

**THE CORPORATION OF THE
TOWN OF HUNTSVILLE
BUSINESS IMPROVEMENT AREA
YEAR ENDED DECEMBER 31, 2017**



INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Huntsville

Report on the Financial Statements

We have audited the accompanying statement of financial activities of the Business Improvement Area of the Corporation of the Town of Huntsville for the year ended December 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Municipality's 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.

Opinion

In our opinion, this statement presents fairly, in all material respects, the results of the operations of the Business Improvement Area for the year ended December 31, 2017 in accordance to Canadian public sector accounting standards.

Huntsville, Ontario
May 30, 2018

Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

THE CORPORATION OF THE TOWN OF HUNTSVILLE
BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 700	\$ 200
Due from The Corporation of the Town of Huntsville	77,469	109,748
	78,169	109,948
LIABILITIES		
Deferred revenue	3,706	3,631
	3,706	3,631
NET FINANCIAL ASSETS	74,463	106,317
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 2) (Note 2)	6,670	10,244
	6,670	10,244
ACCUMULATED SURPLUS	\$ 81,133	\$ 116,561

THE CORPORATION OF THE TOWN OF HUNTSVILLE

BUSINESS IMPROVEMENT AREA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget 2017 (Note 4)	Actual 2017	Actual 2016
REVENUE			
Taxation levied on members	\$ 123,462	\$ 127,413	\$ 119,556
Less: taxes written off and rebates	-	(1,524)	(1,076)
Community grants	-	9,000	-
Promotional contributions	1,200	16,923	13,926
Miscellaneous	20,200	37,498	39,014
TOTAL REVENUE	144,862	189,310	171,420
EXPENSES			
Wages and benefits	55,662	55,349	56,923
Beautification	6,500	6,685	8,318
Mural	5,000	20,752	2,275
Promotion	51,200	53,785	48,296
Professional fees	500	509	500
Sponsorship	4,500	3,864	10,412
Administration	18,000	43,623	11,617
Beer fest expenses	2,800	36,597	12,252
Amortization	3,574	3,574	3,635
TOTAL EXPENSES	147,736	224,738	154,228
ANNUAL SURPLUS (DEFICIT)	(2,874)	(35,428)	17,192
ACCUMULATED SURPLUS, BEGINNING OF YEAR	116,561	116,561	99,369
ACCUMULATED SURPLUS, END OF YEAR	\$ 113,687	\$ 81,133	\$ 116,561

THE CORPORATION OF THE TOWN OF HUNTSVILLE

BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Business Improvement Area (the "BIA") of the Town of Huntsville are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended in the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the BIA are as follows:

(i) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles established by PSAB 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. Actual results could differ from management's best estimates as additional information becomes available. The estimates are reviewed periodically and any resulting adjustments are reported in earnings in the year in which they become known.

(ii) Accrual accounting

(i) 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.

(iii) Non-financial assets

Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of Municipal services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(iv) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization, 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 with a corresponding amount recorded as revenue. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Equipment - 3 to 25 years

(v) Government transfers

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

2. TANGIBLE CAPITAL ASSETS

The following tables provide information on the tangible capital assets of the Library by major asset class.

	Equipment	TOTAL 2017	TOTAL 2016
COST			
Balance, beginning of year	\$ 36,349	\$ 36,349	\$ 45,949
Additions and betterments	-	-	-
Disposals and writedowns	(600)	(600)	(9,600)
BALANCE, END OF YEAR	35,749	35,749	36,349
ACCUMULATED AMORTIZATION			
Balance, beginning of year	26,105	26,105	32,070
Annual amortization	3,574	3,574	3,635
Disposals and writedowns	(600)	(600)	(9,600)
BALANCE, END OF YEAR	29,079	29,079	26,105
TANGIBLE CAPITAL ASSETS-NET	\$ 6,670	\$ 6,670	\$ 10,244

3. ACCUMULATED SURPLUS

The accumulated surplus balance is comprised of the following:

	2017	2016
Tangible capital assets (Note 2)	\$ 6,670	\$ 10,244
General operating surplus (deficit)	-	488
Capital reserves	74,463	105,829
	\$ 81,133	\$ 116,561

The investment in tangible capital assets represents amounts already spent and invested in equipment. Reserve funds represent funds set aside by by-law or Council resolution for specific purposes.

4. BUDGET FIGURES

The unaudited budget adopted for the current year was prepared on a fund basis, and has been restated to conform with the accounting and reporting standards adopted for the current year actual results.

5. SEGMENT DISCLOSURE

Since the BIA's operations are not considered diverse and operations are managed as one department, no segment disclosure has been provided.