

Financial Statements of

**BARTON VILLAGE
BUSINESS IMPROVEMENT
AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2021



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INDEPENDENT AUDITOR'S 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

Opinion

We have audited the accompanying financial statements of the Barton Village Business Improvement Area (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2021,
- the statement of operations for the year then ended,
- the statement of changes in net financial assets for the year then ended,
- the statement of cash flows for the year then ended,
- and notes, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

May 29, 2023

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

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Year ended December 31, 2021

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BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets		
Cash	\$ 65,331	\$ 20,083
Accounts receivable	3,916	18,233
HST receivable	8,183	4,430
Due from City of Hamilton (note 3)	18,835	32,437
	<u>96,265</u>	<u>75,183</u>
Financial liabilities		
Accounts payable and accrued liabilities	18,250	3,103
Deferred revenue	-	13,664
	<u>18,250</u>	<u>16,767</u>
Net financial assets	78,015	58,416
Non-financial assets		
Tangible capital assets (note 2)	7,666	13,015
Prepaid expenses	3,495	2,361
	<u>11,161</u>	<u>15,376</u>
Commitment (note 5)		
COVID-19 (note 7)		
Accumulated surplus (note 4)	<u>\$ 89,176</u>	<u>\$ 73,792</u>

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, 2021, with comparative information for 2020

	Budget (note 6)	2021	2020
Revenue:			
Assessment levy (note 3)	\$ 70,318	\$ 77,111	\$ 75,758
City of Hamilton grants (note 3)	79,660	52,737	23,186
Festival income	–	3,996	16,495
Federal grant – Canada summer jobs	–	–	24,022
Other income	–	29,725	2,096
Total revenue	149,978	163,569	141,557
Expenses:			
Advertising and promotion	31,760	14,358	5,370
Amortization	–	5,349	6,417
Bank charges	150	473	220
Commercial improvement	–	18,403	9,112
Event equipment and supplies	2,000	18,111	368
Insurance	2,500	5,602	1,683
Meetings and business development	2,100	740	1,698
Office expenses	3,716	2,797	6,343
Professional fees	1,700	5,414	432
Rent	23,052	20,400	15,750
Salaries – administrative	49,000	52,124	88,826
Festival expenses	34,000	2,567	8,530
COVID support	–	1,847	9,157
Total expenses	149,978	148,185	153,906
Annual surplus (deficit)	–	15,384	(12,349)
Accumulated surplus, beginning of year	73,792	73,792	86,141
Accumulated surplus, end of year	\$ 73,792	\$ 89,176	\$ 73,792

See accompanying notes to financial statements.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Annual surplus (deficit)	\$ 15,384	\$ (12,349)
Amortization of tangible capital assets	5,349	6,417
Increase in prepaid expenses	(1,134)	(2,145)
Change in net financial assets	19,599	(8,077)
Net financial assets, beginning of year	58,416	66,493
Net financial assets, end of year	\$ 78,015	\$ 58,416

See accompanying notes to financial statements.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 15,384	\$ (12,349)
Items not involving cash:		
Amortization	5,349	6,417
Changes in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	15,147	(149)
HST receivable	(3,753)	677
Accounts receivable	14,317	(15,402)
Deferred revenue	(13,664)	13,664
Prepaid expenses	(1,134)	(2,145)
Net change in cash from operating activities	31,646	(9,287)
Financing activities:		
Change in due from City of Hamilton	13,602	(20,126)
Net increase (decrease) in cash	45,248	(29,413)
Cash, beginning of year	20,083	49,496
Cash, end of year	\$ 65,331	\$ 20,083

See accompanying notes to financial statements.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2021

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 transfer:

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, 2021

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.

(f) Related party transactions:

Transactions with related parties are measured at the carrying amount.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Tangible capital assets:

Cost	Balance at December 31, 2020	Additions	Disposals	Balance at December 31, 2021
Computer hardware	\$ 4,156	\$ –	\$ –	\$ 4,156
Decorations	46,323	–	–	46,323
Furniture and equipment	15,886	–	–	15,886
Total	\$ 66,365	\$ –	\$ –	\$ 66,365

Accumulated amortization	Balance at December 31, 2020	Disposals	Amortization expense	Balance at December 31, 2021
Computer hardware	\$ 3,182	\$ –	\$ 527	\$ 3,709
Decorations	39,173	–	3,503	42,676
Furniture and equipment	10,995	–	1,319	12,314
Total	\$ 53,350	\$ –	\$ 5,349	\$ 58,699

	Net book value December 31, 2020	Net book value December 31, 2021
Computer hardware	\$ 974	\$ 447
Decorations	7,150	3,647
Furniture and equipment	4,891	3,572
Total	\$ 13,015	\$ 7,666

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2021 or 2020.

(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 2020.

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Related party transactions:

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

	2021	2020
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 71,111	\$ 75,758
Grants	52,737	23,186
Expenses:		
Commercial improvement	1,322	3,099
Festival expenses	2,567	1,493

The City of Hamilton made no contribution in 2021 (2020 - \$6,222) to commercial improvement programs undertaken by the Business Improvement Area and the annual Christmas grant (2020 - \$1,300). The City of Hamilton contributed \$10,192 (2020 - \$10,192) from parking sharing revenue program, \$10,000 from shop local funding (2020 - nil), \$30,000 from Canada Health communities initiative (2020 - nil) and \$2,545 (2020 - \$5,472) in other grants.

At the end of the year, the Business Improvement Area had a receivable from the City of Hamilton of \$18,835 (2020 - \$32,437) which includes \$18,126 (2020 - \$29,151) in outstanding grants net of \$282 (2020 - \$6,793 surplus) of member levy deficit, annual audit accrual of \$427 (2020 - \$427) and of other expenses in the amount of \$nil (2020 - \$3,080).

4. Accumulated surplus:

Accumulated surplus consists of the following:

	2021	2020
Surplus:		
Invested in tangible capital assets	\$ 7,666	\$ 13,015
Operating	81,510	60,777
Accumulated surplus	\$ 89,176	\$ 73,792

BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Commitment:

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

2022	\$ 26,442
2023	27,120
2024	27,120
2025	27,120
	\$ 107,802

6. Budget data:

The budget data presented in these financial statements is based upon the 2021 budget approved by the Board on December 8, 2020. 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. COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact across the world. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus.

Several measures were put in place by the Federal Government which include the implementation of travel bans, self-imposed quarantine periods and social distancing. These measures have caused material disruption to individuals, businesses and organizations globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

Financial Statements of

**LOCKE STREET BUSINESS
IMPROVEMENT AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2021



KPMG LLP
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INDEPENDENT AUDITOR'S 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

Opinion

We have audited the accompanying financial statements of the Locke Street Business Improvement Area (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2021,
- the statement of operations and accumulated surplus for the year then ended,
- the statement of changes in net financial assets for the year then ended,
- the statement of cash flows for the year then ended,
- and notes, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations and accumulated surplus, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Page 3

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

September 26, 2023

LOCKE STREET BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2021

Financial Statements

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LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets		
Cash	\$ 49,879	\$ 32,209
Accounts receivable	2,000	5,200
HST receivable	20,259	12,082
Due from City of Hamilton (note 2)	961	6,084
	<u>73,099</u>	<u>55,575</u>
Financial liabilities		
Accounts payable and accrued liabilities	3,672	9,742
Deferred revenue (note 3)	2,447	2,447
	<u>6,119</u>	<u>12,189</u>
Net Financial assets	66,980	43,386
Non-Financial assets		
Tangible capital assets (note 4)	28,952	26,278
Prepaid expenses	1,235	495
	<u>30,187</u>	<u>26,773</u>
COVID-19 (note 7)		
Accumulated surplus (note 5)	\$ 97,167	\$ 70,159

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 6)	2021	2020
Revenues:			
Assessment levy (note 2)	\$ 30,000	\$ 30,000	\$ 30,123
Saturdays Unlocked	–	43,250	–
City of Hamilton grants (note 2)	–	28,737	17,608
Hamilton Day 2021	40,000	2,000	–
Other	12,500	630	5,300
Seven Saturday's	–	–	28,042
LSMA funding (note 3)	–	–	3,005
Total revenue	82,500	104,617	84,078
Expenses:			
Advertising and promotion	10,850	10,190	13,092
Amortization	–	1,984	15,257
Commercial improvement	15,000	8,136	30,871
Festival expenses	47,000	51,433	34,897
Insurance	1,650	812	1,363
Office supplies	150	462	270
Professional fees	5,100	1,660	2,905
Rent	2,750	2,932	2,428
Total expenses	82,500	77,609	101,083
Annual surplus (deficit)	–	27,008	(17,005)
Accumulated surplus, beginning of year	70,159	70,159	87,164
Accumulated surplus, end of year	\$ 70,159	\$ 97,167	\$ 70,159

See accompanying notes to financial statements.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Annual surplus (deficit)	\$ 27,008	\$ (17,005)
Acquisition of tangible capital assets	(4,658)	(30,637)
Amortization of tangible capital assets	1,984	15,257
(Increase) decrease in prepaid expenses	(740)	2,581
Change in net financial assets	23,594	(29,804)
Net financial assets, beginning of year	43,386	73,190
Net financial assets, end of year	\$ 66,980	\$ 43,386

See accompanying notes to financial statements.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 27,008	\$ (17,005)
Items not involving cash:		
Amortization	1,984	15,257
Change in non-cash assets and liabilities:		
Accounts receivable	3,200	(5,200)
HST receivable	(8,177)	(8,714)
Prepaid expenses	(740)	2,581
Accounts payable and accrued liabilities	(6,070)	6,462
Deferred revenue	—	(3,005)
Net change in cash from operating activities	17,205	(9,624)
Investing activities:		
Acquisition of tangible capital assets	(4,658)	(30,637)
Financing activities:		
Change in due from City of Hamilton	5,123	4,384
Increase (decrease) in cash	17,670	(35,877)
Cash, beginning of year	32,209	68,086
Cash, end of year	\$ 49,879	\$ 32,209

See accompanying notes to financial statements.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2021

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

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

1. Significant accounting policies:

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

(a) Basis of accounting:

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

(b) Cash and cash equivalents:

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

(c) Government transfers:

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

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(d) 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.

(e) Non-financial assets:

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

(i) Tangible capital assets:

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

Asset	Useful life - years
Decorations	5
Banners	4
Light standards	10

(f) Use of estimates:

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

(g) Related party transactions:

Transactions with related parties are measured at the carrying amount.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Related party transactions:

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

Revenue:

	2021	2020
Member levy collected on behalf of the Business Improvement Area	\$ 30,123	\$ 30,123
City of Hamilton grants	28,737	17,608

The City of Hamilton has also contributed \$2,463 (2020 - \$2,548) to commercial improvement programs undertaken by the Business Improvement Area, \$1,300 (2020 - \$1,300) for the annual Christmas grant, \$11,774 (2020 - \$3,727) from the parking sharing revenue program and \$13,200 (2020 - \$10,033) in other grants.

At the end of the year, the Business Improvement Area had a receivable of \$1,300 (2020 - \$6,300) and \$nil (2020 - \$123) from the City of Hamilton for outstanding grants and member levy surplus. The Business Improvement Area had a payable \$339 (2020 - \$339) owing for the annual audit expenses.

3. 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:

	2021	2020
Balance, beginning of year	\$ 2,447	\$ 5,452
Recognized as revenue	-	(3,005)
Balance, end of year	\$ 2,447	\$ 2,447

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Tangible capital assets:

Cost	Balance at December 31, 2020	Additions	Disposals	Balance at December 31, 2021
Decorations	\$ 51,025	\$ –	\$ –	\$ 51,025
Banners	18,744	4,658	–	23,402
Light standards	22,866	–	–	22,866
Total	\$ 92,635	\$ 4,658	\$ –	\$ 97,293

Accumulated amortization	Balance at December 31, 2020	Disposals	Amortization expense	Balance at December 31, 2021
Decorations	\$ 46,734	\$ –	\$ (1,149)	\$ 45,585
Banners	18,480	–	846	19,326
Light standards	1,143	–	2,287	3,430
Total	\$ 66,357	\$ –	\$ 1,984	\$ 68,341

Net book value	December 31, 2020	December 31, 2021
Decorations	\$ 4,291	\$ 5,440
Banners	264	4,076
Light standards	21,723	19,436
Total	\$ 26,278	\$ 28,952

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2021 or 2020.

(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 2020.

LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Accumulated surplus:

Accumulated surplus consists of the following:

	2021	2020
Surplus:		
Invested in tangible capital assets	\$ 28,952	\$ 26,278
Operating	66,980	43,386
Prepaid expenses	1,235	495
	\$ 97,167	\$ 70,159

6. Budget data:

The budget data presented in these financial statements is based upon the 2021 budget approved by the Board on January 25, 2021. 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. COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact across the world. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus.

Several measures were put in place by the Federal Government which include the implementation of travel bans, self-imposed quarantine periods and social distancing. These measures have caused material disruption to individuals, businesses and organizations globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

Financial Statements of

**STONEY CREEK BUSINESS
IMPROVEMENT AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2021



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton, ON L8P 4W7
Canada
Telephone 905 523 8200
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INDEPENDENT AUDITOR'S 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 City of Hamilton

Opinion

We have audited the accompanying financial statements of the Stoney Creek Business Improvement Area (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2021,
- the statement of operations for the year then ended,
- the statement of changes in net financial assets for the year then ended,
- the statement of cash flows for the year then ended,
- and notes, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our Auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Ontario
December 15, 2023

STONEY CREEK BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2021

Financial Statements

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STONEY CREEK BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets		
Cash	\$ 19,156	\$ 19,817
Accounts receivable	12,410	–
HST receivable	15,471	9,822
Due from the City of Hamilton (note 4)	730	7,958
	<u>47,767</u>	<u>37,597</u>
Financial liabilities		
Accounts payables and accrued liabilities	–	6,296
Net financial assets	47,767	31,301
Non-financial assets		
Tangible capital assets (note 2)	5,202	8,145
Prepaid expenses	993	1,103
	<u>6,195</u>	<u>9,248</u>
Accumulated surplus (note 3)	<u>\$ 53,962</u>	<u>\$ 40,549</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

STONEY CREEK BUSINESS IMPROVEMENT AREA

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 5)	2021	2020
Revenue:			
Assessment levy (note 4)	\$ 49,000	\$ 49,697	\$ 49,643
City of Hamilton grants (note 4)	–	25,346	16,347
Other revenue	13,788	16,000	4,602
Total revenue	62,788	91,043	70,592
Expenses:			
Administration	29,360	36,293	22,350
Advertising and promotion	1,000	7,114	1,154
Amortization	–	2,943	3,954
Audit fees	475	427	427
Beautification	9,750	18,919	7,387
Christmas decorations and Santa Claus parade	19,000	7,769	7,370
Insurance	–	2,096	1,767
Miscellaneous	–	560	129
Special events	–	1,509	15,511
Total expenses	59,585	77,630	60,049
Annual surplus	3,203	13,413	10,543
Accumulated surplus, beginning of year	40,549	40,549	30,006
Accumulated surplus, end of year (note 3)	\$ 43,752	\$ 53,962	\$ 40,549

See accompanying notes to financial statements.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Annual surplus	\$ 13,413	\$ 10,543
Amortization of tangible capital assets	2,943	3,954
Acquisition of tangible capital assets	-	(1,353)
Decrease (increase) in prepaid expenses	110	(169)
Change in net financial assets	16,466	12,975
Net financial assets, beginning of year	31,301	18,326
Net financial assets, end of year	\$ 47,767	\$ 31,301

See accompanying notes to financial statements.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 13,413	\$ 10,543
Items not involving cash:		
Amortization	2,943	3,954
Change in non-cash assets and liabilities:		
Accounts receivable	(12,410)	4,390
HST receivable	(5,649)	(3,531)
Accounts payable and accruals	(6,296)	2,439
Prepaid expenses	110	(169)
Net change in cash from operating activities	(7,889)	17,626
Capital activities:		
Acquisition of tangible capital assets	-	(1,353)
Financing activities:		
Change in due from City of Hamilton	7,228	(7,846)
Net (decrease) increase in cash	(661)	8,427
Cash, beginning of year	19,817	11,390
Cash, end of year	\$ 19,156	\$ 19,817

See accompanying notes to financial statements.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2021

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:

Cash includes cash on hand and balances with banks.

(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, 2021

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.

(g) Related party transactions:

Transactions with related parties are measured at the carrying amount.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Tangible capital assets:

Cost	Balance at December 31, 2020	Additions	Disposals	Balance at December 31, 2021
Decorations	\$ 34,998	\$ -	\$ -	\$ 34,998

Accumulated amortization	Balance at December 31, 2020	Disposals	Amortization expense	Balance at December 31, 2021
Decorations	\$ 26,853	\$ -	\$ 2,943	\$ 29,796

Net book value	December 31, 2021	December 31, 2020
Decorations	\$ 5,202	\$ 8,145

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2021 or 2020.

(b) Tangible capital assets disclosed at nominal values:

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

(c) Write-down of tangible capital assets:

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

STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2021	2020
Surplus:		
Invested in tangible capital assets	\$ 5,202	\$ 8,145
Prepaid expenses	993	1,103
Operating	47,767	31,301
Accumulated surplus	\$ 53,962	\$ 40,549

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

	2021	2020
Fund balance, beginning of year	\$ 2,000	\$ 2,000
Transfers to reserves	-	-
Fund balance, end of year	\$ 2,000	\$ 2,000

4. Related party transactions:

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

Revenue:

	2021	2020
Member levy collected on behalf of the Business Improvement Area	\$ 49,697	\$ 49,643

The City of Hamilton has also contributed \$8,035 (2020 - \$8,047) to commercial improvement programs undertaken by the Business Improvement Area and \$17,311 (2020 - \$8,300) in other grant funding and the Business Improvement area paid \$nil (2020 - \$1,414) in expenses to the City of Hamilton for commercial improvements during the year. At the end of the year, other grants of \$1,300 (2020 - \$9,347 including member levy surplus) were receivable from the City of Hamilton. The Business Improvement Area has a payable of \$570 (2020 - \$1,389) for audit accruals, other expenses and member levy deficit.

STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Budget data:

The budget data presented in these financial statements is based upon the 2021 budget approved by the Board on October 21, 2020. 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.

6. COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact across the world. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus.

Several measures were put in place by the Federal Government which include the implementation of travel bans, self-imposed quarantine periods and social distancing. These measures have caused material disruption to individuals, businesses, and organizations globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

Financial Statements of

**WESTDALE BUSINESS
IMPROVEMENT AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2021



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton, ON L8P 4W7
Canada
Telephone 905 523 8200
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INDEPENDENT AUDITOR'S 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

Opinion

We have audited the accompanying financial statements of the Westdale Business Improvement Area (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2021,
- the statement of operations and accumulated surplus for the year then ended,
- the statement of changes in net financial assets for the year then ended,
- the statement of cash flows for the year then ended,
- and notes, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

March 14, 2024

WESTDALE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2021

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WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets		
Cash	\$ –	\$ 62,965
Grant receivables	88,000	–
HST receivable	51,718	35,996
Due from City of Hamilton (note 4)	872	600
	<u>140,590</u>	<u>99,561</u>
Financial liabilities		
Bank indebtedness	39,673	–
Accounts payable and accrued liabilities	309	2,034
Net financial assets	<u>100,608</u>	<u>97,527</u>
Non-financial assets		
Tangible capital assets (note 2)	33,705	36,303
Prepaid expenses	2,459	1,751
	<u>36,164</u>	<u>38,054</u>
COVID-19 (note 6)		
Accumulated surplus (note 3)	<u>\$ 136,772</u>	<u>\$ 135,581</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director
_____ Director

WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

	Budget (note 5)	2021	2020
Revenue:			
Assessment levy (note 4)	\$ 125,000	\$ 125,000	\$ 124,234
City of Hamilton grants (note 4)	–	40,231	54,062
Other grant income	–	88,000	–
Other income	–	10,270	5,100
	125,000	263,501	\$ 183,396
Expenses:			
Advertising	33,000	89,883	40,982
Amortization	–	4,777	3,107
Audit and legal fees	–	45,142	2,259
Bank charges	–	48	67
Beautification	18,000	29,578	28,060
Consulting	33,000	–	–
Festival	34,000	72,679	31,743
Insurance	–	2,571	4,249
Office and general expense	5,000	12,222	4,203
Rent	–	1,027	–
Wages	2,000	4,383	4,176
	125,000	262,310	118,846
Annual surplus	–	1,191	64,550
Accumulated surplus, beginning of year	135,581	135,581	71,031
Accumulated surplus, end of year	\$ 135,581	\$ 136,772	\$ 135,581

See accompanying notes to financial statements.

WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Annual surplus	\$ 1,191	\$ 64,550
Amortization of tangible capital assets	4,777	3,107
Acquisition of tangible capital assets	(2,179)	(30,018)
(Increase) decrease in prepaid expenses	(708)	801
Change in net financial assets	3,081	38,440
Net financial assets, beginning of year	97,527	59,087
Net financial assets, end of year	\$ 100,608	\$ 97,527

See accompanying notes to financial statements.

WESTDALE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,191	\$ 64,550
Items not involving cash:		
Amortization	4,777	3,107
Change in non-cash assets and liabilities:		
Grants receivable	(88,000)	—
HST receivable	(15,722)	(10,205)
Accounts payable and accrued liabilities	(1,725)	(2,496)
Prepaid expenses	(708)	801
Cash (used in) from operating activities	(100,187)	55,757
Investing activities:		
Acquisition of tangible capital assets	(2,179)	(30,018)
Financing activities:		
Change in due from City of Hamilton	(272)	29,207
Net (decrease) increase in cash	(102,638)	54,946
Cash, beginning of year	62,965	8,019
(Bank indebtedness) cash, end of year	\$ (39,673)	\$ 62,965

See accompanying notes to financial statements.

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2021

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, 2021

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 depreciated on a straight-line basis over their estimated useful lives as follows:

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

(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, 2021

2. Tangible capital assets:

Cost	Balance at December 31, 2020	Additions	Disposals	Balance at December 31, 2021
Furniture and equipment	\$ 46,907	\$ -	\$ -	\$ 46,907
Computer hardware	1,337	2,179	(1,337)	2,179
Decorations	50,463	-	-	50,463
Total	\$ 98,707	\$ 2,179	\$ (1,337)	\$ 99,549

Accumulated Amortization	Balance at December 31, 2020	Amortization expense	Disposals	Balance at December 31, 2021
Furniture and equipment	\$ 11,186	\$ 3,977	\$ -	\$ 15,163
Computer hardware	1,337	218	(1,337)	218
Decorations	49,881	582	-	50,463
Total	\$ 62,404	\$ 4,777	\$ (1,337)	\$ 65,844

Net book value	December 31, 2020	December 31, 2021
Furniture and equipment	\$ 35,721	\$ 31,744
Computer hardware	-	1,961
Decorations	582	-
Total	\$ 36,303	\$ 33,705

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Tangible capital assets (continued):

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2021 or 2020.

(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 2020.

3. Accumulated surplus:

Accumulated surplus consists of the following:

	2021	2020
Surplus:		
Invested in tangible capital assets	\$ 33,705	\$ 36,303
Operating	100,608	97,527
Prepaid expenses	2,459	1,751
Accumulated surplus	\$ 136,772	\$ 135,581

4. Related party transactions:

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

	2021	2020
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 125,000	\$ 124,234
City of Hamilton Grants	40,231	54,062

WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Related party transactions (continued):

The City of Hamilton has also contributed \$11,551 (2020 - \$11,551) to commercial improvement programs undertaken by the Business Improvement Area, \$16,068 (2020 - \$16,068) to a parking revenue sharing program and \$12,612 (2020 - \$26,443) in other grants.

At the end of the year, the Business Improvement Area had a receivable of \$1,300 (2020 - \$1,300) from the City of Hamilton for outstanding grants. The Business Improvement Area had a payable of \$428 (2020 - \$700) to the City of Hamilton for the member levy deficit in the year and audit fee expenses.

5. Budget data:

The budget data presented in these financial statements is based upon the 2021 budget approved by the Board on October 14, 2020. 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. COVID-19:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact across the world. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus.

Several measures were put in place by the Federal Government which include the implementation of travel bans, self-imposed quarantine periods and social distancing. These measures have caused material disruption to individuals, businesses and organizations globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.