

**WINGHAM BUSINESS IMPROVEMENT AREA
FINANCIAL STATEMENTS
DECEMBER 31, 2017**

VODDEN, BENDER & SEEBACH *LLP*
Chartered Profesional Accountants

Vodden, Bender & Seebach LLP
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Directors of the Wingham Business Improvement Area

We have audited the accompanying financial statements of the Wingham Business Improvement Area, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and accumulated surplus 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 generally accepted accounting principles, 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.

Auditor's 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 auditor's 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 auditor considers 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 Wingham Business Improvement Area as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Vodden, Bender & Seebach LLP

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
March 1, 2018

WINGHAM BUSINESS IMPROVEMENT AREA**STATEMENT OF FINANCIAL POSITION**

See accompanying notes to the financial statements

As at December 31	2017	2016
ASSETS		
Cash and bank	27,100	9,623
Accounts receivable	5,967	2,554
HST recoverable	-	5,322
	<u>\$ 33,067</u>	<u>\$ 17,499</u>
LIABILITIES		
Accounts payable and accrued liabilities	12,099	8,827
Gift certificates outstanding	645	695
HST payable	947	-
	<u>13,691</u>	<u>9,522</u>
Accumulated surplus (deficit)	7,776	2,977
Reserve fund for future projects	11,600	5,000
	<u>19,376</u>	<u>7,977</u>
	<u>\$ 33,067</u>	<u>\$ 17,499</u>

WINGHAM BUSINESS IMPROVEMENT AREA**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

See accompanying notes to the financial statements

For the Year Ended December 31	2017	2016
Revenue		
Township of North Huron - levy	26,266	25,694
Membership fees	1,800	-
Sales	2,940	5,030
Promotions	11,438	11,525
Donations	79	9,387
	<u>42,523</u>	<u>51,636</u>
Cost of Goods Sold		
Purchases	2,864	4,980
	<u>2,864</u>	<u>4,980</u>
General and Administrative Expenses		
Accounting & legal	813	814
Advertising & promotions	20,711	19,490
Business fees & licenses	216	212
Main Street improvements	4,763	41,761
BIA events	722	83
Conferences	-	616
Interest & bank charges	61	35
Meals	206	211
Office supplies	244	418
Insurance	324	324
Rent	-	27
Website	37	692
Repairs & maintenance	129	413
	<u>28,260</u>	<u>65,096</u>
Net surplus (deficit) for the year	11,399	(18,440)
Transfer to reserves	(6,600)	10,472
Accumulated surplus (deficit) beginning of year	<u>2,977</u>	<u>10,945</u>
Accumulated surplus (deficit) end of year	<u><u>\$ 7,776</u></u>	<u><u>\$ 2,977</u></u>

WINGHAM BUSINESS IMPROVEMENT AREA**STATEMENT OF CASH FLOWS**

See accompanying notes to the financial statements

For the Year Ended December 31	2017	2016
Operating activities		
Surplus (deficit) for the year	11,399	(18,440)
Net change in working capital balances		
Accounts receivable	(3,413)	2,055
HST recoverable	6,269	(4,383)
Accounts payable and accrued liabilities	3,272	2,394
Gift certificates outstanding	(50)	(550)
Change in cash and cash equivalents during year	17,477	(18,924)
Cash and cash equivalents, beginning of year	9,623	28,547
Cash and cash equivalents, end of year	\$ 27,100	\$ 9,623

WINGHAM BUSINESS IMPROVEMENT AREA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

1. Nature of operations

The Wingham Business Improvement Area is a municipal sub-committee of the Township of North Huron consisting of local merchants, businesses and property owners. Its mandate is to beautify, improve, and promote the Wingham shopping district.

2. Significant accounting policies

The financial statements of the Wingham Business Improvement Area are the representation of management. Significant accounting policies include the following:

a) **Accrual basis of accounting**

Expenditures and related sources of funding are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenues; expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

b) **Revenue recognition**

Revenues are recognized in the period in which the activities occur.

c) **Contributed services**

Volunteer contributions are substantial but the values can not be estimated and therefore are not recognized in the financial statements.

d) **Financial instruments**

Unless otherwise stated in these financial statements, the fair value of the entity's financial assets and liabilities approximate their carrying amount. It is management's opinion that the entity is not exposed to significant interest, currency or credit risk arising from these financial instruments.

e) **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 in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.