

**The Corporation of the Town of Goderich  
Business Improvement Area Board  
Financial Statements  
December 31, 2022**



Takalo & Burt

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## INDEPENDENT AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants, Members of the BIA,  
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 Business Improvement Area Board, which comprise the statement of financial position as at December 31, 2022 and the statement of operations and accumulated 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 Business Improvement Area Board as at December 31, 2022 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 Business Improvement Area Board 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 Business Improvement Area Board'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 The Corporation of the Town of Goderich Business Improvement Area Board 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 Business Improvement Area Board's 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 Business Improvement Area Board'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 The Corporation of the Town of Goderich Business Improvement Area Board's 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 Business Improvement Area Board 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.

*Takalo & Burt*

Goderich, Ontario  
September 5, 2023

LICENCED PUBLIC ACCOUNTANTS  
CHARTERED PROFESSIONAL ACCOUNTANTS



Takalo & Burt

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**The Corporation of the Town of Goderich  
Business Improvement Area Board  
Statement of Financial Position**  
As at December 31

	2022	2021
<b>FINANCIAL ASSETS</b>		
Cash	\$ <u>204,288</u>	\$ <u>215,157</u>
<b>ACCUMULATED SURPLUS</b>	\$ <u>204,288</u>	\$ <u>215,157</u>

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ON BEHALF OF THE COUNCIL:

\_\_\_\_\_ Mayor \_\_\_\_\_ Treasurer  
\_\_\_\_\_ Date \_\_\_\_\_ Date

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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

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>REVENUE</b>			
Taxation	\$ 126,460	\$ 125,625	\$ 125,460
Grants	10,000	45,983	-
Farmers' market fees	20,000	35,321	16,814
Sponsorship/miscellaneous recoveries	25,000	27,293	23,930
Donations	-	4,558	263
Interest	-	4,446	972
Main Street Revitalization grant	500	-	-
	<u>181,960</u>	<u>243,226</u>	<u>167,439</u>
<b>EXPENDITURES</b>			
Wages	65,300	66,500	72,548
Beautification	20,500	60,172	41,855
Advertising	50,000	50,142	11,461
Farmers' market	15,750	25,237	9,365
Events programming	18,000	18,444	1,170
Festival event	15,000	15,005	92
Taxes written off	3,400	5,707	-
Initiatives - mural	-	5,000	-
Office rent	2,400	2,400	2,400
Awards	1,400	1,734	1,061
Office supplies	1,600	1,343	3,713
Miscellaneous	1,000	634	-
Administration	500	500	500
Audit	500	500	500
Association memberships	500	447	442
Conferences	2,500	183	-
Other professional services	1,200	147	185
Initiatives - Town Xmas lights	-	-	5,000
Grounds - repairs and maintenance	2,500	-	2,456
Meetings	1,000	-	-
Travel	500	-	-
	<u>203,550</u>	<u>254,095</u>	<u>152,748</u>
<b>Annual surplus (deficit)</b>	<b>(21,590)</b>	<b>(10,869)</b>	<b>14,691</b>
<b>Accumulated surplus, beginning of year</b>	<u>215,157</u>	<u>215,157</u>	<u>200,466</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 193,567</u>	<u>\$ 204,288</u>	<u>\$ 215,157</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, 2022

**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>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Reserve fund for Business Improvement Area capital expenditures	\$ <u>204,288</u>	\$ <u>215,157</u>
Total surplus	\$ <u>204,288</u>	\$ <u>215,157</u>

**4. PRESENTATION**

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