

Wiarthon Business  
Improvement Area  
Financial Statements  
For the year ended December 31, 2021

Warton Business Improvement Area  
Financial Statements  
For the year ended December 31, 2021

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Financial Statements

Warton Business Improvement Area

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## Independent Auditor's Report

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To the Board of Management of the Wiarton Business Improvement Area

### Opinion

We have audited the financial statements of the Wiarton Business Improvement Area (the BIA), which comprise the statement of financial position as at December 31, 2021, and the statements of operations and accumulated surplus, changes 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Wiarton Business Improvement Area as at December 31, 2021 and the results of its operations 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 Responsibility 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 the 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 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.

Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
November 21, 2022

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Wiarthon Business Improvement Area  
Statement of Financial Position

December 31	2021	2020
Financial assets		
Due from the Town of South Bruce Peninsula	\$ 24,718	\$ 27,280
Net financial assets	<u>24,718</u>	<u>27,280</u>
Accumulated surplus (Note 2)	<u>\$ 24,718</u>	<u>\$ 27,280</u>

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

**Warton Business Improvement Area**  
Statement of Operations and Accumulated Surplus

For the year ended December 31	2021 Budget (Note 3)	2021 Actual	2020 Actual
<b>Revenue</b>			
Member levy	\$ 29,000	\$ 29,000	\$ 33,789
Interest income	-	180	243
	<u>29,000</u>	<u>29,180</u>	<u>34,032</u>
<b>Expenses</b>			
Marketing	18,150	16,325	-
Memberships	250	238	-
Insurance	590	1,187	-
Professional services	-	-	1,628
Promotion	2,000	1,781	14,523
Contracted Services	22,000	12,211	-
Repairs and maintenance	1,000	-	-
Miscellaneous	300	-	-
Special Projects	-	-	22,185
	<u>44,290</u>	<u>31,742</u>	<u>38,336</u>
Annual deficit (Note 3)	(15,290)	(2,562)	(4,304)
Accumulated surplus, beginning of the year	<u>27,280</u>	<u>27,280</u>	<u>31,584</u>
<b>Accumulated surplus, end of the year</b>	<b>\$ 11,990</b>	<b>\$ 24,718</b>	<b>\$ 27,280</b>

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

**Wiarthon Business Improvement Area**  
**Statement of Changes in Net Financial Assets**

For the year ended December 31	2021 Budget (Note 3)	2021 Actual	2020 Actual
Annual deficit (Page 5)	\$ (15,290)	\$ (2,562)	\$ (4,304)
Decrease in net financial assets	(15,290)	(2,562)	(4,304)
Net financial assets, beginning of the year	27,280	27,280	31,584
<b>Net financial assets, end of the year</b>	<b>\$ 11,990</b>	<b>\$ 24,718</b>	<b>\$ 27,280</b>

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

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Wiarnton Business Improvement Area  
Statement of Cash Flows

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating activities		
Annual deficit	\$ (2,562)	\$ (4,304)
Changes in non-cash working capital balances		
Due to Town of South Bruce Peninsula	<u>2,562</u>	<u>4,304</u>
Net change in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of the year	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of the year	<u>\$ -</u>	<u>\$ -</u>



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Warton Downtown Improvement Area  
Notes to Financial Statements

December 31, 2021

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1. Summary of significant accounting policies

Management Responsibility	The Board of Management of the Warton Business Improvement Area has prepared and is responsible for the integrity, objectivity and accuracy of the financial information presented. The Board of Management reviews and approves the financial statements.
Basis of Accounting	<p>The financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada as prescribed by the Ministry of Municipal Affairs and Housing.</p> <p>Revenues and expenses 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.</p>
Basis of Consolidation	The Warton Business Improvement Area has been consolidated with the financial statements of the Town of South Bruce Peninsula.
Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial information, and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.
Revenue Recognition	<p>Special levies and grants are recognized as revenue when the transfer is authorized and all eligibility criteria have been met.</p> <p>User fees and other revenues are recognized when related goods or services are provided and collectibility is reasonably assured.</p>

Wiaraton Downtown Improvement Area  
Notes to Financial Statements

December 31, 2021

2. Accumulated Surplus (deficit)

The organization segregates its accumulated surplus in the following categories:

	2021	2020
Reserves	\$ 24,718	\$ 27,280
Accumulated surplus (deficit)	\$ 24,718	\$ 27,280

3. Budget

Under Canadian Public sector accounting standards, budget amounts are to be reported on the consolidated statement of operations and accumulated surplus and charges in net financial assets for comparative purposes. The 2021 budget amounts approved by the Board have been reclassified to conform to the presentation of the statements of operations and accumulated surplus and changes in net financial assets. The following is a reconciliation of the budget approved by the Board of Management.

	2021 Budget	2021 Actual	2020 Actual
Annual deficit (Page 5)	\$ (15,290)	\$ (2,562)	\$ (4,304)
Transfer from reserves	15,290	2,562	4,304
	\$ -	\$ -	\$ -

4. Impact of COVID-19

As the impacts of COVID-19 continue, there could be further impacts on the BIA, its patrons, suppliers and other third party business associates that could impact the timing and amounts realized on the BIA's assets and future ability to deliver services and projects. Given the dynamic nature of these circumstances the related financial impact cannot be fully reasonably determined at this time. The BIA will continue to focus on its operations in order to maintain its ability to provide essential services.

5. Comparative Amounts

The prior year comparative amounts have been reclassified to agree to the current year financial statement presentation.