

Financial Statements of

**ANCASTER BUSINESS  
IMPROVEMENT AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2022



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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

### ***Opinion***

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

- the statement of financial position as at December 31, 2022,
- 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, 2022, 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' 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 auditors' 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 auditors' 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 23, 2023

# ANCASTER BUSINESS IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2022

### Financial Statements

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# ANCASTER BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ 95,551	\$ 105,492
HST receivable	8,113	9,324
Due from City of Hamilton (note 2)	6,890	4,210
	<u>110,554</u>	<u>119,026</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	3,610	982
Net financial assets	<u>106,944</u>	<u>118,044</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 3)	2,445	2,925
Prepaid expenses	1,313	10,266
	<u>3,758</u>	<u>13,191</u>
Accumulated surplus (note 4)	<u>\$ 110,702</u>	<u>\$ 131,235</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## ANCASTER BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	Budget (note 5)	2022	2021
<b>Revenues:</b>			
Assessment levy (note 2)	\$ 100,450	\$ 101,296	\$ 98,764
City of Hamilton grants (note 2)	-	12,181	22,210
Government of Canada grants (note 6)	-	12,239	7,965
Farmer's Market income (note 2)	-	26,596	24,395
Other income	-	1,010	4,734
<b>Total revenues</b>	<b>100,450</b>	<b>153,322</b>	<b>158,068</b>
<b>Expenses:</b>			
Advertising and promotion	46,450	44,548	44,294
Amortization	-	480	1,274
Ancaster Farmer's Market	-	32,283	25,435
Bank charges and interest	-	300	310
Beautification	9,000	26,180	16,426
Business taxes	-	243	238
Donations	-	7,000	1,000
Insurance	-	2,391	2,294
Miscellaneous	5,000	-	-
Office expenses	-	704	671
Professional fees	-	429	854
Salaries	40,000	59,297	52,035
<b>Total expenses</b>	<b>100,450</b>	<b>173,855</b>	<b>144,831</b>
Annual (deficit) surplus	-	(20,533)	13,237
Accumulated surplus, beginning of year	131,235	131,235	117,998
<b>Accumulated surplus, end of year</b>	<b>\$ 131,235</b>	<b>\$ 110,702</b>	<b>\$ 131,235</b>

See accompanying notes to financial statements.

## ANCASTER BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Annual (deficit) surplus	\$ (20,533)	\$ 13,237
Amortization of tangible capital assets	480	1,274
Decrease (increase) in prepaid expenses	8,953	(7,666)
Change in net financial assets	(11,100)	6,845
Net financial assets, beginning of year	118,044	111,199
Net financial assets, end of year	\$ 106,944	\$ 118,044

See accompanying notes to financial statements.



## ANCASTER BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (20,533)	\$ 13,237
Items not involving cash:		
Amortization	480	1,274
Changes in non-cash operating working capital:		
Prepaid expenses	8,953	(7,666)
HST receivable	1,211	(3,711)
Accounts payable and accrued liabilities	2,628	(9,610)
Net change in cash from operating activities	(7,261)	(6,476)
Financing activities:		
Change in due from City of Hamilton	(2,680)	(4,111)
Change in cash	(9,941)	(10,587)
Cash, beginning of year	105,492	116,079
Cash, end of year	\$ 95,551	\$ 105,492

See accompanying notes to financial statements.

# ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2022

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

## 1. Significant accounting policies:

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

(a) Basis of accounting:

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

(b) Cash and cash equivalents:

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

(c) Government transfers:

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

(d) Other income:

Other income is reported as revenue in the period earned.

# ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

(e) Non-financial assets:

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

(i) Tangible capital assets:

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

Asset	Useful life - years
Decorations	5
Computers	5
Furniture	10

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(f) Use of estimates:

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

(g) Related party transactions:

Transactions with related parties are measured at the carrying amount.

# ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

## 2. Related party transactions:

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

	2022	2021
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 101,296	\$ 98,764
Expenses:		
Beautification	6,010	6,601

The City of Hamilton has also contributed \$5,598 (2021 - \$5,626) to commercial improvement programs undertaken by the Business Improvement Area, \$5,283 (2021 - \$5,283) from parking revenue sharing program, and \$1,300 (2020 - \$11,301) in other miscellaneous grants. An additional grant received of \$3,000 (2021 - \$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 \$6,898 (2021 - \$4,300) was receivable from the City of Hamilton and \$845 (2021 - \$764) for cash received in excess of the member levy collected by the City of Hamilton. The amount recorded in due from the City of Hamilton also includes a payable to the City of Hamilton of \$764 (2021 - \$854) 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, 2022

### 3. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Computers	\$ 2,993	\$ -	\$ 594	\$ 2,399
Furniture	7,945	-	-	7,945
<b>Total</b>	<b>\$ 10,938</b>	<b>\$ -</b>	<b>\$ 594</b>	<b>\$ 10,344</b>

Accumulated amortization	Balance at December 31, 2021	Disposals	Amortization expense	Balance at December 31, 2022
Computers	\$ 1,313	\$ 594	\$ 480	\$ 1,199
Furniture	6,700	-	-	6,700
<b>Total</b>	<b>\$ 8,013</b>	<b>\$ 594</b>	<b>\$ 480</b>	<b>\$ 7,899</b>

Net book value	December 31, 2022	December 31, 2021
Computers	\$ 1,200	\$ 1,680
Furniture	1,245	1,245
<b>Total</b>	<b>\$ 2,445</b>	<b>\$ 2,925</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2021 - \$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.

# ANCASTER BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

**4. Accumulated surplus:**

Accumulated surplus consists of the following:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 2,445	\$ 2,925
Operating	108,257	128,310
	<b>\$ 110,702</b>	<b>\$ 131,235</b>

**5. Budget data:**

The budget data presented in these financial statements is based upon the 2022 budget approved by the Board on October 19, 2021. 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.

**6. Government of Canada grants:**

Included in Government of Canada grants are \$12,239 (2021 - \$7,695) provided under the Canada summer student jobs grant.

Financial Statements of

**BARTON VILLAGE  
BUSINESS IMPROVEMENT  
AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2022



**KPMG LLP**

Commerce Place  
21 King Street West, Suite 700  
Hamilton, ON L8P 4W7  
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Telephone 905 523 8200  
Fax 905 523 2222

**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, 2022
- 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, 2022, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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.

The image shows the handwritten signature of KPMG LLP in black ink. The letters are bold and slanted, with a horizontal line underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

April 4, 2024

# **BARTON VILLAGE BUSINESS IMPROVEMENT AREA**

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Year ended December 31, 2022

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## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ 5,918	\$ 65,331
Accounts receivable	26,048	3,916
HST receivable	10,543	8,183
Due from City of Hamilton (note 3)	16,772	18,835
	<u>59,281</u>	<u>96,265</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	11,566	18,250
	<u>11,566</u>	<u>18,250</u>
Net financial assets	47,715	78,015
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	5,943	7,666
Prepaid expenses	1,800	3,495
	<u>7,743</u>	<u>11,161</u>
Commitment (note 5)		
Accumulated surplus (note 4)	\$ 55,458	\$ 89,176

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, 2022, with comparative information for 2021

	Budget 2022 (note 6)	Actual 2022	Actual 2021
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 75,000	\$ 75,789	\$ 77,111
City of Hamilton grants (note 3)	80,798	17,291	52,737
Festival income	–	28,893	3,996
Federal grant - Canada summer jobs	–	4,666	–
Other income	–	10,548	29,725
<b>Total revenue</b>	<b>155,798</b>	<b>137,187</b>	<b>163,569</b>
<b>Expenses:</b>			
Advertising and promotion	31,760	21,074	14,358
Amortization	–	1,701	5,349
Bank charges	150	359	473
Commercial improvement	–	11,944	18,403
Event equipment and supplies	2,000	10,400	18,111
Insurance	2,500	3,028	5,602
Bad debt expense	–	105	–
Meetings and business development	2,100	1,553	740
Office expenses	3,716	5,602	2,797
Professional fees	1,700	1,564	5,414
Rent	23,052	21,600	20,400
Salaries - administrative	55,000	67,895	52,124
Festival expenses	34,000	20,433	2,567
COVID support	–	–	1,847
Loss on disposal of assets	–	3,647	–
<b>Total expenses</b>	<b>155,978</b>	<b>170,905</b>	<b>148,185</b>
Annual (deficit) surplus	–	(33,718)	15,384
Accumulated surplus, beginning of year	89,176	89,176	73,792
<b>Accumulated surplus, end of year</b>	<b>\$ 89,176</b>	<b>\$ 55,458</b>	<b>\$ 89,176</b>

See accompanying notes to financial statements.

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Annual (deficit) surplus	\$ (33,718)	\$ 15,384
Amortization of tangible capital assets	1,701	5,349
Acquisition of tangible capital assets	(3,625)	-
Loss on disposal of tangible capital assets	3,647	-
Decrease (increase) in prepaid expenses	1,695	(1,134)
Change in net financial assets	(30,300)	19,599
Net financial assets, beginning of year	78,015	58,416
Net financial assets, end of year	\$ 47,715	\$ 78,015

See accompanying notes to financial statements.

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (33,718)	\$ 15,384
Items not involving cash:		
Amortization of tangible capital assets	1,701	5,349
Loss on disposal of tangible capital assets	3,647	–
Changes in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	(6,684)	15,147
HST receivable	(2,360)	(3,753)
Accounts receivable	(22,132)	14,317
Deferred revenue	–	(13,664)
Prepaid expenses	1,695	(1,134)
Net change in cash from operating activities	(57,851)	31,646
Investing activities:		
Acquisition of tangible capital assets	(3,625)	–
Net change in cash from investing activities	(3,625)	–
Financing activities:		
Change in due from City of Hamilton	2,063	13,602
Net (decrease) increase in cash	(59,413)	45,248
Cash, beginning of year	65,331	20,083
Cash, end of year	\$ 5,918	\$ 65,331

See accompanying notes to financial statements.

# BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2022

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

## 1. Significant accounting policies:

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

(a) Basis of accounting:

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

(b) Government 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.

(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.



## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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

(d) Non-financial assets (continued):

(i) Tangible capital assets:

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

Asset	Useful life - years
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.

### 2. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Computer hardware	\$ 4,156	\$ -	\$ -	\$ 4,156
Decorations	46,323	3,625	(46,323)	3,625
Furniture and equipment	15,886	-	-	15,886
<b>Total</b>	<b>\$ 66,365</b>	<b>\$ 3,625</b>	<b>\$ (46,323)</b>	<b>\$ 23,667</b>

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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

Accumulated amortization	Balance at December 31, 2021	Amortization expense	Disposals	Balance at December 31, 2022
Computer hardware	\$ 3,709	\$ 447	\$ –	\$ 4,156
Decorations	42,676	–	(42,676)	–
Furniture and equipment	12,314	1,254	–	13,568
<b>Total</b>	<b>\$ 58,699</b>	<b>\$ 1,701</b>	<b>\$ (42,676)</b>	<b>\$ 17,724</b>

	Net book value December 31, 2021	Net book value December 31, 2022
Computer hardware	\$ 447	\$ –
Decorations	3,647	3,625
Furniture and equipment	3,572	2,318
<b>Total</b>	<b>\$ 7,666</b>	<b>\$ 5,943</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2022 or 2021.

(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 2021.

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

### 3. Related party transactions:

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

	2022	2021
<b>Revenue:</b>		
Member levy collected on behalf of the Business Improvement Area	\$ 75,789	\$ 77,111
Grants	17,291	52,737
<b>Expenses:</b>		
Commercial improvement	–	1,322
Festival expenses	2,342	2,567
Professional fees	427	–

The City of Hamilton has also contributed \$6,218 2022 (2021 - \$nil) to commercial improvement programs undertaken by the Business Improvement Area. The City of Hamilton contributed \$10,192 (2021 - \$10,192) from parking sharing revenue program, nil from shop local funding (2021 - \$10,000), nil from Canada Health communities initiative (2021 - \$30,000) and \$881 (2021 - \$2,545) in other grants.

At the end of the year, the Business Improvement Area had a receivable from the City of Hamilton of \$16,772 (2021 - \$18,835) which includes \$16,410 (2021 - \$18,126) in outstanding grants and member levy surplus of \$789 (2021 – deficit of \$282) net of annual audit accrual of \$427 (2021 - \$427).

### 4. Accumulated surplus:

Accumulated surplus consists of the following:

	2022	2021
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 5,943	\$ 7,666
Operating	47,715	78,015
Prepaid expenses	1,800	3,495
<b>Accumulated surplus</b>	<b>\$ 55,458</b>	<b>\$ 89,176</b>

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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### 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:

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2023	\$	27,120
2024		27,120
2025		27,120
		<hr/>
	\$	81,360

---

### 6. Budget data:

The budget data presented in these financial statements is based upon the 2022 budget approved by the Board in December 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.

Financial Statements of

**CONCESSION STREET BUSINESS  
IMPROVEMENT AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2022

## INDEPENDENT AUDITOR'S 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

### ***Opinion***

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

- the statement of financial position as at December 31, 2022,
- 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, 2022, 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 auditors' 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.

Page 2

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

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

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

The image shows a handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, slightly slanted style. Below the signature, there is a horizontal line that starts under the 'K' and extends to the right, ending under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

January 18, 2024



# CONCESSION STREET IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2022

### Financial Statements

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# CONCESSION STREET IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ 50,027	\$ 107,642
Due from the City of Hamilton (note 4)	5,027	–
HST receivable	13,523	9,902
	<u>68,577</u>	<u>117,544</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	44,178	15,547
Deferred revenue	2,620	2,370
Due to City of Hamilton (note 4)	–	2,990
	<u>46,798</u>	<u>20,907</u>
Net financial assets	21,779	96,637
<b>Non-Financial assets</b>		
Tangible capital assets (note 2)	748	1,862
Prepaid expenses	5,979	5,941
	<u>6,727</u>	<u>7,803</u>
Commitment (note 6)		
Accumulated surplus (note 3)	\$ 28,506	\$ 104,440

See accompanying notes to financial statements.

On behalf of the Board:

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

## CONCESSION STREET IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	Budget (note 6)	2022	2021
<b>Revenue:</b>			
Assessment levy (note 4)	\$ 130,706	\$ 115,263	\$ 115,410
City of Hamilton grants (note 4)	–	35,855	40,615
Other income	–	–	2,700
<b>Total revenue</b>	<b>130,706</b>	<b>151,118</b>	<b>158,725</b>
<b>Expenses:</b>			
Festivals	18,500	61,816	27,227
Salaries and wages	59,800	57,476	48,524
Advertising and promotion	15,000	44,923	27,919
General beautification and improvements (note 4)	15,256	27,384	34,355
Miscellaneous	–	10,867	3,088
Rent	8,000	9,023	8,976
Insurance	5,100	4,647	4,834
Professional fees	4,450	4,027	4,965
Contract services	–	2,824	43
Office and general	3,400	2,770	8,259
Amortization	–	1,114	1,907
Interest and bank charges	–	181	138
Revitalization	–	–	1,715
Utilities	1,200	–	–
Repairs and maintenance	–	–	–
<b>Total expenses</b>	<b>130,706</b>	<b>227,052</b>	<b>171,950</b>
<b>Annual deficit</b>	<b>–</b>	<b>(75,934)</b>	<b>(13,225)</b>
<b>Accumulated surplus, beginning of year</b>	<b>104,440</b>	<b>104,440</b>	<b>117,665</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 104,440</b>	<b>\$ 28,506</b>	<b>\$ 104,440</b>

See accompanying notes to financial statements.

## CONCESSION STREET IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Annual deficit	(75,934)	(13,225)
Increase of tangible capital assets	–	(1,068)
Disposal of tangible capital assets	–	3,447
Amortization of tangible capital assets	1,114	1,907
Increase in prepaid expenses	(38)	(4,864)
Change in net financial assets	(74,858)	(13,803)
Net financial assets, beginning of year	96,637	110,440
Net financial assets, end of year	\$ 21,779	\$ 96,637

See accompanying notes to financial statements.

## CONCESSION STREET IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (75,934)	\$ (14,863)
Items not involving cash:		
Amortization	1,114	1,907
Disposal of tangible capital assets	–	3,447
Change in non-cash assets and liabilities:		
HST receivable	(3,621)	4,923
Accounts payable and accrued liabilities	28,631	675
Deferred revenue	250	200
Prepaid expenses	(38)	(4,864)
Net change in cash from operating activities	(49,598)	(6,937)
Capital activities:		
Cash used to acquire tangible capital assets	–	(1,068)
Financing activities:		
Change in due from City of Hamilton	(8,017)	16,835
Decrease in investments	–	50,000
Net (decrease) increase in cash	(57,615)	58,830
Cash, beginning of year	107,642	48,812
Cash, end of year	\$ 50,027	\$ 107,642

See accompanying notes to financial statements.

The Concession Street 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 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:

Cash includes cash on hand and balances with banks.

(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.

(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
Banners	2

(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.

(h) Related party transactions:

Transactions with related parties are measured at the carrying amount.

**2. Tangible capital assets:**

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Computer hardware	\$ 1,068	\$ –	\$ –	\$ 1,068
Banners	3,601	–	–	3,601
<b>Total</b>	<b>\$ 4,669</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 4,669</b>

Accumulated amortization	Balance at December 31, 2021	Disposals	Amortization expense	Balance at December 31, 2022
Computer hardware	\$ 107	\$ –	\$ 213	\$ 320
Banners	2,700	–	901	3,601
<b>Total</b>	<b>\$ 2,807</b>	<b>\$ –</b>	<b>\$ 1,114</b>	<b>\$ 3,921</b>

	Net book value December 31, 2022	Net book value December 31, 2021
Computer hardware	\$ 748	\$ 961
Banners	–	901
<b>Total</b>	<b>\$ 748</b>	<b>\$ 1,862</b>



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

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2022 or 2021.

(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 wrote down \$nil in tangible capital assets during the year.

**3. Accumulated surplus:**

Accumulated surplus consists of the following:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 748	\$ 1,862
Operating surplus	27,758	102,578
<b>Accumulated Surplus</b>	<b>\$ 28,506</b>	<b>\$ 104,440</b>

**4. Related party transactions:**

City of Hamilton:

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

	2022	2021
<b>Revenue:</b>		
Member levy collected on behalf of the Business Improvement Area	\$ 115,263	\$ 115,410
Grants	35,855	40,615
<b>Expenses:</b>		
Beautification	15,692	19,863

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

The City of Hamilton has also contributed \$8,283 (2021 - \$8,071) to commercial improvement programs undertaken by the Business Improvement Area, \$14,272 (2021 - \$14,272) from parking sharing revenue program, \$1,300 (2021 - \$1,300) for the annual Christmas grant and \$12,000 (2021 - \$16,972) in other grants. At the end of the year, there was \$nil (2021 - \$3,347) owing to the City of Hamilton for general beautification expenses, \$854 (2021 - \$854) owing for annual audit expenses and \$3,701 (2021 - \$89) owing for the cash received in excess of member levy collected by the City, net of \$8,282 (2021 - \$1,300) in grants owing from the City of Hamilton.

**5. Budget data:**

The budget data presented in these financial statements is based upon the 2022 budget approved by the Board in November 2021. 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.

**6. Commitment:**

The Business Improvement Area is committed to minimum annual lease payments under an operating lease for its office space until 2023 as follows:

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2023	\$ 2,372
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Financial Statements of

**DOWNTOWN HAMILTON  
BUSINESS IMPROVEMENT AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2022



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

### *Opinion*

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

- the statement of financial position as at December 31, 2022,
- 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, 2022, 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 15, 2023

# **DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA**

## Financial Statements

Year ended December 31, 2022

### Financial Statements

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## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ 50,528	\$ 27,769
HST receivable	30,253	29,212
Accounts receivable	477	–
Investments	–	70,083
	<u>81,258</u>	<u>127,064</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	14,165	12,679
Due to City of Hamilton (note 5)	9,010	8,924
	<u>23,175</u>	<u>21,603</u>
Net financial assets	58,083	105,461
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	28,819	30,459
Prepaid expenses	9,536	11,808
	<u>38,355</u>	<u>42,267</u>
Accumulated surplus (note 3)	<u>\$ 96,438</u>	<u>\$ 147,728</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director



## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	Budget (note 6)	2022	2021
<b>Revenue:</b>			
Assessment levy (note 5)	\$ 400,000	\$ 385,878	\$ 383,015
City of Hamilton grants (note 5)	–	50,159	50,777
Federal grant	–	9,326	19,404
Interest	–	280	1,229
Other	65,000	10,675	9,000
	<u>465,000</u>	<u>456,318</u>	<u>463,425</u>
<b>Expenses:</b>			
Administration	8,500	9,574	14,054
Depreciation	12,000	6,340	8,425
Bad debt expense	500	–	3,175
Beautification	50,000	51,938	44,023
Miscellaneous	20,000	–	–
Office	63,000	73,978	65,874
Professional fees	6,000	8,332	6,841
Promotions	125,000	178,086	157,221
Salaries	180,000	179,360	186,279
	<u>465,000</u>	<u>507,608</u>	<u>485,892</u>
Annual deficit	–	(51,290)	(22,467)
Accumulated surplus, beginning of year	147,728	147,728	170,195
Accumulated surplus, end of year	\$ 147,728	\$ 96,438	\$ 147,728

See accompanying notes to financial statements.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	Budget (note 6)	2022	2021
Annual deficit	\$ -	\$ (51,290)	\$ (22,467)
Acquisition of tangible capital assets	-	(4,700)	(11,145)
Depreciation of tangible capital assets	12,000	6,340	8,425
Decrease in prepaid expenses	-	2,272	(722)
Change in net financial assets	12,000	(47,378)	(25,909)
Net financial assets, beginning of year	105,461	105,461	131,370
Net financial assets, end of year	\$ 117,461	\$ 58,083	\$ 105,461

See accompanying notes to financial statements.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in)		
Operating activities:		
Annual deficit	\$ (51,290)	\$ (22,467)
Items not involving cash:		
Depreciation	6,340	8,425
Accrued interest	-	(1,092)
Changes in non-cash financial assets and liabilities:		
HST receivable	(1,041)	(5,928)
Accounts receivable	(477)	4,654
Prepaid expenses	2,272	(722)
Accounts payable and accrued liabilities	1,486	(32,254)
Net change in cash from operating activities	(42,710)	(49,384)
Capital activities:		
Cash used to acquire tangible capital assets	(4,700)	(11,145)
Financing activities:		
Change in due to City of Hamilton	86	8,839
Change in investments	70,083	69,939
	70,169	78,778
Change in cash	22,759	18,249
Cash, beginning of year	27,769	9,520
Cash, end of year	\$ 50,528	\$ 27,769

See accompanying notes to financial statements.

# DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2022

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

## 1. Significant accounting policies:

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

### (a) Basis of accounting:

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

### (b) 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 cost. When there has been a loss in value that is other than a temporary decline in value, the investment is written down to recognize the loss.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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

(e) Non-financial assets:

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

(i) Tangible capital assets:

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

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

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

(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.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

### 2. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Computer hardware	\$ 11,242	\$ –	\$ –	\$ 11,242
Computer software	206	4,700	–	4,906
Decorations	72,399	–	–	72,399
Furniture and equipment	94,548	–	–	94,548
<b>Total</b>	<b>\$ 178,395</b>	<b>\$ 4,700</b>	<b>\$ –</b>	<b>\$ 183,095</b>

Accumulated depreciation	Balance at December 31, 2021	Disposals	Depreciation expense	Balance at December 31, 2022
Computer hardware	\$ 6,238	\$ –	\$ 1,462	\$ 7,700
Computer software	206	–	1,567	1,773
Decorations	72,210	–	189	72,399
Furniture and equipment	69,282	–	3,122	72,404
<b>Total</b>	<b>\$ 147,936</b>	<b>\$ –</b>	<b>\$ 6,340</b>	<b>\$ 154,276</b>

	Net book value December 31, 2021	Net book value December 31, 2022
Computer hardware	\$ 5,004	\$ 3,542
Computer software	–	3,133
Decorations	189	–
Furniture and equipment	25,266	22,144
<b>Total</b>	<b>\$ 30,459</b>	<b>\$ 28,819</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2022 or 2021.

(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, 2022

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

(c) Write-down of tangible capital assets:

The Business Improvement Area has not written down any tangible capital assets during the year or 2022.

### 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 28,819	\$ 30,459
Operating	67,619	117,269
	<b>\$ 96,438</b>	<b>\$ 147,728</b>

### 4. Commitments:

The Business Improvement Area is committed under a long-term operating lease for the rental of office space until November, 2027. Future minimum lease payments under this operating lease are as follows:

2023	\$ 19,861
2024	20,608
2025	20,757
2026	21,504
2027	17,920

Included in the lease agreement is an additional rent amount of \$12.50 per retail square foot for the tenants share of operating costs. As this amount is an estimate it has not been included in the commitment schedule.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

### 5. Related party transactions:

City of Hamilton:

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

	2022	2021
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 385,878	\$ 383,015
Expenses:		
Beautification	1,654	\$ 1,324

The City of Hamilton also contributed \$5,645 (2021 - \$5,727) to commercial improvement programs undertaken by the Business Improvement Area, \$11,250 (2021 - \$11,250) from parking revenue sharing program, and \$nil (2021 - \$33,800) in other grants. At the end of the year, the Business Improvement Area had a payable of \$14,122 (2021 - \$16,985) for the cash received in excess of the member levy collected by the City of Hamilton and \$916 (2021 - \$916) accrued for expenses, net of \$1,300 (2021 - \$1,300) receivable for the annual Christmas grant and \$5,645 (2021 - \$7,677) of other grants.

### 6. Budget data:

The budget data presented in these financial statements is based upon the 2022 budget approved by the Board on October 12, 2021.



Financial Statements of

**DUNDAS BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2022



KPMG LLP  
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Hamilton, ON L8P 4W7  
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Fax 905 523-2222

## INDEPENDENT AUDITOR'S REPORT

To the Chairman and Members of the Board of Management of the Dundas 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 Dundas Business Improvement Area (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2022,
- 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, 2022, 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 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

November 13, 2023

# DUNDAS BUSINESS IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2022

### Financial Statements

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# DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ 106,243	\$ 79,579
Due from the City of Hamilton (note 4)	38,154	3,429
Accounts receivable	-	2,000
HST receivable	21,288	17,170
Investment	54,000	54,030
	<u>219,685</u>	<u>156,208</u>
<b>Financial liabilities</b>		
<u>Accounts payable and accrued liabilities</u>	<u>53,110</u>	<u>47,174</u>
Net financial assets	166,575	109,034
<b>Non-Financial assets</b>		
Tangible capital assets (note 2)	62,612	-
Commitment (note 7)		
<u>Accumulated surplus (note 3)</u>	<u>\$ 229,187</u>	<u>\$ 109,034</u>

See accompanying notes to financial statements.

On behalf of the Board:

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

## DUNDAS BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	Budget (note 6)	2022	2021
<b>Revenue:</b>			
Assessment levy (note 4)	\$ 178,880	\$ 178,880	\$ 159,927
City of Hamilton grants (note 4)	-	68,872	62,391
Other income	77,189	44,824	3,000
Interest	-	179	104
Federal grant (note 6)	-	-	3,044
<b>Total revenue</b>	<b>256,069</b>	<b>292,755</b>	<b>228,466</b>
<b>Expenses:</b>			
Advertising and promotion	15,100	35,072	21,858
Amortization	-	6,957	-
Beautification	40,140	25,920	34,862
Buskerfest expenses	25,000	-	-
Economic development	3,000	-	3,468
Insurance	4,000	3,738	4,071
Member services	2,100	218	1,025
Office and general	7,750	2,926	4,613
Other events	-	8,209	12,919
Professional fees	3,500	5,325	3,908
Rent	20,100	22,190	19,649
Salaries and wages	58,590	10,839	64,737
Seasonal events	60,100	51,208	72,219
<b>Total expenses</b>	<b>239,380</b>	<b>172,602</b>	<b>243,329</b>
<b>Annual surplus (deficit)</b>	<b>16,689</b>	<b>120,153</b>	<b>(14,863)</b>
<b>Accumulated surplus, beginning of year</b>	<b>109,034</b>	<b>109,034</b>	<b>123,897</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 125,723</b>	<b>\$ 229,187</b>	<b>\$ 109,034</b>

See accompanying notes to financial statements.

## DUNDAS BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Annual surplus (deficit)	120,153	(14,863)
Increase of tangible capital assets	(62,612)	-
Change in net financial assets	57,541	(14,863)
Net financial assets, beginning of year	109,034	123,897
Net financial assets, end of year	\$ 166,575	\$ 109,034

See accompanying notes to financial statements.



## DUNDAS BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 120,153	\$ (14,863)
Items not involving cash:		
Amortization	6,957	-
Change in non-cash assets and liabilities:		
Accounts receivable	2,000	(624)
HST receivable	(4,118)	13,578
Accounts payable and accrued liabilities	5,936	21,032
Net change in cash from operating activities	130,928	19,123
Capital activities:		
Cash used to acquire tangible capital assets	(69,569)	-
Investing activities:		
Disposal (purchase) of investments	30	(50,030)
Financing activities:		
Change in due from City of Hamilton	(34,725)	39,631
Net increase in cash	26,664	8,724
Cash, beginning of year	79,579	70,855
Cash, end of year	\$ 106,243	\$ 79,579

See accompanying notes to financial statements.

# DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2022

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

## 1. Significant accounting policies:

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

### (a) Basis of accounting:

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

### (b) Cash and cash equivalents:

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

### (c) Investments:

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

### (d) Government transfers:

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

# DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

(e) Other income:

Other income is reported as revenue in the period earned.

(f) Non-financial assets:

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

(i) Tangible capital assets:

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

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

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(g) Use of estimates:

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

(h) Related party transactions:

Transactions with related parties are measured at the carrying amount.

## DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

### 2. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Computer software	\$ 426	\$ -	\$ -	\$ 426
Computer hardware	1,239	-	-	1,239
Furniture and equipment	15,489	-	-	15,489
Decorations	60,934	69,569	-	130,503
<b>Total</b>	<b>\$ 78,088</b>	<b>\$ 69,569</b>	<b>\$ -</b>	<b>\$ 147,657</b>

Accumulated amortization	Balance at December 31, 2021	Disposals	Amortization expense	Balance at December 31, 2022
Computer software	\$ 426	\$ -	\$ -	\$ 426
Computer hardware	1,239	-	-	1,239
Furniture and equipment	15,489	-	-	15,489
Decorations	60,934	-	6,957	67,891
<b>Total</b>	<b>\$ 78,088</b>	<b>\$ -</b>	<b>\$ 6,957</b>	<b>\$ 85,045</b>

	Net book value December 31, 2022	Net book value December 31, 2021
Computer software	\$ -	\$ -
Computer hardware	-	-
Furniture and equipment	-	-
Decorations	62,612	-
<b>Total</b>	<b>\$ 62,612</b>	<b>\$ -</b>

## DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

### 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2022	2021
Surplus:		
Operating surplus	\$ 192,229	\$ 72,076
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
	\$ 229,187	\$ 109,034

### 4. Related party transactions:

City of Hamilton:

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

	2022	2021
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 178,880	\$ 159,927
Expenses:		
Advertising and promotion	389	389
Beautification	6,741	5,015
Seasonal events	-	-

The City of Hamilton has also contributed \$15,417 (2021 - \$14,565) to commercial improvement programs undertaken by the Business Improvement Area, \$24,569 (2021 - \$24,569) from parking sharing revenue program and \$28,886 (2021 - \$23,257) in other grants.

At the end of the year, the Business Improvement Area had a receivable of \$39,986 (2021 - \$15,865) from the City of Hamilton for outstanding grants and member levy surplus. The Business Improvement Area had a payable \$1,832 (2021 - \$12,436) primarily for audit fee expenses and for cash received in excess of the member levy collected by the City of Hamilton.

## DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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**5. Budget data:**

The budget data presented in these financial statements is based upon the 2022 budget approved by the Board on October 7, 2021. 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 2022 were \$269,069, of which \$13,000 relates to rebates received on eligible purchases for HST. This has been excluded from the budget presented on the statement of operations for a consistent basis of accounting.

**6. Government transfers:**

During the year, the Business Improvement Area received a federal grant for summer students in the amount of \$nil (2021 - \$ 3,044).

**7. Commitment:**

The Business Improvement Area is committed under an operating lease for the rental of office space until June 30, 2025. Future minimum lease payments under this operating lease are as follows:

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2023	\$	20,292
2024		21,306
2025		10,914

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Financial Statements of

**INTERNATIONAL VILLAGE  
BUSINESS IMPROVEMENT  
AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2022



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## INDEPENDENT AUDITOR'S 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

### *Opinion*

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

- the statement of financial position as at December 31, 2022,
- 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, 2022, 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.





## ***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.
- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

September 14, 2023

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2022

## Financial Statements

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# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ 51,182	\$ 138,418
Accounts receivable	11,387	-
HST receivable	5,005	10,049
	<u>67,574</u>	<u>148,467</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	-	3,613
Due to City of Hamilton (note 3)	3,971	2,175
	<u>3,971</u>	<u>5,788</u>
Net financial assets	63,603	142,679
<b>Non-financial assets</b>		
Prepaid expenses	2,468	2,420
Tangible capital assets (note 2)	5,580	7,953
	<u>8,048</u>	<u>10,373</u>
Commitments (note 5)		
Accumulated surplus (note 4)	\$ 71,651	\$ 153,052

See accompanying notes to financial statements.

On behalf of the Board:

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

## INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	Budget (note 6)	2022	2021
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 179,200	\$ 176,429	\$ 167,736
City of Hamilton grants (note 3)	25,000	63,680	36,074
Other	-	6,820	2,000
<b>Total revenue</b>	<b>204,200</b>	<b>246,929</b>	<b>205,810</b>
<b>Expenses:</b>			
Advertising and promotion	35,000	35,620	30,957
Amortization	-	2,373	2,457
Audit fees	-	600	600
Beautification and maintenance	3,500	3,456	3,370
Board expenses	2,000	2,367	560
Commercial improvement	-	7,577	7,297
Contingency	5,000	8,397	3,798
Insurance	3,900	2,461	4,592
Interest and bank charges	3,500	3,048	3,042
Main street initiative	-	42,105	-
Member events and office	7,700	9,860	9,451
Mural project expense	-	32,696	-
Parking program expenditures	-	11,954	11,668
Rent	12,600	13,596	12,503
Repairs and maintenance	1,000	524	1,006
Reversal of accruals in excess	-	-	(651)
Shop local expenditures	-	-	10,000
Telephone and internet	4,000	4,435	4,491
Wages – administrative and program delivery	126,000	147,261	119,935
<b>Total expenses</b>	<b>204,200</b>	<b>328,330</b>	<b>225,076</b>
<b>Annual deficit</b>	<b>-</b>	<b>(81,401)</b>	<b>(19,266)</b>
<b>Accumulated surplus, beginning of year</b>	<b>153,052</b>	<b>153,052</b>	<b>172,318</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 153,052</b>	<b>\$ 71,651</b>	<b>\$ 153,052</b>

See accompanying notes to financial statements.

## INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Annual deficit	\$ (81,401)	\$ (19,266)
(Increase) decrease in prepaid expenses	(48)	2,985
Depreciation of tangible capital assets	2,373	2,457
Acquisition of tangible capital assets	-	(7,629)
Change in net financial assets	(79,076)	(21,453)
Net financial assets, beginning of year	142,679	164,132
Net financial assets, end of year	\$ 63,603	\$ 142,679

See accompanying notes to financial statements.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

## Statement of Cash Flows

Year ended December 31, 2022, with comparative figures for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (81,401)	\$ (19,266)
Items not involving cash:		
Depreciation	2,373	2,457
Reversal of accruals in excess	-	(651)
Change in non-cash assets and liabilities:		
Accounts receivable	(11,387)	-
HST receivable	5,044	4,058
Prepaid expenses	(48)	2,985
Accounts payable and accrued liabilities	(3,613)	961
Net change in cash from operating activities	(89,032)	(9,456)
Investing activities:		
Purchase of tangible capital assets	-	(7,629)
Financing activities:		
Change in due to/from City of Hamilton	1,796	(392)
Net decrease in cash	(87,236)	(17,477)
Cash, beginning of year	138,418	155,895
Cash, end of year	\$ 51,182	\$ 138,418

See accompanying notes to financial statements.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2022

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

## 1. Significant accounting policies:

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

(a) Basis of accounting:

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

(b) Cash and cash equivalents:

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

(c) Government transfers:

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

(d) Other income:

Other income is reported as revenue in the period earned.



# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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## 1. Significant accounting policies (continued):

### (e) Non-financial assets:

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

#### (i) Tangible capital assets:

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

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

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### (f) Use of estimates:

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

### (g) Related party transactions:

Transactions with related parties are measured at the exchange amount.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

## 2. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Computer hardware	\$ 3,236	\$ -	\$ -	\$ 3,236
Banners	7,629	-	-	7,629
Furniture and equipment	7,187	-	-	7,187
Decorations	18,344	-	-	18,344
<b>Total</b>	<b>\$ 36,396</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,396</b>

Accumulated amortization	Balance at December 31, 2021	Disposals	Amortization expense	Balance at December 31, 2022
Computer hardware	\$ 3,236	\$ -	\$ -	\$ 3,236
Banners	763	-	1,525	2,288
Furniture and equipment	7,187	-	-	7,187
Decorations	17,257	-	848	18,105
<b>Total</b>	<b>\$ 28,443</b>	<b>\$ -</b>	<b>\$ 2,373</b>	<b>\$ 30,816</b>

Net book value	December 31, 2021	December 31, 2022
Computer hardware	\$ -	\$ -
Banners	6,866	5,341
Furniture and equipment	-	-
Decorations	1,087	239
<b>Total</b>	<b>\$ 7,953</b>	<b>\$ 5,580</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2022 or 2021.

(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 in 2021.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

### 3. Related party transactions:

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

	2022	2021
<b>Revenue:</b>		
Member levy collected on behalf of the Business Improvement Area	\$ 176,429	\$ 167,736
Grants	63,680	36,074

The City of Hamilton contributed \$7,317 (2021 - \$7,111) to commercial improvement programs undertaken by the Business Improvement Area, \$12,363 (2021 - \$12,363) from parking revenue sharing program, \$0 (2021 - \$1,300) for the annual Christmas grant and \$44,000 (2021 - \$15,300) in other grants.

At the end of the year, grants of \$ nil (2021 - \$1,300) was owing from the City of Hamilton net of \$2,771 (2021 - \$2,265) owing for the cash received in excess of member levy collected by the City and \$1,200 (2021 - \$1,210) owing for annual audit and other expenses.

### 4. Accumulated surplus:

Accumulated surplus consists of the following:

	2022	2021
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 5,580	\$ 7,953
Operating	66,071	145,099
<b>Accumulated surplus</b>	<b>\$ 71,651</b>	<b>\$153,052</b>

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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**5. Commitments:**

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

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2023	\$	6,600
	\$	6,600

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**6. Budget data:**

The budget data presented in these financial statements is based upon the 2022 budget approved by the Board on October 13, 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.

Financial Statements of

**OTTAWA STREET  
BUSINESS IMPROVEMENT AREA**

And Independent Auditor's Report Thereon

Year ended December 31, 2022



**KPMG LLP**

Commerce Place  
21 King Street West, Suite 700  
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Canada  
Telephone 905 523 8200  
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**INDEPENDENT AUDITOR'S 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

***Opinion***

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

- the statement of financial position as at December 31, 2022,
- 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, 2022, 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

August 20, 2024



# OTTAWA STREET BUSINESS IMPROVEMENT AREA

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Year ended December 31, 2022

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# OTTAWA STREET BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ 89,349	\$ 80,517
Accounts receivable	–	850
HST receivable	21,518	13,487
Due from City of Hamilton (note 3)	8,262	–
Note receivable	704	5,000
	<u>119,833</u>	<u>99,854</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	16,299	11,580
Due to City of Hamilton (note 3)	–	1,932
	<u>16,299</u>	<u>13,512</u>
Net financial assets	103,534	86,342
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	38,467	58,387
Prepaid expenses	483	239
	<u>38,950</u>	<u>58,626</u>
Commitment (note 5)		
Accumulated surplus (note 4)	\$ 142,484	\$ 144,968

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

### Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	Budget (Note 6)	2022	2021
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 133,000	\$ 127,262	\$ 130,611
City of Hamilton grants (note 3)	30,500	77,721	28,185
Farmer's market	4,400	4,805	4,250
Other income	21,000	11,327	8,775
<b>Total revenue</b>	<b>188,900</b>	<b>221,115</b>	<b>171,821</b>
<b>Expenses:</b>			
Advertising and promotion	39,500	20,943	44,638
Administrative services	35,500	8,751	9,628
Amortization	–	19,920	21,216
Bad debts	–	4,577	3,395
Beautification	33,400	32,733	32,838
Insurance	3,500	6,204	3,034
Office	–	405	1,412
Project costs	45,100	57,947	23,286
Rent	31,900	20,550	20,497
Salaries	–	51,569	39,396
Write-off of HST receivable	–	–	21,244
<b>Total expenses</b>	<b>188,900</b>	<b>223,599</b>	<b>220,584</b>
<b>Annual deficit</b>	<b>–</b>	<b>(2,484)</b>	<b>(48,763)</b>
Accumulated surplus, beginning of year	144,968	144,968	193,731
<b>Accumulated surplus, end of year</b>	<b>\$ 144,968</b>	<b>\$ 142,484</b>	<b>\$ 144,968</b>

See accompanying notes to financial statements.

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Annual deficit	\$ (2,484)	\$ (48,763)
Acquisition of tangible capital assets	–	(700)
Amortization of tangible capital assets	19,920	21,216
Change in prepaid expenses	(244)	(239)
Change in net financial assets	17,192	(28,486)
Net financial assets, beginning of year	86,342	114,828
Net financial assets, end of year	\$ 103,534	\$ 86,342

See accompanying notes to financial statements.

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (2,484)	\$ (48,763)
Items not involving cash:		
Amortization	19,920	21,216
Changes in non-cash assets and liabilities:		
Accounts receivable	850	2,545
HST receivable	(8,031)	14,157
Note receivable	4,296	-
Accounts payable and accrued liabilities	4,719	4,158
Prepaid expenses	(244)	(239)
Net change in cash from operating activities	19,026	(6,926)
Capital activities:		
Cash used to acquire tangible capital assets	-	(700)
Financing activities:		
Change in due to/from City of Hamilton	(10,194)	3,594
Increase (decrease) in cash	8,832	(4,032)
Cash, beginning of year	80,517	84,549
Cash, end of year	\$ 89,349	\$ 80,517

See accompanying notes to financial statements.

# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2022

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

## 1. Significant accounting policies:

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

(a) Basis of accounting:

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

(b) Government transfers:

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

(c) Other income:

Other income is reported as revenue in the period earned.

# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

## 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.

(f) Related party transactions:

Transactions with related parties are measured at the carrying amount.

(g) Note receivable:

Note receivable is valued at cost. Recoverability is assessed annually, and a valuation allowance is recorded when recoverability has been impaired. Note receivable is written off when it is no longer recoverable. Interest revenue is recognized as it is earned.

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

### 2. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Computers	\$ 5,731	\$ –	\$ –	\$ 5,731
Decorations	60,407	–	–	60,407
Furniture and equipment	110,041	–	–	110,041
Leasehold improvements	5,848	–	–	5,848
<b>Total</b>	<b>\$ 182,027</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 182,027</b>

Accumulated amortization	Balance at December 31, 2021	Amortization expense	Disposals	Balance at December 31, 2022
Computers	\$ 3,649	\$ 810	\$ –	\$ 4,459
Decorations	43,137	7,670	–	50,807
Furniture and equipment	71,655	11,004	–	82,659
Leasehold improvements	5,199	436	–	5,635
<b>Total</b>	<b>\$ 123,640</b>	<b>\$ 19,920</b>	<b>\$ –</b>	<b>\$ 143,560</b>

Net book value	December 31, 2021	December 31, 2022
Computers	\$ 2,082	\$ 1,272
Decorations	17,270	9,600
Furniture and equipment	38,386	27,382
Leasehold improvements	649	213
<b>Total</b>	<b>\$ 58,387</b>	<b>\$ 38,467</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2022 or 2021.

(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 in 2021.



# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

### 3. Related party transactions:

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

Revenue:

	2022	2021
Member levy collected on behalf of the Ottawa Street Business Improvement Area	\$ 127,262	\$ 130,611
City of Hamilton grants	77,721	28,185

The City of Hamilton has contributed \$13,120 (2021 - \$nil) to commercial improvement programs undertaken by the Business Improvement Area, \$23,566 (2021 - \$nil) from tourism relief fund, \$16,885 (2021 - \$16,885) from parking sharing revenue program and \$24,150 (2021 - \$11,300) in other grants.

At the end of the year, the Business Improvement Area had a receivable of \$14,420 (2021 - \$1,300) from the City of Hamilton for outstanding grants. The Business Improvement Area had a payable of \$5,738 (2021 - \$2,812) for member levy deficit as well as a payable for the audit fees of \$420 (2021 - \$420).

### 4. Accumulated surplus:

Accumulated surplus consists of the following:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 38,467	\$ 58,387
Operating	104,017	86,581
Accumulated surplus	\$ 142,484	\$ 144,968

### 5. Commitment:

The Business Improvement Area is committed under an operating lease for the rental of office space as follow:

2023	\$ 7,684
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# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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## **6. Budget data:**

The budget data presented in these financial statements is based upon the 2022 budget approved by the Board on October 14, 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.

Financial Statements of

**STONEY CREEK BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2022



**KPMG LLP**  
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Telephone 905 523 8200  
Fax 905 523 2222

## **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, 2022,
- 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, 2022, 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', with a small flourish at the end.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Ontario  
May 29, 2024

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2022

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## Financial Statements

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# STONEY CREEK BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ –	\$ 19,156
Accounts receivable	17,116	12,410
HST receivable	21,745	15,471
Due from the City of Hamilton (note 4)	14,692	730
	<b>53,553</b>	<b>47,767</b>
<b>Financial liabilities</b>		
Bank indebtedness	1,130	–
Accounts payables and accrued liabilities	7,909	–
	<b>9,039</b>	<b>–</b>
<b>Net financial assets</b>	<b>44,514</b>	<b>47,767</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	2,601	5,202
Prepaid expenses	1,734	993
	<b>4,335</b>	<b>6,195</b>
<b>Accumulated surplus (note 3)</b>	<b>\$ 48,849</b>	<b>\$ 53,962</b>

See accompanying notes to financial statements.

On behalf of the Board:

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



## STONEY CREEK BUSINESS IMPROVEMENT AREA

### Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	Budget (note 5)	2022	2021
<b>Revenue:</b>			
Assessment levy (note 4)	\$ 49,000	\$ 47,817	\$ 49,697
City of Hamilton grants (note 4)	9,500	21,803	25,346
Other revenue	13,788	24,981	16,000
<b>Total revenue</b>	<b>72,288</b>	<b>94,601</b>	<b>91,043</b>
<b>Expenses:</b>			
Administration	28,360	39,781	36,293
Advertising and promotion	1,000	4,890	7,114
Amortization	–	2,601	2,943
Audit fees	1,475	427	427
Beautification	9,750	25,065	18,919
Christmas decorations and Santa Claus parade	–	–	7,769
Insurance	–	2,017	2,096
Miscellaneous	–	350	560
Special events	19,000	24,583	1,509
<b>Total expenses</b>	<b>59,585</b>	<b>99,714</b>	<b>77,630</b>
<b>Annual (deficit) surplus</b>	<b>12,703</b>	<b>(5,113)</b>	<b>13,413</b>
<b>Accumulated surplus, beginning of year</b>	<b>53,962</b>	<b>53,962</b>	<b>40,549</b>
<b>Accumulated surplus, end of year (note 3)</b>	<b>\$ 66,665</b>	<b>\$ 48,849</b>	<b>\$ 53,962</b>

See accompanying notes to financial statements.

## STONEY CREEK BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Annual (deficit) surplus	\$ (5,113)	\$ 13,413
Amortization of tangible capital assets	2,601	2,943
(Increase) decrease in prepaid expenses	(741)	110
Change in net financial assets	(3,253)	16,466
Net financial assets, beginning of year	47,767	31,301
Net financial assets, end of year	\$ 44,514	\$ 47,767

See accompanying notes to financial statements.

## STONEY CREEK BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (5,113)	\$ 13,413
Items not involving cash:		
Amortization	2,601	2,943
Change in non-cash assets and liabilities:		
Accounts receivable	(4,706)	(12,410)
HST receivable	(6,274)	(5,649)
Accounts payable and accruals	7,909	(6,296)
Prepaid expenses	(741)	110
Net change in cash from operating activities	(6,324)	(7,889)
Financing activities:		
(Increase) decrease in due from City of Hamilton	(13,962)	7,228
Net decrease in cash	(20,286)	(661)
Cash, beginning of year	19,156	19,817
(Bank indebtedness) cash, end of year	\$ (1,130)	\$ 19,156

See accompanying notes to financial statements.

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2022

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

## 1. Significant accounting policies:

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

(a) Basis of accounting:

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

(b) Cash:

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, 2022

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## 1. Significant accounting policies (continued):

(d) Non-financial assets:

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

(i) Tangible capital assets:

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

Asset	Useful life - years
Decorations	5

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(e) 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, 2022

## 2. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Decorations	\$ 34,998	\$ -	\$ -	\$ 34,998

Accumulated amortization	Balance at December 31, 2021	Disposals	Amortization expense	Balance at December 31, 2022
Decorations	\$ 29,796	\$ -	\$ 2,601	\$ 32,397

Net book value	December 31, 2022	December 31, 2021
Decorations	\$ 2,601	\$ 5,202

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2022 or 2021.

(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, 2022

### 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 2,601	\$ 5,202
Prepaid expenses	1,734	993
Operating	44,514	47,767
<b>Accumulated surplus</b>	<b>\$ 48,849</b>	<b>\$ 53,962</b>

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

	2022	2021
Fund balance, beginning 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:

	2022	2021
Member levy collected on behalf of the Business Improvement Area	\$ 47,817	\$ 49,697
City of Hamilton grants	21,803	25,346

The City of Hamilton has also contributed \$7,863 (2021 - \$8,035) to commercial improvement programs undertaken by the Business Improvement Area and \$13,940 (2021 - \$17,311) in other grant funding and the Business Improvement area paid \$nil (2021 - \$nil) in expenses to the City of Hamilton for commercial improvements during the year. At the end of the year, reimbursement receivables of \$11,660 (2021 - \$nil) and other grants of \$8,878 (2021 - \$1,300 including member levy surplus) were receivable from the City of Hamilton. The Business Improvement Area has a payable of \$1,326 (2021 - \$570) for audit accruals, other expenses and member levy deficit.

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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## 5. Budget data:

The budget data presented in these financial statements is based upon the 2022 budget approved by the Board on November 17, 2021. 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.



Financial Statements of

**WATERDOWN BUSINESS  
IMPROVEMENT AREA**

And Independent Auditor's Report Thereon

Year ended December 31, 2022



**KPMG LLP**  
Commerce Place  
21 King Street West, Suite 700  
Hamilton, ON L8P 4W7  
Canada  
Telephone 905 523 8200  
Fax 905 523 2222

## **INDEPENDENT AUDITOR'S REPORT**

To the Chairman and Members of the Board of Management of the Waterdown 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 Waterdown Business Improvement Area (the Entity), which comprise:

- the statement of financial position as at December 31, 2022
- 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, 2022, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

October 17, 2023

# **WATERDOWN BUSINESS IMPROVEMENT AREA**

## Financial Statements

Year ended December 31, 2022

### Financial Statements

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# WATERDOWN BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Cash	\$ 78,248	\$ 111,454
Accounts receivable	1,695	2,016
Investments (note 4)	44,062	63,838
Due from City of Hamilton (note 3)	6,889	-
HST receivable	17,520	15,987
	<u>148,414</u>	<u>193,295</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	15,242	21,608
Due to City of Hamilton (note 3)	-	16,010
	<u>15,242</u>	<u>37,618</u>
Net financial assets	133,172	155,677
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	16,558	29,777
Prepaid expenses	3,306	3,568
	<u>19,864</u>	<u>33,345</u>
Commitments (note 6)		
Accumulated surplus (note 5)	\$ 153,036	\$ 189,022

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## WATERDOWN BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 7)	2022 Actual	2021 Actual
<b>Revenues:</b>			
Assessment levy (note 3)	\$ 260,000	\$ 266,017	\$ 233,117
City of Hamilton grants (note 3)	6,500	9,508	18,862
Federal grant – summer jobs	–	–	7,886
Other income	73,600	35,086	27,517
<b>Total revenue</b>	<b>340,100</b>	<b>310,611</b>	<b>287,382</b>
<b>Expenses:</b>			
Advertising and promotion	30,750	34,290	33,508
Amortization	–	19,432	15,891
Events	74,650	67,783	44,067
Insurance	5,700	2,717	2,805
Wages and benefits	88,700	97,264	94,219
Memberships, conferences, and seminars	5,350	1,953	1,626
Office and general expenses	16,500	12,908	13,833
Professional fees	2,500	2,174	2,051
Rent	38,500	36,379	33,665
Streetscaping and decorations	77,450	71,697	66,846
Loss on disposal of assets	–	–	3,428
<b>Total expenses</b>	<b>340,100</b>	<b>346,597</b>	<b>311,939</b>
<b>Annual deficit</b>	<b>–</b>	<b>(35,986)</b>	<b>(24,557)</b>
Accumulated surplus, beginning of year	189,022	189,022	213,579
<b>Accumulated surplus, end of year</b>	<b>\$ 189,022</b>	<b>\$ 153,036</b>	<b>\$ 189,022</b>

See accompanying notes to financial statements.

## **WATERDOWN BUSINESS IMPROVEMENT AREA**

### Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Annual deficit	\$ (35,986)	\$ (24,557)
Decrease in tangible capital assets	13,219	12,359
Decrease (increase) in prepaid expenses	262	(64)
Change in net financial assets	(22,505)	(12,262)
Net financial assets, beginning of year	155,677	167,939
Net financial assets, end of year	\$ 133,172	\$ 155,677

See accompanying notes to financial statements.



## WATERDOWN BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (35,986)	\$ (24,557)
Items not involving cash:		
Amortization	19,432	15,891
Loss on disposal of assets	-	3,428
Changes in non-cash assets and liabilities:		
HST receivable	(1,533)	(431)
Accounts receivable	321	(2,016)
Prepaid expenses	262	(64)
Accounts payable and accrued liabilities	(6,366)	11,064
Net change in cash from operating activities	(23,870)	3,315
Capital activities:		
Cash used to acquire tangible capital assets	(6,213)	(6,960)
Investing activities:		
Decrease (increase) in investments	19,776	(198)
Financing activities:		
Change in due to City of Hamilton	(22,899)	15,017
Net (decrease) increase in cash	(33,206)	11,174
Cash, beginning of year	111,454	100,280
Cash, end of year	\$ 78,248	\$ 111,454

See accompanying notes to financial statements.

# WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2022

---

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, 2022

---

## 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
Gateway signs	5
Computer equipment	3
Banners	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.

(g) Related party transactions:

Transactions with related parties are measured at the exchange amount.

## WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

### 2. Tangible capital assets:

Cost	Balance at December 31, 2021	Additions	Disposals	Balance at December 31, 2022
Furniture and equipment	\$ 121,309	\$ 934	\$ -	\$ 122,243
Leasehold improvements	-	1,659	-	1,659
Computer equipment	5,139	2,459	-	7,598
Banners	6,958	1,161	-	8,119
Gateway signs	11,429	-	-	11,429
<b>Total</b>	<b>\$ 144,835</b>	<b>\$ 6,213</b>	<b>\$ -</b>	<b>\$ 151,048</b>

Accumulated amortization	Balance at December 31, 2021	Disposals	Amortization expense	Balance at December 31, 2022
Furniture and equipment	\$ 100,757	\$ -	\$ 12,178	\$ 112,935
Leasehold improvements	-	-	332	332
Computer equipment	5,139	-	2,123	7,262
Banners	1,159	-	2,513	3,672
Gateway signs	8,003	-	2,286	10,289
<b>Total</b>	<b>\$ 115,058</b>	<b>\$ -</b>	<b>\$ 19,432</b>	<b>\$ 134,490</b>

Net book value	December 31, 2021	December 31, 2022
Furniture and equipment	\$ 20,552	\$ 9,308
Leasehold improvements	-	1,327
Computer equipment	-	336
Banners	5,799	4,447
Gateway signs	3,426	1,140
<b>Total</b>	<b>\$ 29,777</b>	<b>\$ 16,558</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received no contributed tangible capital assets in 2022 or 2021.

(b) Tangible capital assets disclosed at nominal values:

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

# WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

## 2. Tangible capital assets (continued):

### (c) Write-down of tangible capital assets:

The Business Improvement Area has recorded \$nil (2021 - \$3,428) in write-downs of tangible capital assets in 2022.

## 3. Related party transactions:

### (a) City of Hamilton:

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

	2022	2021
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 266,017	\$ 233,117
City of Hamilton grants	9,508	18,862

The City of Hamilton has also contributed \$5,750 (2021 - \$5,582) to commercial improvement programs undertaken by the Business Improvement Area and \$nil (2021 - \$13,280) in other grants.

At the end of the year, the Business Improvement Area had a receivable from the City of Hamilton of \$6,889 (2021 - payable of \$16,883) for the surplus of the member levy collected by the City of Hamilton as well as \$500 (2021 - \$427) for the annual audit accrual net of \$1,300 (2021 - \$1,300) received for the annual Christmas grant.

### (b) Board of Directors:

During the year, the Business Improvement Area recorded the following transactions with businesses of members of the Board of Directors:

	2022	2021
Revenue:		
Sponsorships	\$ 4,500	\$ 1,500
Expenses:		
Professional fees	4,538	1,624
Advertising and promotion	958	300

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

# WATERDOWN BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2022

## 4. Investments:

Investments reported in the Statement of Financial Position consist of guaranteed investment certificates ("GIC") and are reported at amortized cost. The Business Improvement Area purchased the cashable GIC with an interest rate of 2% per annum in July 2022 with a maturity date in July 2023. As at December 31, 2022, cost approximated the market value of the GIC and interest income has been accrued in the amount of \$1,125 (2021 - \$198).

## 5. Accumulated surplus:

Accumulated surplus consists of balances as follows at December 31:

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 16,558	\$ 29,777
Operating fund	96,478	109,245
	113,036	139,022
Reserve funds set aside by Waterdown Business Improvement Area:		
Marketing and advertising	40,000	50,000
	\$ 153,036	\$ 189,022

## 6. Commitments:

The Business Improvement Area is committed under an operating lease for the rental of office space and farmer's market space until November 30, 2024. Future minimum lease payments under this operating lease are as follows:

2023	\$ 35,721
2024	33,261
	\$ 68,982

## 7. Budget data:

The budget data presented in these financial statements is based upon the 2022 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.