer in the year.

(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 or 2015.

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)  
Year ended December 31, 2016

### 3. Related party transactions:

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

Revenue:

	2016	2016
Member levy collected on behalf of the Business Improvement Area	\$ 27,953	\$ 13,077

The City of Hamilton has also contributed \$4,089 (2015 - \$1,999) to commercial improvement programs undertaken by the Business Improvement Area, \$5,000 (2015 - \$2,000) to BIA events, \$3,522 (2015 - \$nil) from parking revenue sharing program, and \$1,326 (2015 - \$1,151) in other grants. The City of Hamilton also contributed \$4,829 (2015 - \$nil) for capital purchases.

At the end of the year, the Christmas grant of \$1,326 (2015 - \$1,151) was owing from the City of Hamilton net of levy tax write-offs of \$47 (2015 - \$181).

### 4. Budget data:

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on November 18, 2015. Amortization and acquisition of tangible capital assets were not contemplated on development of the budget. For this reason, budget figures were not provided on the statement of changes in net financial assets.

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)  
Year ended December 31, 2016

**5. Accumulated surplus:**

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 10,068	\$ 2,614
Reserves set aside by the Board	2,000	-
Operating	6,190	6,171
	<b>\$ 18,258</b>	<b>\$ 8,785</b>

The reserve is designated by the Board for the future purchase of beautification items. The change in the reserve fund balance is as follows:

	2016	2015
Fund balance, beginning of year	\$ -	\$ -
Transfers to / (from) reserves	2,000	-
Fund balance, end of year	<b>\$ 2,000</b>	<b>\$ -</b>

Financial Statements of

**WATERDOWN BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2016



KPMG LLP  
Commerce Place  
21 King Street West, Suite 700  
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Canada  
Telephone (905) 523-8200  
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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, 2016, 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, 2016, 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 31, 2017  
Hamilton, Canada

# **WATERDOWN BUSINESS IMPROVEMENT AREA**

Financial Statements

Year ended December 31, 2016

## Financial Statements

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# WATERDOWN BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 96,880	\$ 106,010
Investments (note 4)	100,000	-
Due from City of Hamilton (note 3)	3,702	11,366
HST receivable	27,098	16,688
	<u>227,680</u>	<u>134,064</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	1,482	-
Net financial assets	<u>226,198</u>	<u>134,064</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	93,231	55,033
Prepaid expenses	9,299	3,762
	<u>102,530</u>	<u>58,795</u>
Commitments (note 6)		
Accumulated surplus (note 5)	<u>\$ 328,728</u>	<u>\$ 192,859</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, 2016, with comparative information for 2015

	Budget (note 7)	2016	2015
<b>Revenues:</b>			
Assessment levy (note 3)	\$ 230,000	\$ 231,638	\$ 209,252
City of Hamilton grants (note 3)	-	17,223	12,725
Other income	-	124,971	41,742
<b>Total revenue</b>	<b>230,000</b>	<b>373,832</b>	<b>263,719</b>
<b>Expenses:</b>			
Advertising and promotion	46,005	41,561	30,730
Amortization	-	15,766	7,130
Christmas tree of hope	-	4,019	2,976
Festival and parades	39,300	52,525	54,906
Insurance	5,100	4,883	4,907
Management contracts and salaries	45,500	37,570	28,508
Memberships, conferences, and seminars	2,600	2,370	2,037
Office and general expenses	27,230	14,501	7,184
Professional fees	1,400	1,402	1,698
Streetscaping and decorations	62,865	63,366	55,440
<b>Total expenses</b>	<b>230,000</b>	<b>237,963</b>	<b>195,516</b>
Annual surplus	-	135,869	68,203
Accumulated surplus, beginning of year	192,859	192,859	124,656
<b>Accumulated surplus, end of year</b>	<b>\$ 192,859</b>	<b>\$ 328,728</b>	<b>\$ 192,859</b>

See accompanying notes to financial statements.

## WATERDOWN BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual surplus	\$ 135,869	\$ 68,203
Acquisition of tangible capital assets	(53,964)	(11,887)
Amortization of tangible capital assets	15,766	7,130
Decrease (increase) in prepaid expenses	(5,537)	9,892
Change in net financial assets	92,134	73,338
Net financial assets, beginning of year	134,064	60,726
Net financial assets, end of year	\$ 226,198	\$ 134,064

See accompanying notes to financial statements.

## WATERDOWN BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 135,869	\$ 68,203
Items not involving cash:		
Amortization	15,766	7,130
Changes in non-cash assets and liabilities:		
HST receivable	(10,410)	109
Prepaid expenses	(5,537)	9,892
Accounts payable and accrued liabilities	982	(3,463)
Deferred revenue	-	(114,975)
Net change in cash from operating activities	136,670	(33,104)
Capital activities:		
Cash used to acquire tangible capital assets	(53,964)	(11,887)
Investing activities:		
Purchase of investments	(100,000)	-
Financing activities:		
Change in due to/from City of Hamilton	8,164	(12,051)
Net decrease in cash	(9,130)	(57,042)
Cash, beginning of year	106,010	163,052
Cash, end of year	\$ 96,880	\$ 106,010

See accompanying notes to financial statements.

# WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2016

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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) 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.

(c) Other income:

Other income is reported as revenue in the period earned.

(d) Investments:

Investments consist of guaranteed investment certificates and are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments.

# WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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## 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 with one-half year taken in the year of acquisition as follows:

Asset	Useful life - years
Furniture and equipment	10
Leasehold improvements	5
Computer Equipment	3

---

(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, 2016

### 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Furniture and equipment	\$ 77,251	\$ 32,227	\$ -	\$ 109,478
Leasehold improvements	-	20,739	-	20,739
Computer equipment	-	998	-	998
<b>Total</b>	<b>77,251</b>	<b>53,964</b>	<b>-</b>	<b>131,215</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Furniture and equipment	\$ 22,218	\$ -	\$ 14,230	\$ 36,448
Leasehold improvements	-	-	1,386	1,386
Computer equipment	-	-	150	150
<b>Total</b>	<b>22,218</b>	<b>-</b>	<b>15,766</b>	<b>37,984</b>

Net book value	December 31, 2015	December 31, 2016
Furniture and equipment	\$ 55,033	\$ 73,030
Leasehold improvements	-	19,353
Computer equipment	-	848
<b>Total</b>	<b>\$ 55,033</b>	<b>\$ 93,231</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2016 or 2015.

(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 or 2015.

# WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

### 3. Related party transactions:

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

	2016	2015
Member levy collected on behalf of the Business Improvement Area	\$ 231,638	\$ 209,252

The City of Hamilton has also contributed \$5,744 (2015 - \$5,415) to commercial improvement programs undertaken by the Business Improvement Area and \$11,479 (2015 - \$7,310) in other grants.

At the end of the year, the Business Improvement Area had a receivable from the City of Hamilton of \$3,702 (2015 – \$11,366) for the excess of the member levy collected by the City of Hamilton in excess of the cash paid to the Business Improvement Area, net of \$500 (2015 – \$500) for the annual audit accrual.

### 4. Investments:

Investments reported in the Statement of Financial Position consist of guaranteed investment certificates ("GIC") and are reported at amortization cost. The Business Improvement Area purchased the GIC in November 2016 with a maturity date in January, 2018. As at December 31, 2016, cost approximated the market value of the GIC.

### 5. Accumulated surplus:

Accumulated surplus consists of balances as follows at December 31:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 93,231	\$ 55,033
Operating fund	135,497	137,826
	228,728	192,859
Reserve funds set aside by Waterdown Business Improvement Area:		
Marketing and advertising	100,000	-
	100,000	-
	\$ 328,728	\$ 192,859

## WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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### 6. Commitments:

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

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2017	\$ 19,798
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### 7. Budget data:

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, were not provided on the statement of changes in net financial assets.

### 8. Comparative information:

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

Financial Statements of

**WESTDALE BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2016



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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, 2016, 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, 2016, 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*

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Chartered Professional Accountants, Licensed Public Accountants

May 24, 2017  
Hamilton, Canada

# WESTDALE BUSINESS IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2016

### Financial Statements

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# WESTDALE BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 4,463	\$ 18,497
Accounts receivable	12,174	32,496
Due from City of Hamilton (note 4)	30,592	-
	<u>47,229</u>	<u>50,993</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	7,739	21,906
Due to City of Hamilton (note 4)	-	577
Net financial assets	<u>39,490</u>	<u>28,510</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	2,495	7,758
Prepaid expenses	2,349	2,248
	<u>4,844</u>	<u>10,006</u>
Commitments (note 6)		
Accumulated surplus (note 3)	<u>\$ 44,334</u>	<u>\$ 38,516</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director  
  
\_\_\_\_\_ Director



## WESTDALE BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2016, with comparative information for 2015

	Budget (note 5)	2016	2015
<b>Revenue:</b>			
Assessment levy (note 4)	\$ 121,000	\$ 122,501	\$ 119,865
City of Hamilton grants (note 4)	-	36,924	36,418
Other income	-	3,214	4,658
	121,000	162,639	160,941
<b>Expenses:</b>			
Advertising	28,000	34,395	45,127
Amortization	-	5,263	10,107
Audit and legal fees	-	1,951	2,415
Bad debts expense	-	-	759
Bank charges	-	624	583
Beautification	18,000	39,724	53,696
Festival	30,000	40,972	37,846
Insurance	-	4,921	5,501
Miscellaneous	1,000	-	-
Office and general expense	9,000	4,033	5,371
Rent	-	7,729	7,244
Wages	35,000	17,209	26,283
	121,000	156,821	194,932
Annual surplus (deficit)	-	5,818	(33,991)
Accumulated surplus, beginning of year	38,516	38,516	72,507
Accumulated surplus, end of year	\$ 38,516	\$ 44,334	\$ 38,516

See accompanying notes to financial statements.

## WESTDALE BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual surplus (deficit)	\$ 5,818	\$ (33,991)
Amortization of tangible capital assets	5,263	10,107
(Increase) decrease in prepaid expenses	(101)	3,443
Change in net financial assets	10,980	(20,441)
Net financial assets, beginning of year	28,510	48,951
Net financial assets, end of year	\$ 39,490	\$ 28,510

See accompanying notes to financial statements.

## WESTDALE BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 5,818	\$ (33,991)
Items not involving cash:		
Amortization	5,263	10,107
Change in non-cash assets and liabilities:		
Accounts receivable	20,322	(14,629)
Accounts payable and accrued liabilities	(14,167)	2,036
Prepaid expenses	(101)	3,443
Cash used in operating activities	17,135	(33,034)
Financing activities:		
Change in due from City of Hamilton	(31,169)	4,352
Net decrease in cash	(14,034)	(28,682)
Cash, beginning of year	18,497	47,179
Cash, end of year	\$ 4,463	\$ 18,497

See accompanying notes to financial statements.

# WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2016

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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.

## 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) Government transfers:

Government transfers received relate to the assessment levy and operating grants from the City of Hamilton. 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.

(c) Other income:

Other income is recognized as revenue in the period earned.

## WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

---

### 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
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, 2016

### 2. Tangible capital assets:

Cost	Balance at December 31, 2015	Additions	Disposals	Balance at December 31, 2016
Furniture and equipment	\$ 7,129	\$ -	\$ -	\$ 7,129
Computer hardware	1,337	-	-	1,337
Decorations	46,972	-	-	46,972
<b>Total</b>	<b>\$ 55,438</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,438</b>

Accumulated amortization	Balance at December 31, 2015	Disposals	Amortization expense	Balance at December 31, 2016
Furniture and equipment	\$ 3,921	\$ -	\$ 713	\$ 4,634
Computer hardware	1,337	-	-	1,337
Decorations	42,422	-	4,550	46,972
<b>Total</b>	<b>\$ 47,680</b>	<b>\$ -</b>	<b>\$ 5,263</b>	<b>\$ 52,943</b>

Net book value	December 31, 2015	December 31, 2016
Furniture and equipment	\$ 3,208	\$ 2,495
Decorations	4,550	-
<b>Total</b>	<b>\$ 7,758</b>	<b>\$ 2,495</b>

# WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

## 2. Tangible capital assets (continued):

### (a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2016 or 2015.

### (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 written down any tangible capital assets during the year or 2015.

## 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 2,495	\$ 7,758
Operating	41,839	30,758
<b>Accumulated surplus</b>	<b>\$ 44,334</b>	<b>\$ 38,516</b>

## 4. Related party transactions:

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

	2016	2015
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 122,501	\$ 119,865

## WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2016

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### 4. Related party transactions (continued):

The City of Hamilton has also contributed \$14,580 (2015 - \$14,456) to commercial improvement programs undertaken by the Business Improvement Area, \$1,326 (2015 - \$1,316) in other grants, \$17,185 (2015 - \$20,646) to a parking revenue sharing program and \$3,833 (2015 - \$nil) in other grants. At the end of the year, the Business Improvement Area had a receivable of \$33,091 (2015 - \$nil) from the City of Hamilton for outstanding grants. The Business Improvement Area had a payable of \$2,499 (2015 - \$577) to the City of Hamilton for the member levy deficit in the year.

### 5. Budget data:

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on December 10, 2015. Amortization and acquisitions of tangible capital assets were not contemplated on development of the budget and, as such, were not provided on the statement of changes in net financial assets.

### 6. Lease commitments:

The Business Improvement Area leases office space with an annual rental commitment of \$7,200. The Business Improvement Area does not have a formal lease agreement, and the extension of the lease is agreed upon annually for a one year period.