

Financial Statements of

**THE CORPORATION OF THE
TOWN OF GANANOQUE
BUSINESS IMPROVEMENT
AREA COMMITTEE**

Year ended December 31, 2021

TOWN OF GANANOQUE BUSINESS IMPROVEMENT AREA COMMITTEE

Table of Contents

Year ended December 31, 2021

	Page
Independent Auditors' Report	
Financial Statements	
Statement of Financial Position	1
Statement of Operations and Accumulated Surplus	2
Statement of Changes in Net Financial Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Ganoquo Business Improvement Area Committee

Opinion

We have audited the financial statements of the Corporation of the Town of Ganoquo Business Improvement Area Committee (the Entity), which comprise:

- the statement of financial position as at December 31, 2021;
- the statement of operations and accumulated surplus for the year then ended;
- the statement of changes in net financial assets for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of 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 the Financial Statements***” section of our auditors’ 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.



Other Matter – Comparative Information

The financial statements as at and for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 7, 2021.

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 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 related 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 the 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Perth, Canada

February 8, 2023

THE CORPORATION OF THE TOWN OF GANANOQUE BUSINESS IMPROVEMENT AREA COMMITTEE

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Due from Town of Gananoque	\$ 27,258	\$ 13,325
Grants receivable	4,562	–
Net financial assets	31,820	13,325
Accumulated surplus (note 2)	\$ 31,820	\$ 13,325

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

THE CORPORATION OF THE TOWN OF GANANOQUE BUSINESS IMPROVEMENT AREA COMMITTEE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

		Budget 2021 (note 3)	2021	2020
Revenue:				
Municipal contribution	\$	45,100	\$ 45,318	\$ 45,454
Government grants		–	14,578	4,584
Fees and service charges		–	–	1
Total revenue		45,100	59,896	50,039
Expenses:				
Beautification		33,000	20,030	23,022
Salaries and benefits		–	14,446	4,628
Advertising and promotion		6,000	5,567	4,114
Administrative		2,100	1,358	1,690
Contracted services		–	–	6,998
Special events		4,000	–	2,000
Taxation write-offs		–	–	363
Total expenses		45,100	41,401	42,815
Annual surplus		–	18,495	7,224
Accumulated surplus, beginning of year		13,325	13,325	6,101
Accumulated surplus, end of year	\$	13,325	\$ 31,820	\$ 13,325

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

THE CORPORATION OF THE TOWN OF GANANOQUE BUSINESS IMPROVEMENT AREA COMMITTEE

Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

		Budget 2021 (note 3)	2021		2020
Annual surplus	\$	–	\$ 18,495	\$	7,224
Net financial assets, beginning of year		13,325	13,325		6,101
Net financial assets, end of year	\$	13,325	\$ 31,820	\$	13,325

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

THE CORPORATION OF THE TOWN OF GANANOQUE BUSINESS IMPROVEMENT AREA COMMITTEE

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 18,495	\$ 7,224
Net change in non-cash operating working capital:		
Due from Town of Gananoque	(13,933)	(10,189)
Grants receivable	(4,562)	-
Net change in cash from operating activities	-	(2,965)
Decrease in cash	-	(2,965)
Cash, beginning of year	-	2,965
Cash, end of year	\$ -	\$ -

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

THE CORPORATION OF THE TOWN OF GANANOQUE BUSINESS IMPROVEMENT AREA COMMITTEE

Notes to Financial Statements

Year ended December 31, 2021

Pursuant to the Municipal Act, the Corporation of the Town of Gananoque Business Improvement Area Committee (the 'Committee') was established by By-law No. 78-33 on October 17, 1978 by the Corporation of the Town of Gananoque.

1. Significant accounting policies:

The financial statements of the Corporation of the Town of Gananoque Business Improvement Area Committee are prepared by management in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies adopted by the Committee are as follows:

(a) Reporting entity:

The financial statements reflect financial assets, liabilities, operating revenue and expenses, reserve, and reserve funds of the Committee.

(b) Basis of accounting:

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.

(c) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which 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.

(d) Use of estimates:

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 revenue and expenses during the period. Actual results could differ from those estimates.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus (deficit), provides the changes in net financial assets for the year.

THE CORPORATION OF THE TOWN OF GANANOQUE BUSINESS IMPROVEMENT AREA COMMITTEE

Notes to Financial Statements

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Deferred revenues:

The Committee receives restricted contributions under the authority of Federal and Provincial legislation and Board by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenue represents certain user charges and fees which have been collected but for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the services are performed or related expenses incurred.

2. Accumulated surplus:

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

	2021	2020
Unrestricted surplus	\$ –	\$ –
Reserves	31,820	13,325
Accumulated surplus	\$ 31,820	\$ 13,325

3. Budget figures:

The Corporation of the Town of Gananoque Business Improvement Area Committee reviews its operating and capital budgets each year. The approved operating budget for 2021 is included in the budget figures presented in the Statement of Operations and Accumulated Surplus.