

Financial Statements

The Carp Village Business Improvement Area

December 31, 2023



KPMG LLP
150 Elgin Street, Suite 1800
Ottawa, ON K2P 2P8
Canada
Telephone 613 212 5764
Fax 613 212 2896

INDEPENDENT AUDITOR'S REPORT

To the Board of Management and Members of The Carp Village Business Improvement Area

Opinion

We have audited the financial statements of The Carp Village 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 liabilities 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 liabilities 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.



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'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

August 19, 2024

THE CARP VILLAGE BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION

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

Financial assets	2023	2022
Restricted cash <i>[note 2]</i>	\$12,212	\$11,935
Cash on deposit with the Corporation of the City of Ottawa	–	4,000
Accounts receivable	1,000	–
Total financial assets	13,212	15,935
Liabilities		
Accounts payable and accrued liabilities <i>[note 3]</i>	3,636	1,554
Deferred revenue <i>[note 2]</i>	12,212	11,935
Cash due to the Corporation of the City of Ottawa	2,276	–
Total liabilities	18,124	13,489
Net financial (liabilities) assets	(4,912)	2,446
Non-financial assets		
Prepaid expenses	–	507
Tangible capital assets <i>[note 4]</i>	25,694	28,973
Total non-financial assets	25,694	29,480
Accumulated surplus	\$20,782	\$31,926

See accompanying notes

THE CARP VILLAGE 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 5]</i>	\$13,000	\$13,713	\$12,835
Other revenue		39,314	1,500
Total revenue	13,000	53,027	14,335
Expenses			
Advertising and promotion	9,500	56,930	11,858
Depreciation	–	3,279	3,216
Audit fees	1,500	3,192	1,554
Insurance	500	770	589
Maintenance	1,500	–	–
Total expenses	13,000	64,171	17,217
Annual deficit	–	(11,144)	(2,882)
Accumulated surplus, beginning of year	31,926	31,926	34,808
Accumulated surplus, end of year	\$31,926	\$20,782	\$31,926

See accompanying notes

THE CARP VILLAGE BUSINESS IMPROVEMENT AREA STATEMENT OF CHANGES IN NET FINANCIAL LIABILITIES

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

	Actual 2023	Actual 2022
Annual deficit	(\$11,144)	(\$2,882)
Acquisition of tangible capital assets	–	(1,015)
Depreciation of capital assets	3,279	3,216
Decrease in prepaid expenses	507	1,624
Decrease in net financial assets	(7,358)	943
Net financial assets, beginning of year	2,446	1,503
Net financial (liabilities) assets, end of year	(\$4,912)	\$2,446

See accompanying notes

THE CARP VILLAGE BUSINESS IMPROVEMENT AREA STATEMENT OF CASH FLOWS

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

Operating transactions	2023	2022
Annual deficit	(\$11,144)	(\$2,882)
Add items not affecting cash		
Depreciation	3,279	3,216
Changes in non-cash working capital balances related to operations		
Increase in accounts receivable	(1,000)	–
Decrease in prepaid expenses	507	1,624
Increase (decrease) in accounts payable and accrued liabilities	2,082	(17,583)
Increase in deferred revenue	277	119
Cash used in operating transactions	(5,999)	(15,506)
Change in cash and cash equivalents		
Net decrease in cash and cash equivalents during the year	(5,999)	(16,521)
Cash and cash equivalents, beginning of year	15,935	32,456
Cash and cash equivalents, end of year	\$9,936	\$15,935
Cash and cash equivalents consist of		
Restricted cash [note 2]	12,212	11,935
Cash due to the Corporation of the City of Ottawa	(2,276)	4,000
	\$9,936	\$15,935

See accompanying notes

THE CARP VILLAGE 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 Carp Village 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 City’s best information and judgement and actual amounts may differ significantly from these estimates.

Accrual accounting

Revenues 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.

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 signage, less residual value, is depreciated on a straight-line basis over its estimated useful life, which is ten years. The equipment, less residual value, is depreciated on a straight-line basis over its estimated useful life, which is ten years. When a new tangible asset is acquired, depreciation is recorded from when the asset is put into use.

THE CARP VILLAGE BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

The financial instruments of the BIA consist of restricted cash, cash on deposit with the Corporation of the City of Ottawa, accounts receivable, cash due to the Corporation of the City of Ottawa, 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, market, other pricing, liquidity or credit risks arising from these financial instruments.

Tax revenue

Annually, the City of Ottawa bills and collects tax levies as well as payments in lieu of taxes 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.

2. RESTRICTED ASSETS

The restricted cash balance of \$12,212 (2022 - \$11,935) was derived primarily from donations that must be used for a specified purpose.

3. 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 \$15,422 [2022 - \$3,437] which were paid to related parties in return for goods and services.

Included in amounts paid to related parties for goods and services is \$15,272 [2022 – \$3,437] paid to Syntax Strategies for reimbursement of items purchased in relation to the Carp BIA Harvest Supper event. The current Chair of the Board, Jennifer Stewart, is the Chief Executive Officer of Syntax Strategies. Devon Larock, Director on the Board, is also an employee of Syntax Strategies. These transactions occurred at exchange amounts.

THE CARP VILLAGE BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. RELATED PARTY TRANSACTIONS (CONTINUED)

In addition, the BIA received \$2,500 [2022 – NIL] in revenue from Syntax Strategies. This revenue derived from ticket sales that were collected on behalf of Syntax Strategies for the Carp BIA Harvest Supper event.

Furthermore, during the year, the BIA recognized grant revenue from the City of Ottawa totaling \$11,281 [2022 - \$1,500], reported within other revenue on the Statement of Operations.

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets comprise the following:

	2023 \$	2022 \$
Signage	31,777	31,777
Equipment	1,014	1,014
Accumulated depreciation	(7,097)	(3,818)
Net book value	25,694	28,973

5. TAX REVENUE

Tax revenue comprises the following:

	2023 \$	2022 \$
General tax levy	13,000	13,001
Remissions	688	(166)
Supplementary assessments	25	–
	13,713	12,835