

**WIARTON BUSINESS IMPROVEMENT
AREA**

FINANCIAL REPORT

DECEMBER 31, 2018

WIARTON BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2018

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BAKER TILLY SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Management of **Wiarthon Business Improvement Area:**

Opinion

We have audited the financial statements of the Wiarthon Business Improvement Area (the BIA), which comprise the statement of financial position as at December 31, 2018, and the statement of operations 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, 2018, and its results of operations 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 Consolidated 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.

In preparing the financial statements, management is responsible for assessing the BIA's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

BAKER TILLY SGB LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT CONTINUED

Auditor's Responsibilities for the Audit of the Consolidated 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 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.



Licensed Public Accountants
Walkerton, Ontario
July 16, 2019

WIARTON BUSINESS IMPROVEMENT AREA

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

	2018	2017
	\$	\$
Financial assets		
Due from Town of South Bruce Peninsula (Note 5)	30,179	33,530
Accumulated surplus (Note 3)	30,179	33,530

The accompanying notes are an integral part of
these financial statements

WIARTON BUSINESS IMPROVEMENT AREA

STATEMENT OF OPERATIONS AS AT DECEMBER 31, 2018

	Budget 2018	Actual 2018	Actual 2017
	\$ (Note 2)	\$	\$
Revenues			
Member levy	32,180	32,180	30,578
Other income	-	-	-
	32,180	32,180	30,578
Expenses			
Special Projects	20,000	19,629	13,000
Promotion	17,580	14,325	11,854
Professional fees	1,600	1,577	1,526
	39,180	35,531	26,380
Net (expenses) revenues	(7,000)	(3,351)	4,198
Annual (deficit) surplus	(7,000)	(3,351)	4,198
Accumulated surplus, beginning of year		33,530	29,332
Accumulated surplus, end of year (Note 3)		30,179	33,530

The accompanying notes are an integral part of
these financial statements

WIARTON BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

Nature of operations

The Warton Business Improvement Area ("the BIA") is incorporated without share capital under the laws of the Province of Ontario. The BIA is managed by a board of directors consisting of representatives from the Town of South Bruce Peninsula. The BIA is a non-profit organization exempt from income tax.

1. Summary of significant accounting policies

The financial statements of Warton Business Improvement Area are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the BIA and the changes thereto. The statement of financial position includes all the assets and liabilities of the BIA. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the BIA's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Board are as follows

(a) **Basis of accounting**

Sources of revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) **Revenue recognition**

Member levies are recognized as revenue when the amounts are levied on the municipality's ratepayers.

Other incomes are recognized when related goods or services are provided and collectibility is reasonably assured.

(c) **Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

WIARTON BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

1. Summary of significant accounting policies (continued)

(d) Basis of consolidation

The Wiarion Business Improvement Area has been consolidated with the financial statements of the Corporation of the Town of South Bruce Peninsula.

(e) Financial instruments

The BIA considers any contract that creates a financial asset, a financial liability or equity instrument as a financial instrument, except in limited items such as leases and loan commitments.

Initial recognition and measurement

A financial asset or a financial liability is recognized when the BIA becomes a party to the contractual provisions of the financial instrument. Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction, are initially measured at their fair value.

Subsequent measurement

Changes in fair value of investments in equity instruments are recognized in net income in the period incurred. All other financial assets and financial liabilities are measured at amortized cost.

Impairment

At the end of each reporting period, the BIA assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired.

2. Budget amounts

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the statement of financial activities for comparative purposes. The 2018 budget amounts for the Wiarion Business Improvement Area approved by the Board and have been restated to conform to the basis of preparation of the revenues and expenditures on the statement of financial activities. The budget numbers have not been audited.

3. Accumulated (deficit) surplus

The accumulated (deficit) surplus consists of:

	2018	2017
	\$	\$
Surplus:		
Reserve fund	30,179	33,530
Total accumulated (deficit) surplus	30,179	33,530

4. Financial instruments

The BIA's financial instruments consist of amounts due to and from related parties and long term debt. The organization is not exposed to any significant risks.

WIARTON BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

5. Related party transactions

The BIA receives its member levy from the Town of South Bruce Peninsula. In addition all of the other revenues and expenses are processed through the Town of South Bruce Peninsula's accounts resulting in an amount owing from the Town at the end of the year of \$30,179 (2017 - \$33,350).