

Financial Statements

The Vanier Business Improvement Area

December 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants and Ratepayers of
The Vanier Business Improvement Area

We have audited the accompanying financial statements of **The Vanier Business Improvement Area**, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **The Vanier Business Improvement Area** as at December 31, 2017, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Ottawa, Canada

August 21, 2018

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants



THE VANIER BUSINESS IMPROVEMENT AREA

STATEMENT OF FINANCIAL POSITION

As at December 31, 2017, with comparative information for 2016

Table 1 - Statement of Financial Position - Financial Assets

Financial assets	2017	2016
Cash	\$600	\$600
Cash on deposit with the Corporation of the City of Ottawa	367,482	197,059
Accounts receivable <i>[note 2]</i>	-	76
Total financial assets	368,082	197,735

Table 2 - Statement of Financial Position - Liabilities

Liabilities	2017	2016
Accounts payable and accrued liabilities <i>[note 2]</i>	55,475	12,715
Total liabilities	55,475	12,715
Net financial assets	312,607	185,020

Table 3 - Statement of Financial Position - Non-Financial Assets

Non-financial assets	2017	2016
Prepaid expenses	4,926	1,638
Tangible capital assets <i>[note 4]</i>	11,265	14,484
Total non-financial assets	16,191	16,122
Accumulated surplus	\$328,798	\$201,142

See accompanying notes

THE VANIER BUSINESS IMPROVEMENT AREA

STATEMENT OF OPERATIONS

For the year ended December 31, 2017, with comparative information for 2016

Table 4 - Statement of Operations - Revenue

Revenue	Budget 2017	Actual 2017	Actual 2016
Tax revenue <i>[note 3]</i>	\$383,150	\$449,095	\$359,452
Sundry	17,000	42,441	19,778
Payments in lieu of taxation	1,300	1,361	1,121
Total revenue	401,450	492,897	380,351

Table 5 - Statement of Operations - Expenses

Expenses	Budget 2017	Actual 2017	Actual 2016
Salaries	167,900	126,513	148,029
Maintenance	73,150	56,122	45,617
Office	42,000	39,853	38,729
Rent	30,000	26,156	26,156
Advertising	71,000	96,461	18,974
Insurance	9,000	6,541	6,469
Professional and consulting fees	6,400	7,774	1,517
Depreciation	-	3,219	1,609
Audit fees	2,000	2,602	1,437
Total expenses	401,450	365,241	288,537
Annual surplus	-	127,656	91,814
Accumulated surplus, beginning of year	201,142	201,142	109,328
Accumulated surplus, end of year	\$201,142	\$328,798	\$201,142

See accompanying notes

THE VANIER BUSINESS IMPROVEMENT AREA

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31, 2017, with comparative information for 2016

Table 6 - Statement of Changes in Net Financial Assets

	Budget 2017	Actual 2017	Actual 2016
Annual surplus	\$ -	\$127,656	\$91,814
Acquisition of tangible capital assets	-	-	(16,093)
Depreciation of tangible capital assets	-	3,219	1,609
(Increase) decrease in prepaid expenses	-	(3,288)	690
Increase in net financial assets	-	127,587	78,020
Net financial assets, beginning of year	185,020	185,020	107,000
Net financial assets, end of year	\$185,020	\$312,607	\$185,020

See accompanying notes

THE VANIER BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

For the year ended December 31, 2017, with comparative information for 2016

Table 7 - Statement of cash flows - Operating Activities

Operating activities	2017	2016
Annual surplus	\$127,656	\$91,814
Add item not affecting cash		
Depreciation	3,219	1,609
Changes in non-cash working capital balances related to operations		
Decrease in accounts receivable	76	4,828
(Increase) decrease in prepaid expenses	(3,288)	690
Increase in accounts payable and accrued liabilities	42,760	3,007
Cash provided by operating activities	170,423	101,948

Table 8 - Statement of Cash Flows - Investing Activities

Investing activities	2017	2016
Acquisition of tangible capital assets	-	(16,093)
Cash used in investing activities	-	(16,093)

Table 9 - Statement of Cash Flows - Change in cash and cash equivalents

Change in cash and cash equivalents	2017	2016
Net increase in cash and cash equivalents during the year	170,423	85,855
Cash and cash equivalents, beginning of the year	197,659	111,804
Cash and cash equivalents, end of the year	\$368,082	\$197,659

Table 10 - Statement of Cash Flows - Cash breakdown

Cash consists of	2017	2016
Cash	600	600
Cash on deposit with the Corporation of the City of Ottawa	367,482	197,059
	\$368,082	\$197,659

THE VANIER BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of The Vanier Business Improvement Area [the “BIA”] are the representation of management prepared in accordance with accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board of the Chartered Public Accountants of Canada. 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. These estimates and approximations have been made using careful judgment.

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

Capital assets are initially recorded at cost and amortized 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 amortized over five years on a straight-line basis. In the year of acquisition, half of the normal amortization is recorded for all tangible capital assets.

Financial instruments

The financial instruments of the BIA consist of cash and cash equivalents, 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 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 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 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 Board of Directors' members and company executives in the normal course of business at commercial rates. In addition, the BIA is related to all entities under control of the City of Ottawa. As at December 31, 2017, \$230 [2016 – \$372] is included in accounts payable and accrued liabilities.

3. TAX REVENUE

Tax revenue comprises the following:

Table 11 - Tax revenue breakdown

	2017	2016
	\$	\$
General tax levy	374,247	374,269
Supplementary assessments	117,172	5,509
Remissions	(36,271)	(16,970)
Vacancy rebates	(6,053)	(3,356)
	449,095	359,452

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets comprise the following:

Table 9 - Capital assets breakdown

	2017	2016
Tangible capital assets	\$	\$
Equipment	16,093	16,093
Accumulated amortization	(4,828)	(1,609)
Net book value	11,265	14,484