
The Corporation of the Town of Goderich
Business Improvement Area Board
Statement of Financial Position
as at December 31, 2019

2019

2018

FINANCIAL ASSETS

Cash

\$ **147,864**

\$ **152,991**

ACCUMULATED SURPLUS

\$ **147,864**

\$ **152,991**

ON BEHALF OF THE COUNCIL:

_____ Mayor

_____ Treasurer

_____ Date

_____ Date

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

The Corporation of the Town of Goderich
Business Improvement Area Board
Statement of Operations and Accumulated Surplus
Year ended December 31, 2019

	2019 Budget	2019 Actual	2018 Actual
REVENUE			
Taxation	\$ 123,300	\$ 123,326	\$ 120,277
Main Street Revitalization grant	20,000	22,320	-
Sponsorship/miscellaneous recoveries	14,700	20,267	21,807
Farmers' market fees	20,000	17,520	33,229
Grants	3,800	15,824	4,144
Interest	-	2,312	1,521
	<u>181,800</u>	<u>201,569</u>	<u>180,978</u>
EXPENDITURES			
Wages	62,200	81,710	63,095
Beautification	48,000	48,033	10,752
Advertising	20,000	16,822	17,189
Festival event	17,700	15,175	23,816
Farmers' market	16,150	14,005	24,239
Events programming	11,000	10,866	8,497
Grounds - repairs and maintenance	3,500	3,928	814
Taxes written off	2,000	3,027	1,559
Office rent	2,400	2,400	2,400
Conferences	2,400	2,344	490
Office supplies/maintenance	1,850	2,149	1,198
Meetings	1,500	1,627	931
Other professional services	1,000	1,313	583
Awards	1,600	1,304	1,353
Travel	500	565	-
Administration	500	500	500
Audit	500	500	500
Association memberships	650	428	424
Economic development	4,500	-	-
	<u>197,950</u>	<u>206,696</u>	<u>158,340</u>
Annual surplus (deficit)	(16,150)	(5,127)	22,638
Accumulated surplus, beginning of year	<u>152,991</u>	<u>152,991</u>	<u>130,353</u>
Accumulated surplus, end of year	<u>\$ 136,841</u>	<u>\$ 147,864</u>	<u>\$ 152,991</u>

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

The Corporation of the Town of Goderich

Business Improvement Area Board

Notes to the Financial Statements

December 31, 2019

1. ACCOUNTING POLICIES

The financial statements of the Corporation of the Town of Goderich Business Improvement Area Board are the representation of management prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies are as follows:

Basis of Accounting

Revenues and Expenses

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures 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.

Revenue Recognition

The various revenue sources of the Business Improvement Area Board are recognized as follows:

Taxation revenues are recorded at the time the tax billings are issued.

Farmers' market fees and other revenues are reported as services are provided.

Investment income earned on operating funds and reserve funds is reported as revenue in the period earned.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards 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 year. Actual results could differ from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. STATEMENT OF CASHFLOWS AND STATEMENT OF CHANGES IN NET ASSETS

A separate statements of cash flows and changes in net assets are not presented since the information is readily apparent from the other financial statements.

3. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
Reserve fund for Business Improvement Area capital expenditures	\$ <u>147,864</u>	\$ <u>152,991</u>
Total surplus	\$ <u>147,864</u>	\$ <u>152,991</u>

4. PRESENTATION

The budgeted figures are presented for comparison purposes as prepared and approved by the Board.

The Corporation of the Town of Goderich
Business Improvement Area Board
Notes to the Financial Statements
December 31, 2019

5. SUBSEQUENT EVENTS

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries businesses have been forced to cease or limit operations for a long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic downturn. Global stock markets have also experienced great volatility, and significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In March 2020, the Province of Ontario declared a state of emergency in response to the COVID-19 pandemic. The Corporation of the Town of Goderich Business Improvement Area Board followed the Provincial directions regarding essential services and as a result closed some of its facilities. The total financial impact that the COVID-19 pandemic will have on the Business Improvement Area Board can not currently be estimated. Council and staff continue to monitor the situation.

The Corporation of the Town of Goderich Business Improvement Area Board has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of The Corporation of the Town of Goderich Business Improvement Area Board for future periods.

This disclosure assumes that there is no significant doubt about The Corporation of the Town of Goderich Business Improvement Area Board's ability to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of the Corporation of the
The Corporation of the Town of Goderich

Opinion

We have audited the financial statements of The Corporation of the Town of Goderich Trust Funds, which comprise the statements of financial position as at December 31, 2019 and the statements of operations and trust fund surplus for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Goderich Trust Funds as at December 31, 2019 and its financial performance 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the The Corporation of the Town of Goderich Trust Funds 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 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 The Corporation of the Town of Goderich Trust Funds' 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 The Corporation of the Town of Goderich Trust Funds or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the The Corporation of the Town of Goderich Trust Funds' financial reporting process.

Auditors' 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 Auditors' 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 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 and opinion on the effectiveness of the The Corporation of the Town of Goderich Trust Funds' 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 The Corporation of the Town of Goderich Trust Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 Auditors' Report. However, future events or conditions may cause the The Corporation of the Town of Goderich Trust Funds 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.

We also provide those charged with governance a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this Independent Auditors' Report is Ronald F. Burt.

Goderich, Ontario
<DATE>

LICENCED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS
CHARTERED ACCOUNTANTS