

Financial Statements

The Wellington West Business Improvement Area

December 31, 2017

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of **The Wellington West 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 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 Wellington West 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

July 9, 2018

Ernst + Young LLP

Chartered Professional Accountants
Licensed Public Accountants



THE WELLINGTON WEST 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	\$ -	\$500
Cash on deposit with the Corporation of the City of Ottawa	71,732	53,611
Total financial assets	71,732	54,111

Table 2 - Statement of Financial Position - Liabilities

Liabilities	2017	2016
Accounts payable and accrued liabilities <i>[note 2]</i>	16,277	10,452
Total liabilities	16,277	10,452
Net financial assets	55,455	43,659

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

Non-financial assets	2017	2016
Prepaid expenses	3,100	1,236
Total non-financial assets	3,100	1,236
Accumulated surplus	\$58,555	\$44,895

See accompanying notes

THE WELLINGTON WEST 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>	\$303,434	\$299,700	\$276,061
Sundry	25,000	21,956	26,815
Payments in lieu of taxation	-	2,798	2,696
Total revenue	328,434	324,454	305,572

Table 5 - Statement of Operations - Expenses

Expenses	Budget 2017	Actual 2017	Actual 2016
Salaries	86,248	80,723	88,978
Office and administration	9,400	13,848	8,294
Advertising and promotion	67,256	67,161	67,848
Professional and consulting fees	44,600	46,628	44,412
Audit fees	1,500	1,639	1,437
Maintenance	88,100	71,665	65,672
Rent	25,200	24,936	21,787
Insurance	6,130	4,194	4,892
Total expenses	328,434	310,794	303,320
Annual surplus	-	13,660	2,252
Accumulated surplus, beginning of year	44,895	44,895	42,643
Accumulated surplus, end of year	\$44,895	\$58,555	\$44,895

See accompanying notes

THE WELLINGTON WEST 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	\$ -	\$13,660	\$2,252
(Increase) decrease in prepaid expenses	-	(1,864)	4,762
Increase in net financial assets	-	11,796	7,014
Net financial assets, beginning of year	43,659	43,659	36,645
Net financial assets, end of year	\$43,659	\$55,455	\$43,659

See accompanying notes

THE WELLINGTON WEST 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	\$13,660	\$2,252
Changes in non-cash working capital balances related to operations		
(Increase) decrease in prepaid expenses	(1,864)	4,762
Increase (decrease) in accounts payable and accrued liabilities	5,825	(5,046)
Cash provided by operating activities	17,621	1,968

Table 8 - 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	17,621	1,968
Cash and cash equivalents, beginning of year	54,111	52,143
Cash and cash equivalents, end of year	\$71,732	\$54,111

Table 9 - Statement of Cash Flows - Cash breakdown

Cash consists of	2017	2016
Cash	\$ -	\$500
Cash on deposit with the Corporation of the City of Ottawa	71,732	53,611
	\$71,732	\$54,111

See accompanying notes

THE WELLINGTON WEST 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 Wellington West 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 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 and cash equivalents 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 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 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, nil [2016 – nil] is included in accounts payable and accrued liabilities.

3. TAX REVENUE

Tax revenue comprises the following:

Table 10 - Tax revenue breakdown

	2017	2016
	\$	\$
General tax levy	303,808	281,907
Supplementary assessments	9,618	1,542
Remissions	(10,362)	(4,974)
Vacancy rebates	(3,364)	(2,414)
	299,700	276,061