

**THE CORPORATION OF THE TOWN OF CALEDON
BUSINESS IMPROVEMENT AREA**

**FINANCIAL STATEMENTS
For the year ended December 31, 2018**

**THE CORPORATION OF THE TOWN OF CALEDON
BUSINESS IMPROVEMENT AREA**

For the year ended December 31, 2018

INDEX

	Page
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Changes in Net Financial Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-9

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Town of Caledon Business Improvement Area

Opinion

We have audited the financial statements of The Corporation of the Town of Caledon Business Improvement Area (the 'Entity'), which comprise the statement of financial position as at December 31, 2018, 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 Entity as at December 31, 2018, 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 *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Entity 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

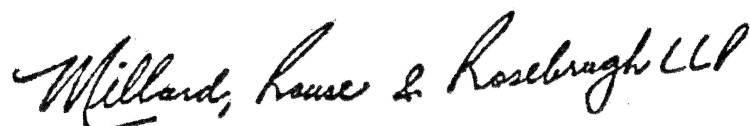
Auditors' Responsibilities for the Audit of the Financial Statements

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 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 Entity'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 Entity'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 Entity 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.



April 9, 2019
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

THE CORPORATION OF THE TOWN OF CALEDON

BUSINESS IMPROVEMENT AREA

STATEMENT OF FINANCIAL POSITION

As at December 31	2018	2017
Financial Assets		
Cash	18,575	15,852
Prepaid expenses	1,295	1,294
HST receivable	3,851	21,373
	23,721	38,519
Financial Liabilities		
Accounts payable	2,588	3,015
Net Financial Assets	21,133	35,504
Non-Financial Assets		
Tangible capital assets (Note 2)	1,428	1,747
Total Net Assets	22,561	37,251
Accumulated Surplus - End of Year	22,561	37,251

**THE CORPORATION OF THE TOWN OF CALEDON
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STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31	2018 Budget	2018 Actual	2017 Actual
Revenue			
Levy	56,000	56,000	56,000
Other	3,000	5,254	3,038
	59,000	61,254	59,038
Expenses			
Administrative	15,830	14,671	14,288
Landscape maintenance and improvements	21,100	22,178	19,997
Promotion projects	36,000	38,776	20,768
	72,930	75,625	55,053
(Deficiency)/Excess of Revenue over Expense	(13,930)	(14,371)	3,985
Other Expense/(Income)			
Amortization on tangible capital assets	-	319	318
(Deficit)/Annual Surplus from Operations	(13,930)	(14,690)	3,667
Accumulated Surplus - Beginning of Year	37,251	37,251	33,584
Accumulated Surplus - End of Year	23,321	22,561	37,251

**THE CORPORATION OF THE TOWN OF CALEDON
BUSINESS IMPROVEMENT AREA**

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	2018 Budget	2018 Actual	2017 Actual
Annual Surplus/(Deficit) from Operations	(13,930)	(14,690)	3,667
Amortization of tangible capital assets	-	319	318
(Decrease) Increase in Net Financial Assets	(13,930)	(14,371)	3,985
Net Financial Assets - Beginning of Year	35,504	35,504	31,519
Net Financial Assets - End of Year	21,574	21,133	35,504

THE CORPORATION OF THE TOWN OF CALEDON

BUSINESS IMPROVEMENT AREA

STATEMENT OF CASH FLOWS

For the year ended December 31	2018	2017
Cash Flows From Operating Activities		
Annual Surplus/(Deficit)	(14,690)	3,667
Charges to income not involving cash		
Amortization	319	318
	(14,371)	3,985
Net change in non-cash working capital balances related to operations		
HST receivable	17,522	(3,420)
Accounts payable	(427)	1,015
Prepaid expenses	(1)	51
Net Increase in Cash and Bank	2,723	1,631
Opening Cash and Bank	15,852	14,221
Closing Cash and Bank	18,575	15,852

THE CORPORATION OF THE TOWN OF CALEDON BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of Business

The Business Improvement Area (BIA) is engaged to improve and beautify the business area in The Corporation of the Town of Caledon within the community of Bolton. These financial statements reflect the assets, liabilities, revenues, and expenditures relating to the Business Improvement Area and not The Corporation of the Town of Caledon as a whole.

(b) Management Responsibility

The financial statements of The Corporation of the Town of Caledon Business Improvement Area are the representation of management. They have been prepared in accordance with accounting principles established by the Public Sector Accounting Board of CPA Canada. The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

(c) Basis of Accounting

Revenues 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.

The statement of financial position reflects all of the financial assets and liabilities of The Corporation of the Town of Caledon Business Improvement Area. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations.

(d) Financial Instruments

The BIA's financial instruments consist of cash, accounts payable and accrued liabilities, and amounts due from related parties. Unless otherwise noted, it is management's opinion that the BIA is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

(e) Revenue Recognition

Revenue is recorded when levied by the Town of Caledon. Other revenue is recognized on a cash received basis.

THE CORPORATION OF THE TOWN OF CALEDON BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018

4. BUDGET FIGURES

Under Public Sector Accounting Board standards, budget amounts are to be reported on the statement of operations. The 2018 budget amounts for The Corporation of the Town of Caledon Business Improvement Area, approved by Council, have been restated to conform to the basis of presentation of the statement of operations.