

**CENTRAL HURON  
BUSINESS IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

DRAFT

**SEEBACH & COMPANY**  
*Chartered Professional Accountants*

## INDEPENDENT AUDITOR'S REPORT

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To the Directors of the Central Huron Business Improvement Area

### *Opinion*

We have audited the accompanying financial statements of Central Huron Business Improvement Area, which are comprised of the statement of financial position as at December 31, 2022 and the statements of operations and accumulated net revenue 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 Central Huron Business Improvement Area 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 (PSAB).

### *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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Central Huron Business Improvement Area 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 the financial statements in accordance with PSAB, 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 Central Huron Business Improvement Area'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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Central Huron Business Improvement Area's financial reporting process.

### *Auditor's 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 auditor's 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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 Central Huron Business Improvement Area'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 Central Huron Business Improvement Area's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Central Huron Business Improvement Area 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.

*Seebach & Company*

Chartered Professional Accountants  
Licensed Public Accountants

Clinton, Ontario  
August 11, 2023

**CENTRAL HURON BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION**

<b>As at December 31</b>	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Bank	<b>31,176</b>	84,215
Accounts receivable	<b>17,250</b>	6
	<b><u>\$ 48,426</u></b>	<b><u>\$ 84,221</u></b>
<b>LIABILITIES AND ACCUMULATED NET REVENUE</b>		
Accounts payable and accrued expenses	<b>21,612</b>	48,742
Deferred revenue (note 2)	<b>1,445</b>	-
	<b><u>23,057</u></b>	<b><u>48,742</u></b>
Accumulated net revenue	<b>25,369</b>	35,479
	<b><u>\$ 48,426</u></b>	<b><u>\$ 84,221</u></b>

The accompanying notes are an integral part of this financial statement

# CENTRAL HURON BUSINESS IMPROVEMENT AREA

## STATEMENT OF OPERATIONS AND ACCUMULATED NET REVENUE

For the Year Ended December 31	2022	2021
<b>Revenue</b>		
Membership fees	200	300
Taxation levy	27,000	27,000
Grants	33,055	36,112
Miscellaneous recoveries	-	300
	<u>60,255</u>	<u>63,712</u>
<b>Expenditure</b>		
Administration	7,227	14,430
General advertisements and promotions	12,441	18,274
Downtown summer maintenance	9,122	7,498
BIA Bucks	785	-
Downtown improvements	30,834	-
Gift cards	3,055	-
Ladies/Men's Night Out	-	2,040
Flower baskets	6,901	6,293
	<u>70,365</u>	<u>48,535</u>
<b>Net surplus (deficit) for the year</b>	<b>(10,110)</b>	15,177
<b>Accumulated net revenue beginning of year</b>	<b><u>35,479</u></b>	<u>20,302</u>
<b>Accumulated net revenue end of year</b>	<b><u>\$ 25,369</u></b>	<b><u>\$ 35,479</u></b>

The accompanying notes are an integral part of this financial statement

# CENTRAL HURON BUSINESS IMPROVEMENT AREA

## STATEMENT OF CASH FLOWS

See accompanying notes to the financial statements

For the Year Ended December 31	2022	2021
<b>Operating activities</b>		
Surplus (deficit) for the year	(10,110)	15,177
Net change in working capital balances		
Accounts receivable	(17,244)	1,594
Accounts payable and accrued liabilities	(27,130)	21,884
Deferred revenue	<u>1,445</u>	<u>(600)</u>
<b>Change in cash and cash equivalents during year</b>	<b>(53,039)</b>	<b>38,055</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>84,215</b>	<b>46,160</b>
<b>Cash and cash equivalents, end of year</b>	<b><u>31,176</u></b>	<b><u>84,215</u></b>

# **CENTRAL HURON BUSINESS IMPROVEMENT AREA**

## **NOTES TO FINANCIAL STATEMENTS**

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**For the Year Ended December 31, 2022**

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### **1. Accounting policies**

The financial statements of Central Huron Business Improvement Area are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

The preparation of financial statements 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 period. These have been made using careful judgements, but actual results could differ from those estimates.

Significant aspects of the accounting policies are as follows:

#### **Basis of accounting**

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable, and recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

### **2. Deferred revenue**

Deferred revenue represents externally restricted resources which have been advanced for specific use. Those amounts will be included in income when qualifying expenses have been incurred.

### **3. Accumulated net revenue balances at the end of the year**

The accumulated net revenue at the year end is available to reduce the subsequent year's levies.