

**WINGHAM BUSINESS IMPROVEMENT AREA
FINANCIAL STATEMENTS
DECEMBER 31, 2015**

VODDEN, BENDER & SEEBACH LLP
Chartered Profesional 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, 2015, 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

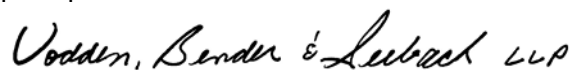
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
March 1, 2016

WINGHAM BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION

See accompanying notes to the financial statements

As at December 31	2015	2014
ASSETS		
Cash and bank	28,547	28,836
Accounts receivable	4,609	3,810
HST recoverable	939	1,772
	<u>\$ 34,095</u>	<u>\$ 34,418</u>
LIABILITIES		
Accounts payable and accrued liabilities	6,433	7,658
Gift certificates outstanding	1,245	3,545
	<u>7,678</u>	<u>11,203</u>
Accumulated surplus (deficit)	10,945	7,743
Reserve fund for future projects	15,472	15,472
	<u>26,417</u>	<u>23,215</u>
	<u>\$ 34,095</u>	<u>\$ 34,418</u>

WINGHAM BUSINESS IMPROVEMENT AREA

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

See accompanying notes to the financial statements

For the Year Ended December 31	2015	2014
Revenue		
Membership fees	24,081	25,353
Funds transferred from WBA	-	298
Sales	4,195	5,156
Promotions	6,495	4,850
Donations	62	800
Other revenue	4	303
	<u>34,837</u>	<u>36,760</u>
Cost of Goods Sold		
Purchases	3,611	4,469
	<u>3,611</u>	<u>4,469</u>
General and Administrative Expenses		
Accounting & legal	800	501
Advertising & promotions	16,598	14,388
Bad debts	-	100
Business fees & licenses	210	205
Main Street improvements	7,969	2,565
BIA events	1,358	350
Courier & postage	-	118
Conferences	681	695
Interest & bank charges	64	40
Meals	47	100
Office supplies	214	175
Rent	25	25
Website	13	-
Repairs & maintenance	44	-
	<u>28,023</u>	<u>19,262</u>
Net surplus (deficit) for the year	3,203	13,029
Transfer to reserves	-	(9,045)
Accumulated surplus (deficit) beginning of year	7,743	3,759
Accumulated surplus (deficit) end of year	<u><u>\$ 10,945</u></u>	<u><u>\$ 7,743</u></u>

WINGHAM BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

See accompanying notes to the financial statements

For the Year Ended December 31	2015	2014
Operating activities		
Surplus (deficit) for the year	3,203	13,029
Net change in working capital balances		
Accounts receivable	(799)	(3,360)
HST recoverable	833	623
Accounts payable and accrued liabilities	(1,225)	193
Gift certificates outstanding	(2,300)	1,005
	<u> </u>	<u> </u>
Change in cash and cash equivalents during year	(288)	11,490
Cash and cash equivalents, beginning of year	28,836	17,346
	<u> </u>	<u> </u>
Cash and cash equivalents, end of year	\$ 28,547	\$ 28,836
	<u> </u>	<u> </u>

WINGHAM BUSINESS IMPROVEMENT AREA

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

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.