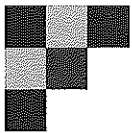


**THE CORPORATION OF THE
TOWN OF HUNTSVILLE
BUSINESS IMPROVEMENT AREA
YEAR ENDED DECEMBER 31, 2018**



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying statement of financial activities of the Business Improvement Area of the Corporation of the Town of Huntsville which comprise of the statement of financial position as at December 31, 2018 and the statement of financial activities and changes in accumulated surplus 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 Business Improvement Area of the Corporation of the Town of Huntsville as at December 31, 2018, and its statement of financial activities and changes in accumulated surplus 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality 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 those 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 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.

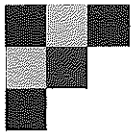
In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditor's Responsibility 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.



PAHAPILL and ASSOCIATES Chartered Accountants

Professional Corporation

- 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 Municipality'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 Municipality'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 Municipality 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.

Pahapill and Associates

Huntsville, Ontario
July 22, 2019

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, 2018

	2018	2017
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 700	\$ 700
Due from The Corporation of the Town of Huntsville	82,173	77,469
	82,873	78,169
LIABILITIES		
Deferred revenue	3,841	3,706
	3,841	3,706
NET FINANCIAL ASSETS	79,032	74,463
NON-FINANCIAL ASSETS		
Tangible capital assets - net (Note 2)	3,575	6,670
	3,575	6,670
ACCUMULATED SURPLUS	\$ 82,607	\$ 81,133

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWN OF HUNTSVILLE
BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget 2018 (Note 4)	Actual 2018	Actual 2017
REVENUE			
Taxation levied on members	\$ 123,462	\$ 123,733	\$ 127,413
Less: taxes written off and rebates	-	(1,961)	(1,524)
Community grants	-	-	9,000
Promotional contributions	8,095	18,562	16,923
Miscellaneous	17,500	37,566	37,498
TOTAL REVENUE	149,057	177,900	189,310
EXPENSES			
Wages and benefits	55,757	62,157	55,349
Beautification	5,500	8,469	6,685
Mural	2,000	-	20,752
Promotion	49,200	51,302	53,785
Professional fees	500	509	509
Sponsorship	6,500	3,425	3,864
Administration	16,600	12,580	43,623
Beer fest expenses	13,000	34,889	36,597
Amortization	3,095	3,095	3,574
TOTAL EXPENSES	152,152	176,426	224,738
ANNUAL SURPLUS (DEFICIT)	(3,095)	1,474	(35,428)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	81,133	81,133	116,561
ACCUMULATED SURPLUS, END OF YEAR	\$ 78,038	\$ 82,607	\$ 81,133

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE TOWN OF HUNTSVILLE

BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2018

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 public sector accounting standards 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 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 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 Business Improvement Area by major asset class.

	Equipment	TOTAL 2018	TOTAL 2017
COST			
Balance, beginning of year	\$ 35,749	\$ 35,749	\$ 36,349
Additions and betterments	-	-	-
Disposals and writedowns	-	-	(600)
BALANCE, END OF YEAR	35,749	35,749	35,749
ACCUMULATED AMORTIZATION			
Balance, beginning of year	29,079	29,079	26,105
Annual amortization	3,095	3,095	3,574
Disposals and writedowns	-	-	(600)
BALANCE, END OF YEAR	32,174	32,174	29,079
TANGIBLE CAPITAL ASSETS-NET	\$ 3,575	\$ 3,575	\$ 6,670

3. ACCUMULATED SURPLUS

The accumulated surplus balance is comprised of the following:

	2018	2017
Tangible capital assets (Note 2)	\$ 3,575	\$ 6,670
Capital reserves	79,032	74,463
	\$ 82,607	\$ 81,133

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 amended 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.