

# **Financial Statements**

**The Bells Corners Business Improvement Area**

**December 31, 2024**



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Management and Members of The Bells Corners Business Improvement Area

### ***Opinion***

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

- the statement of financial position as at December 31, 2024
- 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, 2024, 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.



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 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

October 23, 2025

# THE BELLS CORNERS BUSINESS IMPROVEMENT AREA

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2024, with comparative information for 2023

<b>Financial assets</b>	<b>2024</b>	<b>2023</b>
Cash on deposit with the Corporation of the City of Ottawa	<b>\$186,846</b>	\$150,319
Accounts receivable	–	37
<b>Total financial assets</b>	<b>186,846</b>	150,356
<b>Liabilities</b>		
Accounts payable and accrued liabilities <i>[notes 2 and 6]</i>	<b>13,895</b>	16,284
Deferred revenue	–	3,134
<b>Total liabilities</b>	<b>13,895</b>	19,418
<b>Net financial assets</b>	<b>172,951</b>	130,938
<b>Non-financial assets</b>		
Prepaid expenses	<b>156</b>	434
Tangible capital assets <i>[note 4]</i>	<b>6,827</b>	17,402
<b>Total non-financial assets</b>	<b>6,983</b>	17,836
<b>Accumulated surplus</b>	<b>\$179,934</b>	\$148,774

*See accompanying notes*

# THE BELLS CORNERS BUSINESS IMPROVEMENT AREA

## STATEMENT OF OPERATIONS

For the year ended December 31, 2024, with comparative information for 2023

<b>Revenue</b>	<b>Budget 2024</b>	<b>Actual 2024</b>	<b>Actual 2023</b>
Tax revenue <i>[note 3]</i>	190,000	<b>204,841</b>	180,522
Other revenue	–	<b>67,120</b>	851
Payments in lieu of taxation	500	<b>516</b>	480
Contributions from reserve fund	10,000	–	–
Subtotal	200,500	<b>272,477</b>	181,853
CEWS Repayment <i>[note 6]</i>	–	–	(3,387)
<b>Total revenue</b>	<b>200,500</b>	<b>272,477</b>	<b>178,466</b>
<b>Expenses</b>			
Advertising	77,500	<b>125,409</b>	73,478
Salaries	51,300	<b>51,598</b>	25,779
Professional and consulting	20,000	<b>19,949</b>	15,511
Office	24,500	<b>18,157</b>	6,228
Rent	17,500	<b>16,844</b>	16,918
Audit fees	4,500	<b>4,817</b>	4,400
Insurance	2,500	<b>2,661</b>	2,391
Depreciation	2,000	<b>1,780</b>	938
Maintenance	700	<b>102</b>	162
<b>Total expenses</b>	<b>200,500</b>	<b>241,317</b>	<b>145,805</b>
<b>Annual surplus</b>	<b>–</b>	<b>31,160</b>	<b>32,661</b>
Accumulated surplus, beginning of year	148,774	<b>148,774</b>	116,113
<b>Accumulated surplus, end of year</b>	<b>\$148,774</b>	<b>\$179,934</b>	<b>\$148,774</b>

See accompanying notes

## THE BELLS CORNERS BUSINESS IMPROVEMENT AREA

### STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31, 2024, with comparative information for 2023

	<b>Actual 2024</b>	<b>Actual 2023</b>
<b>Annual surplus</b>	<b>\$31,160</b>	\$32,661
Acquisition of tangible capital assets	–	(14,651)
Decrease in prepaid expenses	<b>278</b>	2,425
Tangible capital assets write-down	<b>8,795</b>	–
Depreciation of capital assets	<b>1,780</b>	938
<b>Increase in net financial assets</b>	<b>42,013</b>	21,373
Net financial assets, beginning of year	<b>130,938</b>	109,565
<b>Net financial assets, end of year</b>	<b>\$172,951</b>	\$130,938

*See accompanying notes*

# THE BELLS CORNERS BUSINESS IMPROVEMENT AREA

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2024, with comparative information for 2023

<b>Operating transactions</b>	<b>2024</b>	<b>2023</b>
Annual surplus	<b>\$31,160</b>	\$32,661
Add item not affecting cash		
Depreciation	<b>1,780</b>	938
Tangible capital assets write-down	<b>8,795</b>	–
Changes in non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	<b>37</b>	(37)
Increase (decrease) in deferred revenue	<b>(3,134)</b>	3,134
Decrease in prepaid expenses	<b>278</b>	2,425
(Decrease) increase in accounts payable and accrued liabilities	<b>(2,389)</b>	(3,761)
<b>Cash provided by operating transactions</b>	<b>36,527</b>	35,360
<b>Capital transactions</b>		
Acquisition of tangible capital assets	–	(14,651)
<b>Cash provided by capital transactions</b>	–	(14,651)
<b>Change in cash and cash equivalents</b>		
Net increase in cash and cash equivalents during the year	<b>36,527</b>	20,709
Cash and cash equivalents, beginning of year	<b>150,319</b>	129,610
<b>Cash and cash equivalents, end of year</b>	<b>\$186,846</b>	\$150,319
<b>Cash and cash equivalents consist of</b>		
Cash on deposit with the Corporation of the City of Ottawa	<b>\$186,846</b>	\$150,319

*See accompanying notes*

# THE BELLS CORNERS BUSINESS IMPROVEMENT AREA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of presentation**

The financial statements of The Bells Corners 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.

#### **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 equipment, less residual value, is depreciated over ten years on a straight-line basis. When a new tangible asset is acquired, depreciation is recorded from when the asset is put into use.

# THE BELLS CORNERS BUSINESS IMPROVEMENT AREA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments

The financial instruments of the BIA consist of 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, 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 in which the assessment relates and reasonable estimates of amounts can be made. Annual revenue also includes adjustments related to reassessments or appeals related to prior years.

### 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 exchange amount, which is the amount agreed to by both parties. During the year, the BIA incurred expenses of \$8,825 [2023 - \$2,857], which it paid to related parties in return for goods and services.

In addition, the BIA is related to all entities under control of the City of Ottawa. During the year, the BIA recognized grant revenue from the City of Ottawa of \$102 [2023 - \$162] within Other Revenue on the Statement of Operations. As at December 31, 2024, \$3,585 [2023 - \$nil] is included in accounts payable and accrued liabilities that is due to related parties; and incurred expenses with the City of \$6 [2023 - \$nil].

# THE BELLS CORNERS BUSINESS IMPROVEMENT AREA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

### 3. TAX REVENUE

Tax revenue comprises the following:

	<b>2024</b>	<b>2023</b>
	\$	\$
General tax levy	<b>204,985</b>	194,987
Remissions	<b>(160)</b>	(14,465)
Supplementary assessment	<b>16</b>	–
	<b>204,841</b>	180,522

### 4. TANGIBLE CAPITAL ASSETS

Tangible capital assets comprise the following:

	<b>2024</b>	<b>2023</b>
	\$	\$
<b>Tangible capital assets</b>		
Equipment	<b>8,902</b>	19,621
Accumulated depreciation	<b>(2,075)</b>	(2,219)
<b>Net book value</b>	<b>6,827</b>	17,402

### 5. CONTRIBUTED SERVICES

From time to time, the BIA receives contributed services in the form of volunteer time. Since these services would not otherwise have been purchased and fair value is not reasonably estimable, they are not recorded in these financial statements.

### 6. CEWS REPAYMENT

In the years ended December 31, 2020 and December 31, 2021, the BIA applied for the Canada Emergency Wage Subsidy (CEWS) and was approved and received a total of \$3,387 in CEWS funding, which was recorded as other revenue in the year received.

In 2023, the Canada Revenue Agency (CRA) assessed that Business Improvement Areas are non-qualifying entities as per ITA 125.7 and as such, were not eligible to receive CEWS funding. As a result, the BIA recorded a CEWS repayment and an account payable of \$3,387 for the CEWS funding received in prior years. This amount has not been paid and remains in accounts payable and accrued liabilities as at December 31, 2024.