

Financial Statements

The Barrhaven Business Improvement Area

December 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Management and Members of The Barrhaven Business Improvement Area

Opinion

We have audited the financial statements of The Barrhaven Business Improvement Area (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- 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 to the financial statements, including a summary of significant accounting policies

(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, 2023, 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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Other Matter – Comparative Information

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on October 20, 2023.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are 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' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

August 19, 2024

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

STATEMENT OF FINANCIAL POSITION

As at December 31, 2023, with comparative information for 2022

Financial assets	2023	2022
Cash on deposit with the Corporation of the City of		
Ottawa	\$270,041	\$225,011
Cash	550	103
Accounts receivable	94	-
Total financial assets	270,685	225,114
Liabilities		
Accounts payable and accrued liabilities <i>[note 2]</i>	36,249	40,799
Total liabilities	36,249	40,799
Net financial assets	234,436	184,315
Non-financial assets		
Prepaid expenses	12,274	17,670
Tangible capital assets <i>[note 4]</i>	85,244	57,078
Total non-financial assets	97,518	74,748
Accumulated surplus	\$331,954	\$259,063

See accompanying notes

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

STATEMENT OF OPERATIONS

For the year ended December 31, 2023, with comparative information for 2022

Revenue	Budget 2023	Actual 2023	Actual 2022
Tax revenue <i>[note 3]</i>	\$395,000	\$392,801	\$342,662
Other revenue	15,500	29,100	25,252
Payments in lieu of taxation	250	250	250
Donations	3,000	4,438	2,750
Total revenue	413,750	426,589	370,914
Expenses			
Salaries	187,800	180,224	175,891
Office supplies	73,030	68,111	35,234
Advertising and promotion	83,000	46,578	34,427
Maintenance	53,100	36,065	34,144
Professional services	7,820	7,701	34,974
Depreciation	-	5,584	1,459
Audit fees	2,000	5,124	2,699
Insurance	7,000	4,311	3,431
Total expenses	413,750	353,698	322,259
Annual surplus	-	72,891	48,655
Accumulated surplus, beginning of year	259,063	259,063	210,408
Accumulated surplus, end of year	\$259,063	\$331,954	\$259,063

See accompanying notes

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31, 2023, with comparative information for 2022

	Actual 2023	Actual 2022
Annual surplus	\$72,891	\$48,655
Acquisition of tangible capital assets	(33,750)	(58,537)
Depreciation of tangible capital assets	5,584	1,459
Decrease in prepaid expenses	5,396	519
Increase (decrease) in net financial assets	50,121	(7,904)
Net financial assets, beginning of year	184,315	192,219
Net financial assets, end of year	\$234,436	\$184,315

See accompanying notes

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

For the year ended December 31, 2023, with comparative information for 2022

Operating transactions	2023	2022
Annual surplus	\$72,891	\$48,655
Add item not affecting cash		
Depreciation	5,584	1,459
Changes in non-cash working capital balances related to operations		
(Increase) decrease in accounts receivable	(94)	1,237
Decrease in prepaid expenses	5,396	519
(Decrease) increase in accounts payable and accrued liabilities	(4,550)	9,135
Cash provided by operating transactions	79,227	61,005
Capital transactions		
Acquisition of tangible capital assets	(33,750)	(58,537)
Cash used in capital transactions	(33,750)	(58,537)
Change in cash and cash equivalents		
Net increase in cash and cash equivalents during the year	45,477	2,468
Cash and cash equivalents, beginning of year	225,114	222,646
Cash and cash equivalents, end of year	\$270,591	\$225,114
Cash and cash equivalents consist of		
Cash	\$550	\$103
Cash on deposit with the Corporation of the City of Ottawa	270,041	225,011
	\$270,591	\$225,114

See accompanying notes

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Barrhaven Business Improvement Area [the “BIA”] are the responsibility of management prepared in accordance with Canadian public sector accounting standards.

Use of Estimates

Since a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. Where and when required, estimates are used in areas such as the useful life of tangible capital assets, depreciation, and other revenues.

These estimates and assumptions are based on the BIA’s best information and judgement and actual amounts may differ significantly from these estimates.

Accrual accounting

Revenue and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenue as it becomes earned and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services.

Government transfers are recognized in revenue in the fiscal years during which events giving rise to the transfer occur, provided the transfers are authorized, eligibility criteria and stipulations have been met and reasonable estimates of the amounts can be made.

Financial instruments

The financial instruments of the BIA consist of cash, cash on deposit with the Corporation of the City of Ottawa, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management’s opinion that the BIA is not exposed to significant interest rate, currency, other pricing, market, liquidity or credit risks arising from these financial instruments.

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax revenue

Annually, the City of Ottawa bills and collects tax levies as well as payments in lieu of taxation on behalf of the BIA. Tax revenue consists of non-exchange transactions. It is recognized in the period to which the assessment relates and when reasonable estimates of amounts can be made. Annual revenue also includes adjustments related to reassessments or appeals related to prior years.

Tangible capital assets

Tangible capital assets are initially recorded at cost and depreciated over their estimated useful lives using the straight-line method. Capital expenditures that do not generate future economic benefits to the BIA are charged to operations in the year of acquisition.

The Christmas Lights, less residual value, are depreciated over thirty years on a straight-line basis. The signage, less residual value, is depreciated over ten years on a straight-line bases. When a new tangible asset is acquired, depreciation is recorded when the asset is put into use.

2. RELATED PARTY TRANSACTIONS

The BIA purchases certain services from companies controlled by the City of Ottawa, as well as from members of the BIA's Board of Directors and company executives, in the normal course of business at the agreed-upon exchange amount.

During the year, the BIA incurred expenses of \$415 [2022 - \$1,305], which were paid to related parties in return for goods and services, and recognized \$NIL [2022 - \$500] in revenues from related parties, which was received in return for provided goods and services.

Additionally, during the year, the BIA recognized grant revenue from the City of Ottawa totaling \$23,548 [2022 - \$20,452], reported within other revenue on the Statement of Operations.

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. TAX REVENUE

Tax revenue comprises the following:

	2023	2022
	\$	\$
General tax levy	414,747	320,250
Supplementary assessments	2,709	57,720
Remissions	(53,362)	(37,055)
Prior Period Adjustment	28,707	1,747
Tax revenue	392,801	342,662

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets comprise the following:

	2023	2022
	\$	\$
Equipment	92,287	58,537
Accumulated depreciation	(7,043)	(1,459)
Net book value	85,244	57,078