

**TOWN OF COLLINGWOOD  
BUSINESS IMPROVEMENT AREA**

**FINANCIAL REPORT  
DECEMBER 31, 2023**

Draft for Discussion

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**CORPORATION OF THE TOWN OF COLLINGWOOD BUSINESS IMPROVEMENT AREA**  
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**AS AT DECEMBER 31, 2023**

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Draft for Discussion

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# CORPORATION OF THE TOWN OF COLLINGWOOD BUSINESS IMPROVEMENT AREA

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## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The accompanying financial statements of the Corporation of the Town of Collingwood Business Improvement Area ("the Board") are the responsibility of the Board's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 1 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management. The Board meets with management and the external auditor to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval.

The financial statements have been audited by Baker Tilly SGB LLP, independent external auditor appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's financial statements.

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Treasurer  
March 13, 2025

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General Manager  
March 13, 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the Collingwood Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Town of Collingwood:

### **Qualified Opinion**

We have audited the financial statements of the Corporation of the Town of Collingwood Business Improvement Area ("the Board"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2023, and its results of operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for qualified opinion**

The Corporation of the Town of Collingwood Business Improvement Area derives revenues from farmers' market, vendor rental fees and special activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board. We were not able to determine whether any adjustments might be necessary to revenues and annual surplus for the years ended December 31, 2023 and December 31, 2022, nor to financial assets and accumulated surplus as at December 31, 2023 and December 31, 2022. Our audit opinion for both years was modified accordingly because of the possible effect of this scope limitation.

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 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 qualified 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board'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.

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 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 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 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 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.

Baker Tilly SGB LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
Collingwood, Ontario  
March 13, 2025

**CORPORATION OF THE TOWN OF COLLINGWOOD BUSINESS IMPROVEMENT AREA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31**

	2023	2022
	\$	\$
<b>Financial assets</b>		
Due from Town of Collingwood (Note 5)	<b>348,945</b>	471,645
<b>Non-financial assets</b>		
Tangible capital assets (Note 6)	<u>463,841</u>	164,919
Accumulated surplus (Note 9)	<u>812,786</u>	636,564
Approved _____		
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The accompanying notes are an integral part of  
these financial statements

**CORPORATION OF THE TOWN OF COLLINGWOOD BUSINESS IMPROVEMENT AREA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31**

	Budget 2023	Actual 2023	Actual 2022
	\$ (Note 4)	\$	\$
<b>Revenues</b>			
Taxation	456,750	<b>454,977</b>	433,085
Farmers' market and vendor rental	42,500	<b>40,708</b>	30,046
Government grants (Note 8)	692,985	<b>468,151</b>	333,630
Interest and expense recoveries	6,000	<b>10,743</b>	10,714
Special activities	55,000	<b>35,363</b>	30,796
Contributions from reserve funds	107,200	-	-
	<u>1,360,435</u>	<u><b>1,009,942</b></u>	<u>838,271</u>
<b>Expenses</b>			
Administration (Note 7 (b))	39,200	<b>36,884</b>	35,311
Amortization	-	<b>33,328</b>	25,562
Communications	11,000	<b>3,460</b>	3,496
Contribution to downtown revitalization (Note 7 (a))	50,000	<b>49,916</b>	51,529
Decoration	147,350	<b>108,794</b>	114,369
Maintenance	12,500	<b>10,425</b>	9,466
Marketing	135,500	<b>127,358</b>	124,347
Future planning	475,985	<b>39,795</b>	137,625
Promotion and special events	205,900	<b>222,526</b>	140,174
Wages and benefits	216,500	<b>201,234</b>	177,084
	<u>1,293,935</u>	<u><b>833,720</b></u>	<u>818,963</u>
<b>Annual surplus</b>	66,500	<b>176,222</b>	19,308
Accumulated surplus at beginning of year		<u><b>636,564</b></u>	617,256
<b>Accumulated surplus at end of year (Note 9)</b>		<u><b>812,786</b></u>	<u>636,564</u>

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**CORPORATION OF THE TOWN OF COLLINGWOOD BUSINESS IMPROVEMENT AREA**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31**

	Budget 2023	Actual 2023	Actual 2022
	\$ (Note 4)	\$	\$
Annual surplus	66,500	<b>176,222</b>	19,308
Acquisition of tangible capital assets	(66,500)	<b>(332,250)</b>	(28,685)
Amortization of tangible capital assets	-	<b>33,328</b>	25,562
<b>Change in net financial assets</b>	-	<b>(122,700)</b>	16,185
Net financial assets at beginning of year		<b>471,645</b>	455,460
<b>Net financial assets at end of year</b>		<b>348,945</b>	471,645

The accompanying notes are an integral part of  
these financial statements



**CORPORATION OF THE TOWN OF COLLINGWOOD BUSINESS IMPROVEMENT AREA**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED DECEMBER 31**

	2023	2022
	\$	\$
Cash flows from (for):		
Operating activities		
Annual surplus	176,222	19,308
Non-cash items:		
Amortization of tangible capital assets	33,328	25,562
	209,550	44,870
Changes in:		
Due from Town of Collingwood	122,700	(16,185)
Net change in cash from operations	332,250	28,685
Capital activities		
Acquisition of tangible capital assets	(332,250)	(28,685)
<b>Net change in cash position</b>	<b>-</b>	<b>-</b>
<b>Cash position at beginning and end of year</b>	<b>-</b>	<b>-</b>

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**CORPORATION OF THE TOWN OF COLLINGWOOD BUSINESS IMPROVEMENT AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2023**

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**Nature of operations**

The Corporation of the Town of Collingwood Business Improvement Area is a corporate body as specified under the Ontario Municipal Act.

The primary role of the Business Improvement Area is to revitalize the central business district of the Town of Collingwood.

**1. Summary of significant accounting policies**

The financial statements of the Corporation of the Town of Collingwood Business Improvement Area are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Board and the changes thereto. The statement of financial position includes all of the assets and liabilities of the Board. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the Board's overall future revenue requirements and its ability to finance activities and meet its obligations. Significant aspects of the accounting policies adopted by the Board are as follows:

**(a) Basis of accounting**

Sources of revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses 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.

**(b) Revenue recognition**

Government grants are recognized in the financial statements as revenues in the period 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. Taxation revenues are recorded at the time tax billings are issued. Revenues from the farmer's market, vendor rentals, special activities and other revenues are recognized on an accrual basis.

**(c) Use of estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 period. The most significant estimates are useful lives of tangible capital assets. Actual results could differ from those estimates.

**(d) Financial instruments**

The financial instruments of the Board consist of due from the Town of Collingwood, and are recognized at cost.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Future recoveries of impaired assets are recorded in the statement of operations when received.

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**CORPORATION OF THE TOWN OF COLLINGWOOD BUSINESS IMPROVEMENT AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2023**

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**1. Summary of significant accounting policies (continued)**

**(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, provides the change in net debt for the year.

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

Furniture, fixtures and equipment	- 3 to 40 years
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One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Work in progress is not amortized. The Board operates from leased premises.

**2. Changes in accounting policies**

***PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation***

On January 1, 2022, the Municipality adopted Public Accounting Standards *PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation*. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Board's accounting policy choices (see Note 1).

The Board undertook a process to identify any and all adjustments required as a result of the adoption of this standard. This process did not yield identification of any such adjustments.

**3. Statement of remeasurement gains and losses**

A statement of remeasurement gains and losses has not been provided because there were no remeasurement gains or losses during the year.

**4. Budget amounts**

The budget approved for 2023 is reflected on the statement of operations and statement of change in net financial assets. The budgets established for capital investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year's actual expenditure amounts. The budget figures are not audited.

**CORPORATION OF THE TOWN OF COLLINGWOOD BUSINESS IMPROVEMENT AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2023**

**5. Due from Town of Collingwood**

The Corporation of the Town of Collingwood receives and disburses all funds, as well as maintains the reserves for the Business Improvement Area.

**6. Tangible capital assets**

Tangible capital assets at December 31 consist of the following:

	2023	2022
	\$	\$
Furniture, fixtures and equipment		
Cost		
Balance, beginning of year	273,650	341,897
Additions	332,250	28,685
Disposals	(14,920)	(96,932)
	<b>590,980</b>	273,650
Accumulated amortization		
Balance, beginning of year	108,731	180,101
Amortization	33,328	25,562
Disposals	(14,920)	(96,932)
	<b>127,139</b>	108,731
<b>Net book value, end of year</b>	<b>463,841</b>	164,919

**7. Commitments**

- (a) The Board committed to provide \$1.1 million in financing for the Town of Collingwood's downtown revitalization capital project. This financing consisted of \$350,000 from the Board's reserves and a 20 year \$750,000 debenture maturing in 2030. Interest is payable at 4.30% per annum. The 2023 contribution toward debenture principal and interest payments total \$49,916 (2022 - \$51,529).
- (b) The Board's premises were leased from the Town of Collingwood for \$904 plus HST per month. The lease was renewed for a term of one year for \$949 plus HST per month and expired in July 2024. Subsequent to year end the lease was renewed for another one year term for \$1,169 plus HST per month.

**8. Government grants**

Government grants on the statement of operations consist of the following:

	2023	2022
	\$	\$
Federal	417,451	252,040
Provincial	44,200	65,590
Other	6,500	16,000
	<b>468,151</b>	333,630

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**CORPORATION OF THE TOWN OF COLLINGWOOD BUSINESS IMPROVEMENT AREA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2023**

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**9. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2023</b>	2022
	<b>\$</b>	<b>\$</b>
Invested in tangible capital assets	<u><b>463,841</b></u>	<u>164,919</u>
Reserves set aside for specific purposes:		
Capital purposes	<b>328,945</b>	451,645
Contingency funds	<u><b>20,000</b></u>	<u>20,000</u>
Total reserve funds	<u><b>348,945</b></u>	<u>471,645</u>
Total accumulated surplus	<u><b>812,786</b></u>	<u>636,564</u>

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