
Financial statements of
The Corporation of the City of
Barrie – Downtown Barrie Business
Improvement Area

December 31, 2024

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Independent Auditor's Report

To the Board of Directors of
The Corporation of the City of Barrie – Downtown Barrie Business Improvement Area

Qualified Opinion

We have audited the financial statements of The Corporation of the City of Barrie – Downtown Barrie Business Improvement Area (the "Organization") which comprise the statement of financial position as at December 31, 2024, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024 and the result of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Qualified Opinion

In common with similar organizations, the Organization derives revenue from fundraising activities and events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to fundraising and other revenue, annual surplus and cash flows from operations for the years ended December 31, 2024 and 2023, and net financial assets and accumulated surplus as at January 1 and December 31, for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly, because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Organization 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 qualified audit 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 PSAS, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 GAAS 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 GAAS, 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 Organization'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 Organization'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 Organization 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
April 24, 2025

**The Corporation of the City of Barrie –
Downtown Barrie Business Improvement Area
Statement of operations**

Year ended December 31, 2024

	Notes	Budget 2024 \$	2024 \$	2023 \$
		(Note 7)		
Revenue				
Business improvement area levy		726,434	712,845	674,663
Fundraising and other revenue		—	106,931	179,741
Government grants	2	—	88,635	280,972
		726,434	908,411	1,135,376
Expenses				
Administration	6	351,545	420,532	330,694
Marketing and communication		61,000	44,676	89,064
Culture and heritage events		139,815	260,846	266,937
Beautification and cleanliness		49,275	84,763	178,382
Memorial square and other	2	90,000	143,488	181,243
Contribution to The Corporation of the City of Barrie	2	15,000	15,000	15,000
Amortization		19,799	19,799	1,222
		726,434	989,104	1,062,542
Annual (deficit) surplus		—	(80,693)	72,834
Accumulated surplus, beginning of year		431,245	431,245	358,411
Accumulated surplus, end of year		431,245	350,552	431,245

The accompanying notes are an integral part of the financial statements.

**The Corporation of the City of Barrie –
Downtown Barrie Business Improvement Area
Statement of change in net financial assets**

Year ended December 31, 2024

	Budget 2024	2024	2023
	\$	\$	\$
	(Note 7)		
Annual (deficit) surplus	—	(80,693)	72,834
Acquisition of tangible capital assets	—	—	(286,321)
Amortization of tangible capital assets	19,799	19,799	1,222
	19,799	(60,894)	(212,265)
(Increase) decrease in prepaid expenses	—	(2,029)	4,121
Net financial assets, beginning of year	142,641	142,641	350,785
Net financial assets, end of year	162,440	79,718	142,641

The accompanying notes are an integral part of the financial statements.

**The Corporation of the City of Barrie –
Downtown Barrie Business Improvement Area
Statement of financial position**

As at December 31, 2024

	Notes	2024	2023
		\$	\$
Financial assets			
Cash		50,277	114,738
Accounts receivable		24,760	90,101
Harmonized Sales Tax receivable		86,885	69,948
		161,922	274,787
Liabilities			
Accounts payable and accrued liabilities		78,030	85,421
Due to The Corporation of the City of Barrie	2	4,174	46,725
		82,204	132,146
Net financial assets		79,718	142,641
Non-financial assets			
Prepaid expenses		3,599	1,570
Tangible capital assets	3	267,235	287,034
Accumulated surplus	4	350,552	431,245

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board of Directors

_____, Director

_____, Director

**The Corporation of the City of Barrie –
Downtown Barrie Business Improvement Area
Statement of cash flows**

Year ended December 31, 2024

	2024	2023
	\$	\$
Operating activities		
Annual (deficit) surplus	(80,693)	72,834
Item not involving cash		
Amortization	19,799	1,222
Change in non-cash operating balances		
Accounts receivable	65,341	51,802
Harmonized Sales Tax receivable	(16,937)	53,014
Accounts payable and accrued liabilities	(7,391)	32,845
Deferred revenue	—	(7,569)
Due from The Corporation of the City of Barrie	(42,551)	(16,280)
Prepaid expenses	(2,029)	4,121
	(64,461)	191,989
Investing activity		
Acquisition of tangible capital assets	—	(286,321)
Net change in cash	(64,461)	(94,332)
Cash, beginning of year	114,738	209,070
Cash, end of year	50,277	114,738

The accompanying notes are an integral part of the financial statements.

**The Corporation of the City of Barrie –
Downtown Barrie Business Improvement Area**
Notes to the financial statements

December 31, 2024

1. Summary of significant accounting policies

Management’s responsibility for the financial statements

The Organization is an unincorporated entity formed to improve the Barrie Downtown Business Core by attracting more business and maintaining the general upkeep of the downtown area. The financial statements of The Corporation of the City of Barrie – Downtown Barrie Business Improvement Area (the “Organization”) are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards.

Revenue recognition

Revenues are recognized as follows:

The business improvement area levy is based on a special downtown business levy that is recognized in the calendar year to which the tax assessment applies and at the time the assessment is known.

Fundraising and other revenues are recognized when cash is collected.

Government grants are recognized in the period in which the transfer is authorized and any eligibility criteria are met unless restricted through stipulations that required specific actions to be carried out in order to keep the transfer. For such transfers, revenue is recognized as the stipulation has been met. For any amounts received, but for which revenue is not yet recognized, the amount is recorded as deferred revenue.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including, but not limited to: transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue.

Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year following that in which the tangible capital asset is available for productive use as follows:

Computer equipment	Straight-line	3 years
Meridian Place fixtures	Straight-line	15 years
Equipment	Straight-line	15 years

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates in the preparation of the financial statements are contingent assets and liabilities, the estimated useful life of tangible capital assets and the estimation of certain accrued liabilities. Actual results could differ from management’s best estimates as additional information becomes available in the future.

**The Corporation of the City of Barrie –
Downtown Barrie Business Improvement Area**

Notes to the financial statements

December 31, 2024

2. Due to The Corporation of the City of Barrie

At the end of the year, the amounts due to The Corporation of the City of Barrie are as follows:

	2024	2023
	\$	\$
Due to The Corporation of the City of Barrie	(4,174)	(46,725)

This balance is interest-free, unsecured, and payable on demand.

During 2024, the Organization recognized a \$30,000 (\$30,000 in 2023) grant from The Corporation of the City of Barrie related to the pedestrianization of Dunlop Street costs.

During 2024, the Organization recognized \$38,360 (\$45,853 in 2023) in other funding from the Corporation of the City of Barrie related to various projects and events.

The Organization is committed to fund various capital projects at the Corporation of the City of Barrie as outlined in Note 5. The amounts paid to The Corporation of the City of Barrie during the year are presented below by expense categories from the statement of operations.

	2024	2023
	\$	\$
Memorial square	143,488	181,243
Contribution to The Corporation of the City of Barrie for the Dunlop Streetscape Project (Note 5b)	15,000	15,000
	158,488	196,243

3. Tangible capital assets

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
	\$	\$	\$	\$
Computer equipment	5,612	5,612	—	713
Equipment	54,163	3,610	50,553	54,163
Meridian Place fixtures	232,158	15,476	216,682	232,158
	291,933	24,698	267,235	287,034

Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing in the year following that in which the tangible capital asset is available for productive use.

**The Corporation of the City of Barrie –
Downtown Barrie Business Improvement Area**
Notes to the financial statements
December 31, 2024

4. Accumulated surplus

The Organization segregates its accumulated surplus into the following categories:

	2024	2023
	\$	\$
Invested in tangible capital assets	267,235	287,034
Unallocated accumulated surplus	83,317	144,211
	350,552	431,245

5. Commitments

(a) Dunlop Streetscape

In 2019, the Organization committed to funding \$300,000 of the construction of the Dunlop Streetscape project. As of December 31, 2024, the BIA has funded \$45,000 (\$30,000 in 2023) of the project; outstanding commitments are \$255,000 (\$270,000 in 2023). Minimum annual contribution payments of \$15,000 to The Corporation of the City of Barrie are required, ending in 2041, unless the commitment is paid off earlier. Contribution payments are interest free.

(b) Operating leases

The Organization has an operating lease for its premises which expires on April 30, 2030, with an option to renew for an additional five year term. Base rent and estimated additional rent amounts are included in the minimum annual committed payments table below.

(c) Memorial Square/Meridian Place Project

The Organization is committed to funding \$3,351,775 for the construction of the Memorial Square/Meridian Place Project. As of December 31, 2024, the BIA has funded \$1,875,253 (\$1,731,765 in 2023) of the project; outstanding commitments are \$1,476,522 (\$1,620,010 in 2023). The Organization intends to fundraise an additional \$114,870 (\$182,711 in 2023) over a 1-year period. Minimum annual contribution payments of \$75,647 to The Corporation of the City of Barrie are required, ending in 2041, unless the commitment is paid off earlier. Contribution payments are interest free.

The Organization’s minimum annual committed payments towards these commitments are as follows:

	<u>\$</u>
2025	134,733
2026	136,963
2027	138,686
2028	140,314
2029	141,942
Thereafter	<u>1,295,566</u>
	<u>1,988,204</u>

**The Corporation of the City of Barrie –
Downtown Barrie Business Improvement Area**

Notes to the financial statements

December 31, 2024

6. Expenses by object

	2024	2023
	\$	\$
Salaries, wages and employee benefits	294,878	227,679
Materials	4,855	16,847
Contracted services	446,296	581,325
Rents and financial expenses	64,788	39,226
Contributions to the Corporation of the City of Barrie	158,488	196,243
Amortization	19,799	1,222
	989,104	1,062,542

7. Budget

The budget adopted by the Organization on January 25, 2024 and approved by the City of Barrie on May 1, 2024 was not prepared on a basis consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis while Canadian public sector accounting standards requires a full accrual basis. The budget expensed all tangible capital expenditures on acquisition rather than annually including amortization expense. For presentation purposes the amounts budgeted for capital expenditures are shown on the statement of change in net financial assets and actual amortization for the year added to the budget in the statement of operations.

8. Corresponding amounts

Certain corresponding figures for 2023 have been reclassified to conform with the current year's presentation. There was a reclassification from Marketing and communication expenses to Culture and heritage events expenses in the amount of \$8,540, and from Memorial square and Other expenses to Culture and heritage events expenses in the amount of \$6,152, with no impact on annual surplus.