

Financial Statements of

ANCASTER BUSINESS IMPROVEMENT AREA

Year ended December 31, 2017



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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, 2017, 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, 2017, 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, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
May 14, 2018

ANCASTER BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

Financial Statements

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ANCASTER BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 133,457	\$ 158,063
Accounts receivable	750	8,150
HST receivable	4,169	7,113
Due from City of Hamilton (note 3)	431	-
	<u>138,807</u>	<u>173,326</u>
Financial liabilities		
Accounts payable and accrued liabilities	2,123	54,101
Deferred revenue (note 2)	46,650	48,250
Due to City of Hamilton (note 3)	-	2,591
Net financial assets	<u>90,034</u>	<u>68,384</u>
Non-financial assets		
Tangible capital assets (note 4)	9,271	11,456
Prepaid expenses	1,084	1,073
	<u>10,355</u>	<u>12,529</u>
Commitment (note 8)		
Accumulated surplus (note 5)	\$ 100,389	\$ 80,913

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

ANCASTER BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	Budget (note 6)	2017	2016
Revenues:			
Assessment levy (note 3)	\$ 93,300	\$ 94,424	\$ 99,069
City of Hamilton grants (note 3)	-	12,978	12,193
Government of Canada grants (note 7)	-	15,334	11,152
Farmer's Market income	-	29,173	32,770
Other income	-	13,070	23,899
Total revenues	93,300	164,979	179,083
Expenses:			
Advertising and promotion	29,300	32,572	25,838
Amortization	-	9,604	11,196
Ancaster Farmer's Market	-	14,550	15,689
Bank charges and interest	-	313	329
Beautification	24,000	23,442	18,238
Business taxes	-	567	351
Community events support	-	-	50,000
Donations	-	5,000	7,075
Insurance	-	2,234	1,989
Office expenses	-	954	482
Professional fees	-	427	427
Salaries	40,000	55,840	54,140
Miscellaneous	-	-	256
Total expenses	93,300	145,503	186,010
Annual surplus (deficit)	-	19,476	(6,927)
Accumulated surplus, beginning of year	80,913	80,913	87,840
Accumulated surplus, end of year	80,913	\$ 100,389	\$ 80,913

See accompanying notes to financial statements.

ANCASTER BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual surplus (deficit)	\$ 19,476	\$ (6,927)
Acquisition of tangible capital assets	(7,419)	(12,502)
Amortization of tangible capital assets	9,604	11,196
Increase in prepaid expenses	(11)	(20)
Change in net financial assets	21,650	(8,253)
Net financial assets, beginning of year	68,384	76,637
Net financial assets, end of year	\$ 90,034	\$ 68,384

See accompanying notes to financial statements.

ANCASTER BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 19,476	\$ (6,927)
Items not involving cash:		
Amortization	9,604	11,196
Loss on disposal of tangible capital assets	-	-
Changes in non-cash operating working capital:		
Prepaid expenses	(11)	(20)
HST receivable	2,944	1,355
Accounts receivable	7,400	(8,150)
Deferred Revenue	(1,600)	48,250
Accounts payable and accrued liabilities	(51,978)	50,577
Net change in cash from operating activities	(14,165)	96,281
Capital activities:		
Cash used to acquire tangible capital assets	(7,419)	(12,502)
Financing activities:		
Change in due to/from City of Hamilton	(3,022)	4,620
Net (decrease) increase in cash	(24,606)	88,399
Cash, beginning of year	158,063	69,664
Cash, end of year	\$ 133,457	\$ 158,063

See accompanying notes to financial statements.

ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

1. Significant accounting policies (continued):

(e) Deferred revenue:

Deferred revenues represent the 2018 Assessment levy which has been collected, but which is for 2018 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

(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, 2017

2. Deferred revenue:

Deferred revenue consists of the following:

	2017	2016
Balance, beginning of year	\$ 48,250	\$ -
Add: receipts	46,650	48,250
Less: amounts recognized in revenue	(48,250)	-
	\$ 46,650	\$ 48,250

3. Related party transactions:

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

	2017	2016
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 94,424	\$ 99,069

The City of Hamilton has also contributed \$6,126 (2016 - \$6,108) to commercial improvement programs undertaken by the Business Improvement Area, \$5,303 (2016 - \$4,758) from parking revenue sharing program, and \$1,549 (2016 - \$1,327) in other miscellaneous grants. An additional grant received of \$4,000 (2016 - \$3,000) 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 \$2,674 (2016 - \$7,095) 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 \$2,243 (2016 - \$9,686) 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, 2017

4. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Decorations	\$ 46,595	\$ 7,419	\$ 15,214	\$ 38,800
Computers	2,068	-	-	2,068
Furniture	7,945	-	-	7,945
Total	\$ 56,608	\$ 7,419	\$ 15,214	\$ 48,813

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Decorations	\$ 40,919	\$ 15,214	\$ 8,539	\$ 34,244
Computers	1,506	-	271	1,777
Furniture	2,727	-	794	3,521
Total	\$ 45,152	\$ 15,214	\$ 9,604	\$ 39,542

Net book value	December 31, 2016	December 31, 2017
Decorations	\$ 5,676	\$ 4,556
Computers	562	291
Furniture	5,218	4,424
Total	\$ 11,456	\$ 9,271

- (a) Contributed tangible capital assets:
The Business Improvement Area received \$nil (2016 - \$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, 2017

5. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 9,271	\$ 11,456
Operating	91,118	69,457
	\$ 100,389	\$ 80,913

6. Budget data:

The budget data presented in these financial statements is based upon the 2017 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. Government of Canada grants:

Included in Government of Canada grants are \$7,500 (2016 - \$nil) for the Business Improvement Area's Canada 150 celebrations as well as \$7,834 (2016 - \$3,528) provided under the Canada summer student jobs grant and \$nil (2016 - \$7,624) collected for prior year HST recoveries.

8. 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:

2018	\$ 5,500
2019	5,750
2020	6,000
	\$ 17,250

Financial Statements of

**BARTON VILLAGE
BUSINESS IMPROVEMENT
AREA**

Year ended December 31, 2017



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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, 2017, 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, 2017, 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, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
September 20, 2018

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

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BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 69,100	\$ 55,631
HST receivable	3,133	20,392
Due from City of Hamilton (note 3)	4,332	-
	<u>76,565</u>	<u>76,023</u>
Financial liabilities		
Accounts payable and accrued liabilities	118	2,197
Deferred Revenue (note 4)	32,150	32,150
Due to City of Hamilton (note 3)	-	15,792
	<u>32,268</u>	<u>50,139</u>
Net financial assets	44,297	25,884
Non-financial assets		
Tangible capital assets (note 2)	17,948	20,281
Prepaid expenses	216	931
	<u>18,164</u>	<u>21,212</u>
Commitments (note 6)		
Accumulated surplus (note 5)	\$ 62,461	\$ 47,096

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, 2017, with comparative information for 2016

	Budget (note 7)	2017	2016
Revenue:			
Assessment levy (note 3)	\$ 61,300	\$ 60,864	\$ 39,619
City of Hamilton grants (note 3)	-	19,968	19,679
Festival income	-	16,610	-
Federal grant – Canada 150	-	18,000	-
Federal grant – Canada summer jobs	-	3,654	-
Provincial grant – Canada 150	-	2,000	-
Other revenue	-	5	45
Total revenue	61,300	121,101	59,343
Expenses:			
Advertising and promotion	5,100	1,928	9,273
Amortization	-	5,525	4,454
Bad debts	-	-	9,276
Bank charges	100	165	136
Commercial improvement	3,000	16,643	15,073
Event equipment and supplies	-	302	4,357
Insurance	1,960	3,361	2,303
Meetings and business development	4,290	1,925	1,699
Office expenses	4,415	7,873	5,311
Professional fees	475	1,120	799
Rent	6,780	6,195	6,000
Salaries – administrative	30,680	37,539	17,401
Festival expenses	4,500	23,160	-
Total expenses	61,300	105,736	76,082
Annual surplus (deficit)	-	15,365	(16,739)
Accumulated surplus, beginning of year	47,096	47,096	63,835
Accumulated surplus, end of year	\$ 47,096	\$ 62,461	\$ 47,096

See accompanying notes to financial statements.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual surplus (deficit)	\$ 15,365	\$ (16,739)
Acquisition of tangible capital assets	(3,192)	(10,680)
Amortization of tangible capital assets	5,525	4,454
Prepaid expenses	715	-
Change in net financial assets	18,413	(22,965)
Net financial assets, beginning of year	25,884	48,849
Net financial assets, end of year	\$ 44,297	\$ 25,884

See accompanying notes to financial statements.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 15,365	\$ (16,739)
Items not involving cash:		
Amortization	5,525	4,454
Changes in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	(2,079)	997
HST receivable	17,259	3,482
Deferred revenue	-	32,150
Prepaid expenses	715	-
Net change in cash from operating activities	36,785	24,344
Capital activities:		
Cash used to acquire tangible capital assets	(3,192)	(10,680)
Financing activities:		
Change in due to City of Hamilton	(20,124)	17,840
Net increase in cash	13,469	31,504
Cash, beginning of year	55,631	24,127
Cash, end of year	\$ 69,100	\$ 55,631

See accompanying notes to financial statements.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

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, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Computer hardware	\$ 1,524	\$ 384	\$ -	\$ 1,908
Decorations	34,147	1,080	-	35,227
Furniture and equipment	14,158	1,728	-	15,886
-				
Total	\$ 49,829	\$ 3,192	\$ -	\$ 53,021

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Computer hardware	\$ 1,524	\$ -	\$ 77	\$ 1,601
Decorations	22,892	-	3,859	26,751
Furniture and equipment	5,132	-	1,589	6,721
Total	\$ 29,548	\$ -	\$ 5,525	\$ 35,073

	Net book value December 31, 2016	Net book value December 31, 2017
Computer hardware	\$ -	\$ 307
Decorations	11,255	8,476
Furniture and equipment	9,026	9,165
Total	\$ 20,281	\$ 17,948

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2017 or 2016.

(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 2016.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Related party transactions:

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

Revenue:

	2017	2016
Member levy collected on behalf of the Business Improvement Area	\$ 60,864	\$ 39,619

The City of Hamilton has also contributed \$6,887 (2016 - \$6,352) to commercial improvement programs undertaken by the Business Improvement Area, \$10,131 (2016 - \$8,701) from parking sharing revenue program and \$6,250 (2016 - \$4,626) in other grants, of which \$3,300 (2016 – nil) is recorded in festival income.

At the end of the year, the Business Improvement Area had a receivable from the City of Hamilton of \$4,332 (2016 – (\$15,792)) which includes \$8,187 in outstanding grants net of \$3,435 member levy deficit and annual audit accrual of \$420.

4. Deferred revenue:

Deferred revenue is comprised of the 2018 assessment levy received in advance. The Business Improvement Area is required to use these funds for 2018 operations of the Business Improvement Area.

5. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 17,948	\$ 20,281
Operating	44,513	26,815
Accumulated surplus	\$ 62,461	\$ 47,096

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

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:

2018	\$ 3,390
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7. Budget data:

The budget data presented in these financial statements is based upon the 2017 budget approved by the Board on October 25, 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.

Financial Statements of

**OTTAWA STREET
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2017



KPMG LLP
Commerce Place
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INDEPENDENT AUDITORS' REPORT

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

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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, 2017, and its results of operations and its changes in net financial assets and its 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, stylized font. 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

Hamilton, Canada
December 13, 2018

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

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OTTAWA STREET BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 80,983	\$ 84,091
Accounts receivable	1,697	4,421
HST receivable	30,133	25,467
Due from City of Hamilton (note 3)	265	8,549
	113,078	122,528
Financial liabilities		
Accounts payable and accrued liabilities	6,720	2,539
Deferred revenue (note 4)	66,500	66,500
	73,220	69,039
Net financial assets	39,858	53,489
Non-financial assets		
Tangible capital assets (note 2)	97,192	100,533
	97,192	100,533
Commitments (note 6)		
Accumulated surplus (note 5)	\$ 137,050	\$ 154,022

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, 2017, with comparative information for 2016

	Budget (Note 7)	2017	2016
Revenue:			
Assessment levy (note 3)	\$ 133,000	\$ 132,385	\$ 140,643
City of Hamilton grants (note 3)	50,050	32,119	33,244
Farmer's market	21,500	12,145	20,895
Other income	18,000	18,443	14,974
Total revenue	222,550	195,092	209,756
Expenses:			
Advertising and promotion	64,500	35,291	38,395
Administrative services	70,000	70,867	66,304
Amortization	-	14,781	13,530
Bad debts	-	11,393	-
Beautification	25,550	24,156	21,341
Insurance	3,500	3,294	3,294
Office	6,000	2,450	6,409
Project costs	25,000	22,634	14,930
Rent	28,000	27,198	30,462
Total expenses	222,550	212,064	194,665
Annual (deficit) surplus	-	(16,972)	15,091
Accumulated surplus, beginning of year	154,022	154,022	138,931
Accumulated surplus, end of year	\$ 154,022	\$ 137,050	\$ 154,022

See accompanying notes to financial statements.

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual (deficit) surplus	\$ (16,972)	\$ 15,091
Acquisition of tangible capital assets	(11,440)	(3,359)
Amortization of tangible capital assets	14,781	13,530
Change in net financial assets	(13,631)	25,262
Net financial assets, beginning of year	53,489	28,227
Net financial assets, end of year	\$ 39,858	\$ 53,489

See accompanying notes to financial statements.

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (16,972)	\$ 15,091
Items not involving cash:		
Amortization	14,781	13,530
Changes in non-cash assets and liabilities:		
Accounts receivable	2,724	(4,421)
HST receivable	(4,666)	5,666
Accounts payable and accrued liabilities	4,181	(11,611)
Due from City of Hamilton	8,284	(5,105)
Deferred revenue	-	66,500
Net change in cash from operating activities	8,332	79,650
Capital activities:		
Cash used to acquire tangible capital assets	(11,440)	(3,359)
Net (decrease) increase in cash	(3,108)	76,291
Cash, beginning of year	84,091	7,800
Cash, end of year	\$ 80,983	\$ 84,091

See accompanying notes to financial statements.

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

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, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Computers	\$ 1,682	\$ -	\$ -	\$ 1,682
Decorations	17,485	11,440	-	28,925
Furniture and equipment	109,341	-	-	109,341
Leasehold improvements	5,848	-	-	5,848
Total	\$ 134,356	\$ 11,440	\$ -	\$ 145,796

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Computers	\$ 1,096	\$ -	\$ 276	\$ 1,372
Decorations	13,433	-	2,986	16,419
Furniture and equipment	16,950	-	10,934	27,884
Leasehold improvements	2,344	-	585	2,929
Total	\$ 33,823	\$ -	\$ 14,781	\$ 48,604

Net book value	December 31, 2016	December 31, 2017
Computers	\$ 586	\$ 310
Decorations	4,052	12,506
Furniture and equipment	92,391	81,457
Leasehold improvements	3,504	2,919
Total	\$ 100,533	\$ 97,192

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2017 or 2016.

(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 2016.

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Related party transactions:

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

Revenue:

	2017	2016
Member levy collected on behalf of the Ottawa Street Business Improvement Area	\$ 132,385	\$140,643

The City of Hamilton has also contributed \$13,760 (2016 - \$14,265) to commercial improvement programs undertaken by the Business Improvement Area, \$16,639 (2016 - \$15,559) from parking sharing revenue program and \$1,720 (2016 - \$3,420) in other grants.

At the end of the year, other grants of \$1,300 were receivable (2016 - \$1,326) from the City of Hamilton. The amount due from the City of Hamilton at December 31, 2017 also includes a net payable of \$615 (2016 - (\$7,643)) for supplementary levies and vacancy rebates as well as a payable for the 2017 audit accrual of \$420 (2016 - \$420).

4. Deferred revenue:

Deferred revenue is comprised of the 2018 assessment levy received in advance. The Business Improvement Area is required to use these funds for 2018 operations of the Business improvement Area.

5. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 97,192	\$100,533
Operating	39,858	53,489
Accumulated surplus	\$ 137,050	\$154,022

OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

6. Commitments:

The Business Improvement Area is committed under an operating lease for the rental of office space until April, 2018. Future minimum lease payments under this operating lease are \$6,800

7. Budget data:

The budget data presented in these financial statements is based upon the 2017 budget approved by the Board on October 13, 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.

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

**CONCESSION STREET
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2017



KPMG LLP
Commerce Place
21 King Street West, Suite 700
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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, 2017, 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, 2017, 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, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
July 18, 2018

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

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CONCESSION STREET BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 122,441	\$ 41,613
Due from City of Hamilton (note 5)	-	9,301
HST receivable	4,763	5,238
	127,204	56,152
Financial liabilities		
Accounts payable and accrued liabilities	1,783	3,129
Due to City of Hamilton (note 5)	193	-
Deferred revenue (note 3)	57,750	660
	59,726	3,789
Net financial assets	67,478	52,363
Non-financial assets		
Tangible capital assets (note 2)	19,500	12,561
Prepaid expenses	860	1,244
	20,360	13,805
Commitment (note 7)		
Accumulated surplus (note 4)	\$ 87,838	\$ 66,168

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, 2017, with comparative information for 2016

	Budget (note 6)	2017	2016
Revenue:			
Assessment levy (note 5)	\$ 115,499	\$ 114,426	\$ 81,343
City of Hamilton grants (note 5)	-	18,738	24,163
Provincial grant – Canada 150	-	6,750	-
Federal grant – Canada 150	-	2,000	-
Other income	-	18,231	16,764
Total revenue	115,499	160,145	122,270
Expenses:			
Advertising and promotion	12,000	13,425	5,256
Amortization	-	10,047	2,763
Christmas decorations	-	-	4,247
Contract services	-	-	1,570
Festivals	14,200	44,717	45,721
General beautification and improvements	22,005	13,923	28,115
Insurance	4,600	5,144	4,970
Interest and bank charges	-	114	115
Meals and entertainment	-	135	811
Miscellaneous	-	774	85
Office and general	3,000	2,482	2,593
Professional fees	1,500	1,551	1,715
Rent	7,200	6,250	6,100
Repairs and maintenance	-	195	109
Salaries and wages	40,794	38,859	29,132
Utilities	1,200	859	1,025
Total expenses	106,499	138,475	134,327
Annual surplus (deficit)	9,000	21,670	(12,057)
Accumulated surplus, beginning of year	66,168	66,168	78,225
Accumulated surplus, end of year	\$ 75,168	\$ 87,838	\$ 66,168

See accompanying notes to financial statements.

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual surplus (deficit)	\$ 21,670	\$ (12,057)
Acquisition of tangible capital assets	(16,986)	(6,691)
Amortization of tangible capital assets	10,047	2,763
Decrease in prepaid expenses	384	500
Change in net financial assets	15,115	(15,485)
Net financial assets, beginning of year	52,363	67,848
Net financial assets, end of year	\$ 67,478	\$ 52,363

See accompanying notes to financial statements.

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 21,670	\$ (12,057)
Items not involving cash:		
Amortization	10,047	2,763
Changes in non-cash assets and liabilities:		
HST receivable	475	(7,155)
Accounts payable and accrued liabilities	(1,346)	147
Deferred revenue	57,090	660
Prepaid expenses	384	500
Net change in cash from operating activities	88,320	(15,142)
Capital activities:		
Cash used to acquire tangible capital assets	(16,986)	(6,691)
Financing activities:		
Change in due from City of Hamilton	9,494	12,364
Net increase (decrease) in cash	80,828	(9,469)
Cash, beginning of year	41,613	51,082
Cash, end of year	\$ 122,441	\$ 41,613

See accompanying notes to financial statements.

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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 revenue represent the 2018 assessment levy which has been collected, but relates to next years' operations. These amounts will be recognized as revenues in the fiscal year for which they relate.

(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, 2017

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 hardware	5
Computer software	3
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.

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Computer hardware	\$ 1,470	\$ -	\$ -	\$ 1,470
Decorations	35,804	16,986	-	52,790
Furniture and equipment	8,930	-	-	8,930
Total	\$ 46,204	\$ 16,986	\$ -	\$ 63,190

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Computer hardware	\$ 493	\$ -	\$ 294	\$ 787
Decorations	28,135	-	8,860	36,995
Furniture and equipment	5,015	-	893	5,908
Total	\$ 33,643	\$ -	\$ 10,047	\$ 43,690

Net book value	December 31, 2016	December 31, 2017
Computer hardware	\$ 977	\$ 683
Decorations	7,669	15,795
Furniture and equipment	3,915	3,022
Total	\$ 12,561	\$ 19,500

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Tangible capital assets (continued):

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2017 or 2016.

(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. Deferred revenue:

Deferred revenue consists of the following:

	2017	2016
Balance, beginning of year	\$ 660	\$ -
Add: receipts	57,750	660
Less: amounts recognized in revenue	(660)	-
Accumulated surplus	\$ 57,750	\$ 660

4. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 19,500	\$ 12,561
Operating	68,338	53,607
Accumulated surplus	\$ 87,838	\$ 66,168

CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Related party transactions:

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

Revenue:

	2017	2016
Member levy collected on behalf of the Business Improvement Area	\$ 114,426	\$ 81,343

The City of Hamilton has also contributed \$8,221 (2016 - \$5,868) to commercial improvement programs undertaken by the Business Improvement Area, \$nil (2016 - \$7,693) from parking revenue sharing program and \$10,517 (2016 - \$10,602) in other grants. At the end of the year, the Business Improvement Area had a payable of \$193 (2016 – receivable of \$9,301) from the City of Hamilton related to the member levy surplus net of outstanding grants.

6. Budget data:

The budget data presented in these financial statements is based upon the 2017 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. The total approved budget for the Business Improvement Area was \$160,780, of which \$45,281 was budgeted reserve transfers and therefore not presented on the statement of operations. Budgeted expenditures for items determined to be capital in nature were excluded from presentation in the statement of operations.

7. Lease commitment:

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

2018	\$	6,404
2019		6,560
2020		2,204
	\$	15,168

Financial Statements of

**DOWNTOWN HAMILTON
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2017



KPMG LLP
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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, 2017, 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, 2017, 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, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
June 19, 2018

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

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DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 120,716	\$ 69,434
HST receivable	20,932	17,975
Accounts receivable	4,380	4,138
	<u>146,028</u>	<u>91,547</u>
Financial liabilities		
Accounts payable and accrued liabilities	16,296	18,402
Due to City of Hamilton (note 5)	29,223	28,503
	<u>45,519</u>	<u>46,905</u>
Net financial assets	100,509	44,642
Non-financial assets		
Tangible capital assets (note 2)	58,303	55,407
Prepaid expenses	6,711	3,776
	<u>65,014</u>	<u>59,183</u>
Accumulated surplus (note 3)	\$ 165,523	\$ 103,825

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, 2017, with comparative information for 2016

	Budget	2017	2016
	(note 7)		
Revenue:			
Assessment levy (note 5)	\$ 350,000	\$ 320,377	\$ 296,138
City of Hamilton grants (note 5)	-	70,676	49,664
Federal grant	-	9,615	10,146
Provincial grants (note 6)	-	27,000	-
Interest	100	20	145
Other	58,573	14,923	51,740
	408,673	442,611	407,833
Expenses:			
Administration	8,000	5,967	8,470
Amortization	12,000	23,707	18,227
Bad debt expense	-	1,190	5,883
Beautification	44,000	22,056	21,024
Office	51,500	56,810	54,021
Professional fees	3,000	4,292	3,669
Promotions	145,000	124,107	123,547
Salaries	130,000	142,784	141,568
Miscellaneous	15,173	-	8,538
	408,673	380,913	384,947
Annual surplus	-	61,698	22,886
Accumulated surplus, beginning of year	103,825	103,825	80,939
Accumulated surplus, end of year	\$ 103,825	\$ 165,523	\$ 103,825

See accompanying notes to financial statements.

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual surplus	\$ 61,698	\$ 22,886
Acquisition of tangible capital assets	(26,603)	(38,234)
Amortization of tangible capital assets	23,707	18,227
Increase in prepaid expenses	(2,935)	(377)
Change in net financial assets	55,867	2,502
Net financial assets, beginning of year	44,642	42,140
Net financial assets, end of year	\$ 100,509	\$ 44,642

See accompanying notes to financial statements.

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 61,698	\$ 22,886
Items not involving cash:		
Amortization	23,707	18,227
Changes in non-cash financial assets and liabilities:		
HST receivable	(2,957)	5,378
Accounts receivable	(242)	6,711
Prepaid expenses	(2,935)	(377)
Accounts payable and accrued liabilities	(2,106)	(7,119)
Net change in cash from operating activities	77,165	45,706
Capital activities:		
Cash used to acquire tangible capital assets	(26,603)	(38,234)
Financing activities:		
Change in due to City of Hamilton	720	31,993
Net increase in cash	51,282	39,465
Cash, beginning of year	69,434	29,969
Cash, end of year	\$ 120,716	\$ 69,434

See accompanying notes to financial statements.

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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) 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.

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

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
Computer software	3
Decorations	3
Furniture and equipment	10

Amortization is charged half-year in the year of acquisition.

(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.

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Computer hardware	\$ 3,439	\$ 979	\$ -	\$ 4,418
Computer software	206	-	-	206
Decorations	138,239	16,200	-	154,439
Furniture and equipment	67,292	9,424	-	76,716
Total	\$ 209,176	\$ 26,603	\$ -	\$ 235,779

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Computer hardware	\$ 3,023	\$ -	\$ 285	\$ 3,308
Computer software	206	-	-	206
Decorations	108,702	-	16,453	125,155
Furniture and equipment	41,838	-	6,969	48,807
Total	\$ 153,769	\$ -	\$ 23,707	\$ 177,476

	Net book value December 31, 2016	Net book value December 31, 2017
Computer hardware	\$ 416	\$ 1,110
Computer software	-	-
Decorations	29,537	29,284
Furniture and equipment	25,454	27,909
Total	\$ 55,407	\$ 58,303

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2017 or 2016.

(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, 2017

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 2016.

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 58,303	\$ 55,407
Operating	107,220	48,418
	<u>\$ 165,523</u>	<u>\$ 103,825</u>

4. Commitments:

The Business Improvement Area is committed under a long-term operating lease for the rental of office space until November, 2022. Future minimum lease payments under this operating lease are as follows:

2018	\$ 16,277
2019	17,174
2020	18,069
2021	18,965
2022	16,427

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Related party transactions:

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

	2017	2016
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 320,377	\$ 296,138

The City of Hamilton also contributed \$5,611 (2016 - \$5,545) to commercial improvement programs undertaken by the Business Improvement Area, \$12,244 (2016 - \$11,629) from parking revenue sharing program, and \$52,821 (2016 - \$32,490) in other grants. At the end of the year, the Business Improvement Area had a payable of \$29,623 (2016- \$28,862) for the cash received in excess of the member levy collected by the City of Hamilton and \$900 (216 - \$967) accrued for audit fees net of \$1,300 (2016 - \$1,326) receivable for the annual Christmas grant.

6. Provincial grants:

During the year, the Business Improvement Area received \$25,000 (2016 - \$nil) for the Canada Coast to Coast event under the Ministry of Tourism, Sport and Culture as well as \$2,000 (2016 - \$nil) for the Canada 150 celebrations.

7. Budget data:

The budget data presented in these financial statements is based upon the 2017 budget approved by the Board on September 15, 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.

8. Comparative information:

Certain 2016 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, 2017



KPMG LLP
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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, 2017, 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, 2017, and its results of operations and its changes in net financial assets and its 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, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
October 2, 2018

DUNDAS BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

Financial Statements

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DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 1,734	\$ 15,539
Investments	-	51,062
Accounts receivable	-	6,523
HST receivable	78,872	56,754
	80,606	129,878
Financial liabilities		
Accounts payable and accrued liabilities	2,249	42,089
Due to City of Hamilton (note 5)	2,957	4,113
	5,206	46,202
Net financial assets	75,400	83,676
Non-financial assets		
Tangible capital assets (note 2)	372	7,272
Prepaid expenses	1,180	1,180
	1,552	8,452
Accumulated surplus (note 3)	\$ 76,952	\$ 92,128

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	Budget (note 6)	2017	2016
Revenue:			
Assessment levy (note 5)	\$ 123,394	\$ 119,787	\$ 119,902
City of Hamilton grants (note 5)	35,000	34,469	37,662
Buskerfest revenue (note 5)	-	63,893	55,889
Buskerfest sponsorship – in kind (note 4)	-	58,722	55,162
Interest	300	385	898
Donations	-	2,000	6,250
Federal grant (note 7)	-	4,383	3,013
Provincial grant (note 7)	-	16,043	-
Other income	-	1,300	2,768
Total revenue	158,694	300,982	281,544
Expenses:			
Advertising and promotion	10,000	38,676	34,543
Amortization	-	6,900	7,307
Bad debts	2,000	-	-
Beautification	24,000	22,414	23,606
Buskerfest expenses	25,000	92,903	75,489
Buskerfest other – in kind (note 4)	-	58,722	55,162
Contract services	31,850	33,008	34,967
Economic development	2,000	6,257	2,468
Insurance	3,644	3,567	3,215
Member services	1,200	824	1,890
Office and general	4,700	3,986	6,539
Other events	-	2,793	4,608
Professional fees	3,500	3,263	3,072
Rent	19,000	17,768	16,892
Salaries and wages	-	4,412	2,982
Seasonal events	45,050	20,665	22,030
Total expenses	171,944	316,158	294,770
Annual deficit	(13,250)	(15,176)	(13,226)
Accumulated surplus, beginning of year	92,128	92,128	105,354
Accumulated surplus, end of year	\$ 78,878	\$ 76,952	\$ 92,128

See accompanying notes to financial statements.

DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual deficit	\$ (15,176)	\$ (13,226)
Amortization of tangible capital assets	6,900	7,307
Change in net financial assets	(8,276)	(5,919)
Net financial assets, beginning of year	83,676	89,595
Net financial assets, end of year	\$ 75,400	\$ 83,676

See accompanying notes to financial statements.

DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (15,176)	\$ (13,226)
Items not involving cash:		
Amortization	6,900	7,307
Change in non-cash assets and liabilities:		
Accounts receivable	6,523	(6,523)
HST receivable	(22,118)	(2,888)
Accounts payable and accrued liabilities	(39,840)	(2,304)
Due to City of Hamilton	(1,156)	5,552
Net change in cash from operating activities	(64,867)	(12,082)
Investing activities:		
Disposal of investments	51,062	25,173
Net change in cash from investing activities	51,062	25,173
Net (decrease) increase in cash	(13,805)	13,091
Cash, beginning of year	15,539	2,448
Cash, end of year	\$ 1,734	\$ 15,539

See accompanying notes to financial statements.

DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

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, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Computer software	\$ 426	\$ -	\$ -	\$ 426
Computer hardware	1,239	-	-	1,239
Furniture and equipment	15,489	-	-	15,489
Decorations	60,934	-	-	60,934
Total	\$ 78,088	\$ -	\$ -	\$ 78,088

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Computer software	\$ 426	\$ -	\$ -	\$ 426
Computer hardware	620	-	247	867
Furniture and equipment	14,348	-	1,141	15,489
Decorations	55,422	-	5,512	60,934
Total	\$ 70,816	\$ -	\$ 6,900	\$ 77,716

	Net book value December 31, 2016	Net book value December 31, 2017
Computer software	\$ -	\$ -
Computer hardware	619	372
Furniture and equipment	1,141	-
Decorations	5,512	-
Total	\$ 7,272	\$ 372

DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 372	\$ 7,272
Operating surplus	39,622	47,898
Total surplus	39,994	55,170
Reserves set aside by the Board:		
Economic development reserve	24,150	24,150
Promotional development reserve	4,820	4,820
Christmas decoration and other beautification projects reserve	7,988	7,988
Total reserves	36,958	36,958
	\$ 76,952	\$ 92,128

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 \$58,722 (2016 - \$55,162) 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:

	2017	2016
Member levy collected on behalf of the Business Improvement Area	\$ 119,787	\$ 119,902

The City of Hamilton has also contributed \$11,614 (2016 - \$11,782) to commercial improvement programs undertaken by the Business Improvement Area, \$21,305 (2016 - \$19,184) from parking sharing revenue program and \$1,550 (2016 - \$6,696) in other grants. The Buskerfest grant of \$5,765 (2016 - \$21,480) 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, 2017

5. Related party transactions (continued):

At the end of the year, other grants in the amount of \$1,550 (2016 - \$1,428) were receivable from the City of Hamilton. The Business Improvement Area had a payable \$4,507 (2016 - \$5,541) primarily for tax write offs of \$3,607 and audit accrual of \$900.

6. Budget data:

The budget data presented in these financial statements is based upon the 2017 budget approved by the Board on December 6, 2016. Amortization and acquisition 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. In addition, the Business Improvement Area often budgets for revenue sources not in accordance with public sector accounting standards. Total revenues budgeted in 2017 were \$171,944, of which \$13,250 relates to rebates received on eligible purchases for HST. This has been excluded in the statement of operations to ensure presentation of budgeted figures is consistent with actual results.

7. Government transfers:

During the year, the Business Improvement Area received a federal grant for summer students in the amount of \$4,383 (2016 - \$3,013). In addition, the Business Improvement Area received a provincial grant in the amount of \$17,576 (2016 - \$nil) of which \$1,533 was recognized as a payable back to the government for underspending and thus not recognized in the statement of operations.

8. Commitments:

The Business Improvement Area is committed under an operating lease for the rental of office space which expires June 30, 2019. Future minimum lease payments under this operating lease are as follows:

2018	\$ 14,400
2019	7,200
	<u>\$ 21,600</u>

9. Comparative information:

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

Financial Statements of

**INTERNATIONAL VILLAGE
BUSINESS IMPROVEMENT
AREA**

Year ended December 31, 2017



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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, 2017, 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, 2017, 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, stylized font. Below the signature is a horizontal line.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
June 13, 2018

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

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INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 164,606	\$ 144,568
Accounts receivable	3,350	250
HST receivable	25,499	17,713
	193,455	162,531
Financial liabilities		
Accounts payable and accrued liabilities	7,893	1,817
Due to City of Hamilton (note 3)	4,897	2,426
Deferred revenue (note 5)	75,000	72,500
	87,790	76,743
Net financial assets	105,665	85,788
Non-financial assets		
Prepaid expenses	6,806	4,254
Tangible capital assets (note 2)	6,836	4,747
Commitments (note 6)		
Accumulated surplus (note 4)	\$ 119,307	\$ 94,789

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, 2017, with comparative information for 2016

	Budget (note 7)	2017	2016
Revenue:			
Assessment levy (note 3)	\$ 145,000	\$ 140,703	\$ 138,174
City of Hamilton grants (note 3)	-	22,179	20,702
Other	-	3,350	5,724
Total revenue	145,000	166,232	164,600
Expenses:			
Advertising and promotion	43,400	29,721	30,146
Amortization	-	1,598	2,061
Audit fees	-	600	600
Beautification and maintenance	3,200	443	30
Board expenses	2,000	1,900	2,324
Commercial improvement	-	1,188	4,519
Contingency	5,000	-	-
Insurance	3,500	3,473	3,322
Interest and bank charges	3,300	3,167	3,314
Member events and office	5,000	5,670	7,911
Parking program expenditures	-	12,722	11,095
Rent	11,400	10,248	10,248
Repairs and maintenance	3,500	284	295
Wages – administrative and program delivery	60,700	65,145	62,704
Telephone and internet	4,000	3,553	2,167
Community enrichment expenses	-	2,002	-
Total expenses	145,000	141,714	140,736
Annual surplus	-	24,518	23,864
Accumulated surplus, beginning of year	94,789	94,789	70,925
Accumulated surplus, end of year	\$ 94,789	\$ 119,307	\$ 94,789

See accompanying notes to financial statements.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual surplus	\$ 24,518	\$ 23,864
Increase in prepaid expenses	(2,552)	(1,991)
Amortization of tangible capital assets	1,598	2,061
Acquisition of tangible capital assets	(3,687)	(4,774)
Change in net financial assets	19,877	19,160
Net financial assets, beginning of year	85,788	66,628
Net financial assets, end of year	\$ 105,665	\$ 85,788

See accompanying notes to financial statements.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative figures for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 24,518	\$ 23,864
Items not involving cash:		
Amortization	1,598	2,061
Change in non-cash assets and liabilities:		
Accounts receivable	(3,100)	(250)
HST receivable	(7,786)	(7,495)
Prepaid expenses	(2,552)	(1,991)
Accounts payable and accrued liabilities	6,076	(710)
Deferred revenue	2,500	72,500
Net change in cash from operating activities	21,254	87,979
Capital activities:		
Acquisition of tangible capital assets	(3,687)	(4,774)
Financing activities:		
Change in due to City of Hamilton	2,471	(57)
Net increase in cash	20,038	83,148
Cash, beginning of year	144,568	61,420
Cash, end of year	\$ 164,606	\$ 144,568

See accompanying notes to financial statements.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

1. Significant accounting policies (continued):

(e) Deferred revenue:

Deferred revenue represents the 2018 assessment levy which has been collected but relates to 2018 operations. These amounts will be recognized as revenues in the 2018 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
Computer hardware	5
Furniture and equipment	10
Decorations	5

(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.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Computer hardware	\$ 3,236	\$ -	\$ -	\$ 3,236
Furniture and equipment	7,187	-	-	7,187
Decorations	12,263	3,687	-	15,950
Total	\$ 22,686	\$ 3,687	\$ -	\$ 26,373

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Computer hardware	\$ 2,943	\$ -	\$ 117	\$ 3,060
Furniture and equipment	7,030	-	157	7,187
Decorations	7,966	-	1,324	9,290
Total	\$ 17,939	\$ -	\$ 1,598	\$ 19,537

Net book value	December 31, 2016	December 31, 2017
Computer hardware	\$ 293	\$ 176
Furniture and equipment	157	-
Decorations	4,297	6,660
Total	\$ 4,747	\$ 6,836

- (a) Contributed tangible capital assets:
The Business Improvement Area received no contributed tangible capital assets in 2017 or 2016.
- (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 2016.

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Related party transactions:

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

Revenue:

	2017	2016
Member levy collected on behalf of the Business Improvement Area	\$ 140,703	\$ 138,174

The City of Hamilton has also contributed \$7,172 (2016 - \$9,702) to commercial improvement programs undertaken by the Business Improvement Area, \$12,828 (2016 - \$11,000) from parking sharing revenue program and \$2,179 (2016 - \$nil) for the community enrichment fund program.

At the end of the year the Business Improvement Area had a payable to the City of Hamilton of \$4,897 (2016 - \$2,426) 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:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 6,836	\$ 4,747
Operating	112,471	90,042
Accumulated surplus	\$ 119,307	\$ 94,789

INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Deferred revenue:

Deferred revenue consists of the following:

	2017	2016
Balance, beginning of year	\$ 72,500	\$ -
Add: receipts	75,000	72,500
Less: amounts recognized in revenue	(72,500)	-
Balance, end of year	\$ 75,000	\$ 72,500

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 amount to \$5,700.

7. Budget data:

The budget data presented in these financial statements is based upon the 2017 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

**KING STREET WEST
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2017



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 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, 2017 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, 2017, and its results of operations and its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
October 24, 2018

KING STREET WEST BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

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KING STREET WEST BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 7,427	\$ 6,486
Due from City of Hamilton (note 3)	4,934	3,559
	<u>12,361</u>	<u>10,045</u>
Financial liabilities		
Accounts payable and accrued liabilities	219	247
Net financial assets	<u>12,142</u>	<u>9,798</u>
Non-financial assets		
Tangible capital assets (note 2)	380	1,176
Prepaid expenses	-	2,273
	<u>380</u>	<u>3,449</u>
Accumulated surplus (note 4)	<u>\$ 12,522</u>	<u>\$ 13,247</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, 2017, with comparative information for 2016

	Budget (note 5)	2017	2016
Revenue:			
City of Hamilton grants (note 3)	\$ -	\$ 3,514	\$ 3,520
Assessment levy (note 3)	5,000	5,122	5,378
Total revenue	5,000	8,636	8,898
Expenses:			
Beautification	4,000	1,427	5,325
Insurance	2,500	2,273	2,273
Administration	3,826	1,023	292
Amortization	-	796	834
Professional fees	350	339	585
Special events	5,000	3,503	2,471
Total expenses	15,676	9,361	11,780
Annual deficit	(10,676)	(725)	(2,882)
Accumulated surplus, beginning of year	13,247	13,247	16,129
Accumulated surplus, end of year	\$ 2,571	\$ 12,522	\$ 13,247

See accompanying notes to financial statements.

KING STREET WEST BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual deficit	\$ (725)	\$ (2,882)
Amortization of tangible capital asset	796	834
Prepaid expenses	2,273	-
Change in net financial assets	2,344	(2,048)
Net financial assets, beginning of year	9,798	11,846
Net financial assets, end of year	\$ 12,142	\$ 9,798

See accompanying notes to financial statements.

KING STREET WEST BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (725)	\$ (2,882)
Amortization	796	834
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	(28)	(113)
Prepaid expenses	2,273	-
Due to City of Hamilton	(1,375)	(3,943)
Net change in cash from operating activities	941	(6,104)
Net increase (decrease) in cash	941	(6,104)
Cash, beginning of year	6,486	12,590
Cash, end of year	\$ 7,427	\$ 6,486

See accompanying notes to financial statements.

KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

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, 2017

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, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Streetscape improvements	\$ 4,168	\$ -	\$ -	\$ 4,168

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Streetscape improvements	\$ 2,992	\$ -	\$ 796	\$ 3,788

	Net book value December 31, 2017	Net book value December 31, 2016
Streetscape improvements	\$ 380	\$ 1,176

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2017 or 2016.

(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 2016.

KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Related party transactions:

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

Revenue:

	2017	2016
Member levy collected on behalf of the Business Improvement Area	\$ 5,122	\$ 5,378

The City of Hamilton has also contributed \$nil (2016 - \$1,657) to commercial improvement programs undertaken by the Business Improvement Area and \$3,514 (2016 - \$1,863) 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 \$5,377 (2016 - \$3,520) for the 2016 commercial improvement and parking sharing grants, as well as receivable of \$122 (2016 - \$378) for supplementary levies on the member levy collected by the City of Hamilton, net of a payable of \$565 (2016 - \$339) for the 2017 audit accrual.

4. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 380	\$ 1,176
Operating	12,142	12,071
Accumulated surplus	\$ 12,522	\$ 13,247

5. Budget data:

The budget data presented in these financial statements is based upon the 2016 budget approved by the Board on October 25, 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.

Financial Statements of

LOCKE STREET BUSINESS IMPROVEMENT AREA

Year ended December 31, 2017



KPMG LLP
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Locke Street Business Improvement Area, which comprise the statement of financial position as at December 31, 2017, 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, 2017, 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, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
November 27, 2018

LOCKE STREET BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

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LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 60,817	\$ 51,326
Accounts receivable	1,438	1,639
HST receivable	409	2,320
	62,664	55,285
Financial liabilities		
Accounts payable and accrued liabilities	8,166	2,255
Due to City of Hamilton (note 2)	107	2,624
Deferred revenue (note 4)	9,701	9,701
Net financial assets	44,690	40,705
Non-financial assets		
Tangible capital assets (note 3)	22,222	31,702
Prepaid expenses	3,984	875
	26,206	32,577
Accumulated surplus (note 5)	\$ 70,896	\$ 73,282

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, 2017, with comparative information for 2016

	Budget (note 6)	2017	2016
Revenue:			
Festival income	\$ 48,500	\$ 34,894	\$ 34,300
Assessment levy (note 2)	30,000	29,093	29,334
City of Hamilton grants (note 2)	-	14,963	17,351
Other income	15,000	500	2,370
LSMA funding (note 4)	-	-	3,274
Total revenue	93,500	79,450	86,629
Expenses:			
Advertising and promotion	14,000	17,731	26,926
Amortization	-	10,135	8,110
Commercial improvement	12,500	11,050	2,142
Festival expenses	61,000	39,103	37,889
Insurance	2,500	1,955	1,884
Office supplies	500	739	688
Professional fees	1,500	332	474
Miscellaneous	1,500	791	3,085
Meeting space rental	-	-	505
Total expenses	93,500	81,836	81,703
Annual (deficit) surplus	-	(2,386)	4,926
Accumulated surplus, beginning of year	73,282	73,282	68,356
Accumulated surplus, end of year	\$ 73,282	\$ 70,896	\$ 73,282

See accompanying notes to financial statements.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual (deficit) surplus	\$ (2,386)	\$ 4,926
Acquisition of tangible capital assets	(655)	(17,945)
Amortization of tangible capital assets	10,135	8,110
Increase in prepaid expenses	(3,109)	(6)
Change in net financial assets	3,985	(4,915)
Net financial assets, beginning of year	40,705	45,620
Net financial assets, end of year	\$ 44,690	\$ 40,705

See accompanying notes to financial statements.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (2,386)	\$ 4,926
Items not involving cash:		
Amortization	10,135	8,110
Change in non-cash assets and liabilities:		
Accounts receivable	201	(1,639)
HST receivable	1,911	(29)
Prepaid expenses	(3,109)	(6)
Due to City of Hamilton	(2,517)	3,174
Accounts payable and accrued liabilities	5,911	(7,237)
Deferred revenue	-	(3,274)
Net change in cash from operating activities	10,146	4,025
Capital activities:		
Cash used to acquire tangible capital assets	(655)	(17,945)
Increase (decrease) in cash	9,491	(13,920)
Cash, beginning of year	51,326	65,246
Cash, end of year	\$ 60,817	\$ 51,326

See accompanying notes to financial statements.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

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, 2017

2. Related party transactions:

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

Revenue:

	2017	2016
Member levy collected on behalf of the Business Improvement Area	\$ 29,093	\$ 29,334

The City of Hamilton has also contributed \$3,184 (2016 - \$3,143) to commercial improvement programs undertaken by the Business Improvement Area, \$1,300 (2016 - \$1,325) for the annual Christmas grant and \$10,479 (2016 - \$11,558) from the parking sharing revenue program. At the end of the year, the Christmas grant of \$1,300 (2016 - \$1,325) was owing from the City of Hamilton net of \$907 owing for the cash received in excess of member levy collected by the City and \$500 owing for the annual audit accrual.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Decorations	\$ 37,868	\$ -	\$ -	\$ 37,868
Banners	9,592	655	-	10,247
Total	\$ 47,460	\$ 655	\$ -	\$ 48,115

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Decorations	\$ 12,835	\$ -	\$ 7,573	\$ 20,408
Banners	2,923	-	2,562	5,485
Total	\$ 15,758	\$ -	\$ 10,135	\$ 25,893

Net book value	December 31, 2016	December 31, 2017
Decorations	\$ 25,033	\$ 17,460
Banners	6,669	4,762
Total	\$ 31,702	\$ 22,222

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2017 or 2016.

(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 2016.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

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:

	2017	2016
Balance, beginning of year	\$ 9,701	\$ 12,975
Receipts	-	-
Recognized as revenue	-	(3,274)
Balance, end of year	\$ 9,701	\$ 9,701

5. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 22,222	\$ 31,702
Operating	48,674	41,580
	\$ 70,896	\$ 73,282

6. Budget data:

The budget data presented in these financial statements is based upon the 2017 budget approved by the Board on January 24, 2017. 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, 2017



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, 2017, 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, 2017, 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, stylized font. Below the signature is a single horizontal line that starts under the "K" and ends under the "P", with a small upward tick at the right end.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
January 28, 2019

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

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MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 8,901	\$ 5,323
Due from City of Hamilton (note 4)	1,644	1,684
	10,545	7,007
Financial liabilities		
Accounts payable and accrued liabilities	-	159
Net financial assets	10,545	6,848
Non-financial assets		
Tangible capital assets (note 2)	756	2,266
Prepaid expenses	1,071	1,071
	1,827	3,337
Accumulated surplus (note 3)	\$ 12,372	\$ 10,185

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, 2017, with comparative information for 2016

	Budget (note 5)	2017	2016
Revenue:			
Assessment levy (note 4)	\$ 11,500	\$ 11,500	\$ 7,888
City of Hamilton grants (note 4)	-	-	2,164
Other Income	4,055	-	-
Total revenue	15,555	11,500	10,052
Expenses:			
Amortization	-	1,510	1,510
Beautification	9,000	3,800	8,159
Marketing	1,725	1,569	1,434
Office supplies	748	187	952
Other	1,800	72	265
Insurance and professional fees	2,282	2,175	2,175
Total expenses	15,555	9,313	14,495
Annual surplus (deficit)	-	2,187	(4,443)
Accumulated surplus, beginning of year	10,185	10,185	14,628
Accumulated surplus, end of year	\$ 10,185	\$ 12,372	\$ 10,185

See accompanying notes to financial statements.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual surplus (deficit)	\$ 2,187	\$ (4,443)
Amortization of tangible assets	1,510	1,510
Change in net financial assets	3,697	(2,933)
Net financial assets, beginning of year	6,848	9,781
Net financial assets, end of year	\$ 10,545	\$ 6,848

See accompanying notes to financial statements.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative figures for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 2,187	\$ (4,443)
Items not involving cash:		
Amortization	1,510	1,510
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	(159)	159
Due from City of Hamilton	40	(1,095)
Other receivables	-	54
Cash used in operating activities	3,578	(3,815)
Net increase (decrease) in cash	3,578	(3,815)
Cash, beginning of year	5,323	9,138
Cash, end of year	\$ 8,901	\$ 5,323

See accompanying notes to financial statements.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

1. Significant accounting policies (continued):

(d) Non-financial assets:

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

(i) Tangible capital assets:

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

Asset	Useful life - years
Decorations	5

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Decorations	\$ 7,551	\$ -	\$ -	\$ 7,551
Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Decorations	\$ 5,285	\$ -	\$ 1,510	\$ 6,795
		Net book value December 31, 2016	Net book value December 31, 2017	
Decorations		\$ 2,266	\$ 756	

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2017 or 2016.

(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 2016.

MAIN STREET WEST ESPLANADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 756	\$ 2,266
Operating	11,616	7,919
	\$ 12,372	\$ 10,185

4. Related party transactions:

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

	2017	2016
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 11,500	\$ 7,888

The City of Hamilton has also contributed \$nil (2016 - \$1,191) to commercial improvement programs undertaken by the Business Improvement Area and \$nil (2016 - \$973) from a parking sharing revenue program. At the end of the year, the Business Improvement Area had a receivable of \$1,644 (2016 - \$1,684), consisting of 2014 and 2016 parking revenue in the amount of \$2,322 (2016 - \$2,322) and member levy surplus of \$nil (2016 - (\$40)). 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 2017 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. Comparative information:

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

Financial Statements of

**STONEY CREEK BUSINESS
IMPROVEMENT AREA**

Year ended December 31, 2017



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, 2017, 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, 2017, 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, stylized font. 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

Hamilton, Canada
November 21, 2018

STONEY CREEK BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

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STONE CREEK BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 24,655	\$ 3,480
HST receivable	3,834	3,525
Due from the City of Hamilton (note 3)	924	859
	29,413	7,864
Financial liabilities		
Trade payables and accrued liabilities	-	348
Deferred revenue (note 4)	17,750	-
Net financial assets	11,663	7,516
Non-financial assets		
Tangible capital assets (note 2)	8,054	10,068
Prepaid expenses	519	674
	8,573	10,742
Accumulated surplus (note 6)	\$ 20,236	\$ 18,258

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

STONE CREEK BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	Budget (note 5)	2017	2016
Revenue:			
Assessment levy (note 3)	\$ 30,000	\$ 29,904	\$ 27,953
City of Hamilton grants (note 3)	-	13,774	18,766
Other revenue	6,192	4,505	3,611
Total revenue	36,192	48,183	50,330
Expenses:			
Administration	8,310	7,462	6,293
Advertising and promotion	3,150	6,432	3,638
Amortization	-	2,014	1,190
Audit fees	-	385	847
Beautification	5,180	8,273	1,895
Christmas decorations and Santa Claus parade	14,552	4,274	4,379
Contingency fund	5,000	-	-
Insurance	-	1,399	1,572
Miscellaneous	-	299	158
Special events	-	15,667	20,885
Total expenses	36,192	46,205	40,857
Annual surplus	-	1,978	9,473
Accumulated surplus, beginning of year	18,258	18,258	8,785
Accumulated surplus, end of year (note 6)	18,258	\$ 20,236	\$ 18,258

See accompanying notes to financial statements.

STONE CREEK BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual surplus	\$ 1,978	\$ 9,473
Amortization of tangible capital assets	2,014	1,190
Acquisition of tangible capital assets	-	(8,644)
Increase in prepaid expenses	155	(46)
Change in net financial assets	4,147	1,973
Net financial assets, beginning of year	7,516	5,543
Net financial assets, end of year	\$ 11,663	\$ 7,516

See accompanying notes to financial statements.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,978	\$ 9,473
Items not involving cash:		
Amortization	2,014	1,190
Change in non-cash assets and liabilities:		
HST receivable	(309)	(650)
Accounts payable and accruals	(348)	(1,369)
Prepaid expenses	155	(46)
Due from City of Hamilton	(65)	111
Deferred revenue	17,750	-
Net change in cash from operating activities	21,175	8,709
Investing activities		
Purchase of tangible capital assets	-	(8,644)
Net increase in cash	21,175	65
Cash, beginning of year	3,480	3,415
Cash, end of year	\$ 24,655	\$ 3,480

See accompanying notes to financial statements.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

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.

STONE CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Decorations	\$ 25,631	\$ -	\$ -	\$ 25,631

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Decorations	\$ 15,563	\$ -	2,014	\$ 17,577

Net book value	December 31, 2017	December 31, 2016
Decorations	\$ 8,054	\$ 10,068

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2016 - \$4,829) in contributed tangible capital assets from the City of Hamilton.

(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 2016.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Related party transactions:

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

Revenue:

	2017	2016
Member levy collected on behalf of the Business Improvement Area	\$ 29,904	\$ 27,953

The City of Hamilton has also contributed \$4,636 (2016 - \$4,089) to commercial improvement programs undertaken by the Business Improvement Area and \$9,138 (2016 - \$14,677) in other grant funding. At the end of the year, other grants in the amount of \$1,440 (2016 - \$1,325) were receivable from the City of Hamilton. The Business Improvement Area had a payable of \$516 (2016 - \$466) for member levy write offs and the annual audit accrual.

4. Deferred revenue:

Deferred revenue consists of the 2018 member levy received in advance from the City of Hamilton. The 2018 member levy will be recognized in 2018 when services of the Business Improvement Area are rendered.

5. Budget data:

The budget data presented in these financial statements is based upon the 2017 budget approved by the Board on November 16, 2016. 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.

STONE CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

6. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 8,054	\$ 10,068
Reserves set aside by the Board	2,000	2,000
Operating	10,182	6,190
	\$ 20,236	\$ 18,258

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

	2017	2016
Fund balance, beginning of year	\$ 2,000	\$ -
Transfers to / (from) reserves	-	2,000
Fund balance, end of year	\$ 2,000	\$ 2,000

7. Comparative information:

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

Financial Statements of

WATERDOWN BUSINESS IMPROVEMENT AREA

Year ended December 31, 2017



KPMG LLP
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Telephone (905) 523-8200
Fax (905) 523-2222

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, 2017, 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, 2017, 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, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
November 20, 2018

WATERDOWN BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

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WATERDOWN BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 81,862	\$ 96,880
Accounts receivable	1,280	-
Investments (note 4)	100,000	100,000
Due from City of Hamilton (note 3)	-	3,702
HST receivable	20,367	27,098
	203,509	227,680
Financial liabilities		
Accounts payable and accrued liabilities	3,049	1,482
Due to City of Hamilton (note 3)	6,590	-
Net financial assets	193,870	226,198
Non-financial assets		
Tangible capital assets (note 2)	84,447	93,231
Prepaid expenses	9,857	9,299
	94,304	102,530
Commitments (note 6)		
Accumulated surplus (note 5)	\$ 288,174	\$ 328,728

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

WATERDOWN BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	Budget (note 7)	2017	2016
Revenues:			
Assessment levy (note 3)	\$ 230,000	\$ 223,911	\$ 231,638
City of Hamilton grants (note 3)	-	16,583	17,223
Federal grant – summer jobs	-	2,544	-
Other income	28,200	19,861	124,971
Total revenue	258,200	262,899	373,832
Expenses:			
Advertising and promotion	31,700	30,202	41,561
Amortization	-	23,614	15,766
Christmas tree of hope	-	-	4,019
Festival and parades	60,000	57,185	52,525
Insurance	5,750	5,342	4,883
Management contracts and salaries	73,600	54,073	37,570
Memberships, conferences, and seminars	2,500	3,539	2,370
Office and general expenses	7,150	13,493	4,732
Professional fees	1,700	7,000	1,402
Rent	28,800	29,200	9,769
Streetscaping and decorations	47,000	79,805	63,366
Total expenses	258,200	303,453	237,963
Annual (deficit) surplus	-	(40,554)	135,869
Accumulated surplus, beginning of year	328,728	328,728	192,859
Accumulated surplus, end of year	\$ 328,728	\$ 288,174	\$ 328,728

See accompanying notes to financial statements.

WATERDOWN BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual (deficit) surplus	\$ (40,554)	\$ 135,869
Acquisition of tangible capital assets	(14,830)	(53,964)
Amortization of tangible capital assets	23,614	15,766
Increase in prepaid expenses	(558)	(5,537)
Change in net financial assets	(32,328)	92,134
Net financial assets, beginning of year	226,198	134,064
Net financial assets, end of year	\$ 193,870	\$ 226,198

See accompanying notes to financial statements.

WATERDOWN BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (40,554)	\$ 135,869
Items not involving cash:		
Amortization	23,614	15,766
Changes in non-cash assets and liabilities:		
HST receivable	6,731	(10,410)
Accounts receivable	(1,280)	-
Prepaid expenses	(558)	(5,537)
Due to/from City of Hamilton	10,292	8,164
Accounts payable and accrued liabilities	1,567	982
Net change in cash from operating activities	(188)	144,834
Capital activities:		
Cash used to acquire tangible capital assets	(14,830)	(53,964)
Investing activities:		
Purchase of investments	-	(100,000)
Net decrease in cash	(15,018)	(9,130)
Cash, beginning of year	96,880	106,010
Cash, end of year	\$ 81,862	\$ 96,880

See accompanying notes to financial statements.

WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

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, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Furniture and equipment	\$ 109,478	\$ 14,059	\$ -	\$ 123,537
Leasehold improvements	20,739	-	-	20,739
Computer equipment	998	771	-	1,769
Total	\$ 131,215	\$ 14,830	\$ -	\$ 146,045

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Furniture and equipment	\$ 36,448	\$ -	\$ 15,987	\$ 52,435
Leasehold improvements	1,386	-	7,257	8,643
Computer equipment	150	-	370	520
Total	\$ 37,984	\$ -	\$ 23,614	\$ 61,598

Net book value	December 31, 2016	December 31, 2017
Furniture and equipment	\$ 73,030	\$ 71,102
Leasehold improvements	19,353	12,096
Computer equipment	848	1,249
Total	\$ 93,231	\$ 84,447

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2017 or 2016.

(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 2016.

WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Related party transactions:

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

	2017	2016
Member levy collected on behalf of the Business Improvement Area	\$ 223,911	\$231,638

The City of Hamilton has also contributed \$5,257 (2016 - \$5,744) to commercial improvement programs undertaken by the Business Improvement Area and \$11,326 (2016 - \$11,479) in other grants.

At the end of the year, the Business Improvement Area had a payable from the City of Hamilton of \$6,090 (2016 – receivable of \$4,202) for the deficit of the member levy collected by the City of Hamilton as well as \$500 (2016 – \$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, 2017, cost approximated the market value of the GIC and interest income has been accrued in the amount of \$1,280 (2016 - \$nil).

5. Accumulated surplus:

Accumulated surplus consists of balances as follows at December 31:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 84,447	\$ 93,231
Operating fund	103,727	135,497
	188,174	228,728
Reserve funds set aside by Waterdown Business Improvement Area:		
Marketing and advertising	100,000	100,000
	\$ 288,174	\$ 328,728

WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

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:

2018	\$ 30,000
2019	20,000
	<hr/>
	\$ 50,000

7. Budget data:

The budget data presented in these financial statements is based upon the 2017 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, 2017



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Canada
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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, 2017, 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, 2017, 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, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
October 10, 2018

WESTDALE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2017

Financial Statements

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WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	2017	2016
Financial assets		
Cash	\$ 81,511	\$ 4,463
Accounts receivable	10,724	12,174
Due from City of Hamilton (note 4)	1,673	30,592
	93,908	47,229
Financial liabilities		
Accounts payable and accrued liabilities	35,002	7,739
Net financial assets	58,906	39,490
Non-financial assets		
Tangible capital assets (note 2)	2,633	2,495
Prepaid expenses	5,589	2,349
	8,222	4,844
Lease commitments (note 6)		
Accumulated surplus (note 3)	\$ 67,128	\$ 44,334

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	Budget (note 5)	2017	2016
Revenue:			
Assessment levy (note 4)	\$ 125,000	\$ 125,823	\$ 122,501
City of Hamilton grants (note 4)	-	32,848	36,924
Other income	-	3,926	3,214
	125,000	162,597	162,639
Expenses:			
Advertising	28,000	33,907	34,395
Amortization	-	758	5,263
Audit and legal fees	-	1,327	1,951
Bank charges	-	186	624
Beautification	18,000	33,097	39,724
Consulting	-	4,800	-
Festival	30,000	42,032	40,972
Insurance	-	4,954	4,921
Office and general expense	14,000	5,068	4,033
Rent	-	12,315	7,729
Wages	35,000	1,359	17,209
	125,000	139,803	156,821
Annual surplus	-	22,794	5,818
Accumulated surplus, beginning of year	44,334	44,334	38,516
Accumulated surplus, end of year	44,334	\$ 67,128	\$ 44,334

See accompanying notes to financial statements.

WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual surplus	\$ 22,794	\$ 5,818
Amortization of tangible capital assets	758	5,263
Acquisition of tangible capital assets	(896)	-
Increase in prepaid expenses	(3,240)	(101)
Change in net financial assets	19,416	10,980
Net financial assets, beginning of year	39,490	28,510
Net financial assets, end of year	\$ 58,906	\$ 39,490

See accompanying notes to financial statements.

WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 22,794	\$ 5,818
Items not involving cash:		
Amortization	758	5,263
Change in non-cash assets and liabilities:		
Accounts receivable	1,450	20,322
Accounts payable and accrued liabilities	27,263	(14,167)
Prepaid expenses	(3,240)	(101)
Cash used in operating activities	49,025	17,135
Investing activities:		
Acquisition of tangible capital assets	(896)	-
Financing activities:		
Change in due from City of Hamilton	28,919	(31,169)
Net increase (decrease) in cash	77,048	(14,034)
Cash, beginning of year	4,463	18,497
Cash, end of year	\$ 81,511	\$ 4,463

See accompanying notes to financial statements.

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2017

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, 2017

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, 2017

2. Tangible capital assets:

Cost	Balance at December 31, 2016	Additions	Disposals	Balance at December 31, 2017
Furniture and equipment	\$ 7,129	\$ 896	\$ -	\$ 8,025
Computer hardware	1,337	-	-	1,337
Decorations	46,972	-	-	46,972
Total	\$ 55,438	\$ 896	\$ -	\$ 56,334

Accumulated amortization	Balance at December 31, 2016	Disposals	Amortization expense	Balance at December 31, 2017
Furniture and equipment	\$ 4,634	\$ -	\$ 758	\$ 5,392
Computer hardware	1,337	-	-	1,337
Decorations	46,972	-	-	46,972
Total	\$ 52,943	\$ -	\$ 758	\$ 53,701

Net book value	December 31, 2016	December 31, 2017
Furniture and equipment	\$ 2,495	\$ 2,633
Total	\$ 2,495	\$ 2,633

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Tangible capital assets (continued):

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2017 or 2016.

(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 2016.

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 2,633	\$ 2,495
Operating	64,495	41,839
Accumulated surplus	\$ 67,128	\$ 44,334

4. Related party transactions:

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

	2017	2016
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 125,823	\$ 122,501

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2017

4. Related party transactions (continued):

The City of Hamilton has also contributed \$13,583 (2016 - \$14,580) to commercial improvement programs undertaken by the Business Improvement Area, \$9,174 (2016 - \$17,185) to a parking revenue sharing program and \$10,091 (2016 - \$5,159) in other grants. At the end of the year, the Business Improvement Area had a receivable of \$2,123 (2016 - \$33,091) from the City of Hamilton for outstanding grants and member levy surplus. The Business Improvement Area had a payable of \$450 (2016 - \$2,499) 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 2017 budget approved by the Board on November 16, 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.

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.