

Financial Statements

The Barrhaven Business Improvement Area

December 31, 2021

Independent auditor's report

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

Opinion

We have audited the financial statements of **The Barrhaven Business Improvement Area** [the "BIA"], which comprise the statement of financial position as at December 31, 2021, and the statement of operations, statement of changes in net financial assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2021, and its financial performance 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 report. We are independent of the BIA 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 BIA'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 BIA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the BIA'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 these 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 BIA'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 BIA'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 BIA 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.

We 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.

Ottawa, Canada
DATE

Chartered Professional Accountants
Licensed Public Accountants

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

STATEMENT OF FINANCIAL POSITION

As at December 31, 2021, with comparative information for 2020

Table 1 - Statement of Financial Position - Financial Assets

Financial assets	2021	2020
Cash on deposit with the Corporation of the City of Ottawa	\$222,562	\$213,496
Cash	84	20
Accounts receivable	1,237	-
Total financial assets	223,883	213,516

Table 2 - Statement of Financial Position - Liabilities

Liabilities	2021	2020
Accounts payable and accrued liabilities <i>[note 2]</i>	31,664	43,146
Total liabilities	31,664	43,146
Net financial assets	192,219	170,370

Table 3 - Statement of Financial Position - Non-Financial Assets and Accumulated Surplus

Non-financial assets	2021	2020
Prepaid expenses	18,189	19,184
Total non-financial assets	18,189	19,184
Accumulated surplus	\$210,408	\$189,554

See accompanying notes

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

STATEMENT OF OPERATIONS

For the year ended December 31, 2021, with comparative information for 2020

Table 4 - Statement of Operations - Revenue

Revenue	Budget 2021	Actual 2021	Actual 2020
Tax revenue <i>[note 3]</i>	\$312,500	\$307,256	\$300,102
Sundry	74,200	31,137	21,729
Payments in lieu of taxation	250	250	250
Total revenue	386,950	338,643	322,081

Table 5 - Statement of Operations - Expenses

Expenses	Budget 2021	Actual 2021	Actual 2020
Salaries	162,700	167,069	194,266
Advertising and promotion	52,875	31,054	25,595
Office supplies	64,825	27,968	18,210
Maintenance	23,900	36,480	30,986
Professional services	84,050	48,892	13,145
Insurance	6,600	4,008	3,604
Audit fees	2,000	2,318	2,291
Total expenses	396,950	317,789	288,097
Annual surplus (deficit)	(10,000)	20,854	33,984
Accumulated surplus, beginning of year	189,554	189,554	155,570
Accumulated surplus, end of year	\$179,554	\$210,408	\$189,554

See accompanying notes

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31, 2021, with comparative information for 2020

Table 6 - Statement of Changes in Net Financial Assets

	Budget 2021	Actual 2021	Actual 2020
Annual surplus (deficit)	(\$10,000)	\$20,854	\$33,984
Decrease (increase) in prepaid expenses	-	995	(17,879)
Increase (decrease) in net financial assets	(10,000)	21,849	16,105
Net financial assets, beginning of year	170,370	170,370	154,265
Net financial assets, end of year	\$160,370	\$192,219	\$170,370

See accompanying notes

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021, with comparative information for 2020

Table 7 - Statement of Cash Flows - Operating Activities

Operating activities	2021	2020
Annual surplus	\$20,854	\$33,984
Changes in non-cash working capital balances related to operations		
(Increase) decrease in accounts receivable	(1,237)	2,317
Decrease (increase) in prepaid expenses	995	(17,879)
(Decrease) increase in accounts payable and accrued liabilities	(11,482)	24,881
Decrease in deferred revenue	-	(5,145)
Cash provided by operating activities	9,130	38,158

Table 8 - Statement of Cash Flows - Change in Cash and Cash Equivalents

Change in cash and cash equivalents	2021	2020
Net increase in cash and cash equivalents during the year	9,130	38,158
Cash and cash equivalents, beginning of year	213,516	175,358
Cash and cash equivalents, end of year	\$222,646	\$213,516

Table 9 - Statement of Cash Flows - Cash Breakdown

Cash and cash equivalents consist of	2021	2020
Cash	\$84	\$20
Cash on deposit with the Corporation of the City of Ottawa	222,562	213,496
	\$222,646	\$213,516

See accompanying notes

THE BARRHAVEN BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

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 accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board of the Chartered Professional 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.

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 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 when 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 Board of Directors' members 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 \$250, which it paid to related parties in return for goods and services, and recognized \$500 in revenues, which was received in return for provided goods and services.

In addition, the BIA is related to all entities under control of the City of Ottawa. During the year ended December 31, 2021, the BIA recognized grant revenue from the City of Ottawa of \$23,980 [2020 - \$10,303] within sundry revenue on the Statement of Operations. As at December 31, 2021, nil [2020 – nil] is included in accounts payable and accrued liabilities that is due to related parties.

3. TAX REVENUE

Tax revenue comprises the following:

Table 10 - Tax Revenue Breakdown

	2021	2020
	\$	\$
General tax levy	320,004	320,000
Supplementary assessments	2,319	13,706
Remissions	(14,763)	(33,684)
Vacancy rebates	(304)	80
	307,256	300,102

4. COVID-19 IMPACT

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. The Government of Canada has announced a new set of economic measures to stabilize the economy during this challenging period. In an effort to provide financial relief to members dealing with COVID-19 restrictions, the BIA elected to continue its suspension of banner invoicing from 2020 into 2021. This decrease in funding resulted in a shortfall in other revenue, and the BIA responded by monitoring expenses accordingly.