



Financial Statements

Beeton Tottenham Business Improvement Association

December 31, 2017

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Independent Auditor's Report

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To the Chairman, Members of the Board of Management and
Ratepayers of the Beeton Tottenham Business Improvement Association

We have audited the accompanying financial statements of Beeton Tottenham Business Improvement Association, which comprise the statement of financial position as at December 31, 2017, and the statement of operations and accumulated surplus, change in net financial assets 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 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.

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.

Basis for qualified opinion

Beeton and Tottenham Business Improvement Association derive revenue from event activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Beeton and Tottenham Business Improvement Association. Therefore, we were not able to determine whether any adjustments might be necessary to event revenue, accumulated surplus, and cash flows from operations for the years ended December 31, 2016 and 2017, current assets as at December 31, 2016 and 2017, and net assets as at January 1, 2016 and 2017 and December 31, 2016 and 2017. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Alliston Business Improvement Association as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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Barrie, Canada
May 2, 2018

Chartered Professional Accountants
Licensed Public Accountants

Beeton Tottenham Business Improvement Association

Statement of Financial Position

December 31

2017

2016

Financial assets

Cash	\$ 3,747	\$ 10,027
Receivables	<u>17,191</u>	<u>9,623</u>
	20,938	19,650

Liabilities

Payables and accruals	<u>5,166</u>	<u>4,869</u>
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Net financial assets

15,772 14,781

Non-financial assets

Tangible capital assets (Note 7)	26,607	30,398
Prepays	<u>465</u>	<u>653</u>
	<u>27,072</u>	<u>31,051</u>

Accumulated Surplus

\$ 42,844 \$ 45,832

On behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

Beeton Tottenham Business Improvement Association Statement of Operations and Accumulated Surplus

Year Ended December 31

2017

2016

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Levied by the Town of New Tecumseth	\$ 62,500	\$ 62,500	\$ 50,000
Other contributions	6,355	3,177	6,355
Event income – Town of New Tecumseth funded	8,000	6,574	8,000
Event income	-	14,620	12,753
	<u>76,855</u>	<u>86,871</u>	<u>77,108</u>
Expenditures			
Amortization	13,656	13,656	16,672
Website improvements	500	-	-
Bank fees	-	65	177
Event expenses	18,350	38,055	36,380
Professional fees	900	2,292	814
Office expenses	500	3,021	3,797
Advertising	9,000	2,700	6,173
Wages	30,000	30,070	28,414
	<u>72,906</u>	<u>89,859</u>	<u>92,427</u>
Annual (deficit) surplus	\$ <u>3,949</u>	(2,988)	(15,319)
Accumulated surplus, beginning of year		<u>45,832</u>	<u>61,151</u>
Accumulated surplus, end of year		\$ <u>42,844</u>	\$ <u>45,832</u>

See accompanying notes to the financial statements.

Beeton Tottenham Business Improvement Association Statement of Change in Net Financial Assets

Year Ended December 31 2017 2016

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual (deficit) surplus	\$ 3,949	\$ (2,988)	\$ (15,319)
Change in prepaids	-	188	1,252
Acquisition of tangible capital assets	(17,605)	(9,865)	(6,441)
Amortization of tangible capital assets	<u>13,656</u>	<u>13,656</u>	<u>16,672</u>
Change in net financial assets	-	991	(3,836)
Net financial assets, beginning of year	<u>14,781</u>	<u>14,781</u>	<u>18,617</u>
Net financial assets, end of year	\$ <u>14,781</u>	\$ <u>15,722</u>	\$ <u>14,781</u>

See accompanying notes to the financial statements.

Beeton Tottenham Business Improvement Association Statement of Cash Flows

Year Ended December 31	2017	2016
(Decrease) increase in cash		
Operating Activities		
Annual deficit	\$ (2,988)	\$ (15,319)
Amortization	13,656	16,672
Changes in non-cash item balances		
Receivables	(7,568)	859
Prepays	188	1,252
Payables and accruals	<u>297</u>	<u>(2,372)</u>
	3,585	(1,092)
Financing Activities		
Purchase of tangible capital assets	<u>(9,865)</u>	<u>(6,441)</u>
Decrease in cash	(6,278)	(5,349)
Cash, beginning of year	<u>10,027</u>	<u>15,376</u>
Cash, end of year	\$ <u>3,747</u>	\$ <u>10,027</u>

See accompanying notes to the financial statements.

Beeton Tottenham Business Improvement Association

Notes to the Financial Statements

December 31, 2017

1. Nature of operations

The Beeton Tottenham Business Improvement Association (the "Association") was created under the provisions of a by-law passed by the Council of The Corporation of the Town of New Tecumseth. Designated to serve the downtown area of the communities of Beeton and Tottenham, its operations are governed by applicable sections of the Municipal Act, town by-laws and other applicable legislation. It is a board of management of The Corporation of the Town of New Tecumseth.

2. Summary of significant accounting policies

The financial statements of the Association are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada. Significant aspects of the accounting policies adopted by the Board are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Banners	3 years
Lights	3 years
Benches and planters	5 years
Furniture and fixtures	15 years
Signs	5 years
Sound system	5 years
Storage unit	15 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets which are under the threshold established by the Board are not capitalized, and are expensed as incurred.

Beeton Tottenham Business Improvement Association

Notes to the Financial Statements

December 31, 2017

2. Summary of significant accounting policies (Continued)

Revenue recognition

Government transfers are recognized in the financial statements in the year in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Event income is recognized as the amounts are earned and there is reasonable assurance of collection.

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 expenditures during the reporting period. Actual results could differ from those estimates.

3. Financial Instruments

Financial instruments consist of receivables and payables and accruals. Unless otherwise noted, it is management's opinion that the Association 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.

4. Downtown area expenses, sub-contracting purchases, hanging planters and consultant costs

The Council of the Town of New Tecumseth has directed the Town to assume the costs of downtown area expenses, sub-contracting purchases, hanging planters and consultant costs for the association facilities. Costs totalling \$ \$20,875 were incurred by the Town during 2017 (2016 - \$54,319). As these costs are reported by the Town they were not budgeted by the Association and are not reported in these financial statements.

Beeton Tottenham Business Improvement Association

Notes to the Financial Statements

December 31, 2017

5. Related party transactions 2017 2016

The Association had the following related party transactions:

With the Town of New Tecumseth, valued at cost:

- Related organization

Municipal levy	\$	62,500	\$	50,000
Event income		5,374		8,000
Other contributions		3,178		6,355

6. Budget figures

The operating budget approved by the Board for 2017 is reflected on the statement of operations. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be incurred over a number of years and therefore may not be comparable with the current year's actual expenditures.

Adjustments to the budget approved by the Board are reflected to adjust the basis of presentation to the accounting principles applied in preparing the financial statements. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results.

		<u>Revenues</u>		<u>Expenditures</u>
Board's approved budget	\$	76,855	\$	76,855
Less: Tangible capital assets capitalization		-		(17,605)
Add: Amortization expense		-		13,656
Adjusted budget per consolidated statement of operations	\$	<u>76,855</u>	\$	<u>72,906</u>

Beeton Tottenham Business Improvement Association Notes to the Financial Statements

December 31, 2017

7. Tangible capital assets

	<u>Banners</u>	<u>Benches and planters</u>	<u>Garbage cans</u>	<u>Lights</u>	<u>Signs</u>	<u>Sound system</u>	<u>Storage unit</u>	<u>Furniture and fixtures</u>	<u>2017</u>	<u>2016</u>
Cost										
Balance, beginning of year	\$ 23,002	\$ 16,268	\$ 3,256	\$ -	\$ 27,395	\$ 1,622	\$ -	\$ 3,651	\$ 75,194	\$ 75,274
Add: additions during the year	-	-	-	5,821	-	-	4,044	-	9,865	6,441
Less: disposals during the year	<u>(2,327)</u>	<u>(3,616)</u>	<u>-</u>	<u>-</u>	<u>(266)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,209)</u>	<u>(6,521)</u>
Balance, end of year	<u>20,675</u>	<u>12,652</u>	<u>3,256</u>	<u>5,821</u>	<u>27,129</u>	<u>1,622</u>	<u>4,044</u>	<u>3,651</u>	<u>78,850</u>	<u>75,194</u>
Accumulated amortization										
Balance, beginning of year	17,552	12,028	977	-	11,925	1,457	-	857	44,796	34,646
Add: amortization during the year	4,244	1,824	651	970	5,425	165	134	243	13,656	16,671
Less: disposals during the year	<u>(2,327)</u>	<u>(3,616)</u>	<u>-</u>	<u>-</u>	<u>(266)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,209)</u>	<u>(6,521)</u>
Balance, end of year	<u>19,469</u>	<u>10,236</u>	<u>1,628</u>	<u>970</u>	<u>17,084</u>	<u>1,622</u>	<u>134</u>	<u>1,100</u>	<u>52,243</u>	<u>44,796</u>
Net book value of Tangible Capital Assets	<u>\$ 1,206</u>	<u>\$ 2,416</u>	<u>\$ 1,628</u>	<u>\$ 4,851</u>	<u>\$ 10,045</u>	<u>\$ -</u>	<u>\$ 3,910</u>	<u>\$ 2,551</u>	<u>\$ 26,607</u>	<u>\$ 30,398</u>