

**THE CORPORATION OF THE
TOWN OF HUNTSVILLE
BUSINESS IMPROVEMENT AREA
YEAR ENDED DECEMBER 31, 2023**

THE CORPORATION OF THE TOWN OF HUNTSVILLE
BUSINESS IMPROVEMENT AREA
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THE CORPORATION OF THE TOWN OF HUNTSVILLE
BUSINESS IMPROVEMENT AREA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

Management's Responsibility for the Financial Statements

The management of the Corporation of the Town of Huntsville (the "Municipality") is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying financial statements.

The financial statements 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 ("CPA"). A summary of the significant accounting policies is described in Note 1 to the financial statements.

The Municipality's management maintains a system of internal controls designed to provide a 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 auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Pahapill and Associates Professional Corporation, independent external auditors appointed by the Town of Huntsville. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's business improvement area financial statements.

Denise Corry

Denise Corry (Dec 18, 2024 11:14 EST)

Denise Corry
Chief Administrative Officer

Julia McKenzie

Julia McKenzie (Dec 18, 2024 12:54 EST)

Julia McKenzie
Director of Financial Services/Treasurer

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements 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, 2023 and the statement of operations 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, 2023 and the results of its operations 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.

- 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
December 18, 2024

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, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 132	\$ 163
Due from The Corporation of the Town of Huntsville	86,867	85,497
	86,999	85,660
LIABILITIES		
Deferred revenue	20,041	28,691
	20,041	28,691
NET FINANCIAL ASSETS	66,958	56,969
NON-FINANCIAL ASSETS		
Tangible capital assets - net (<i>Note 3</i>)	-	6,974
Prepaid expenses	-	5,000
	-	11,974
ACCUMULATED SURPLUS	\$ 66,958	\$ 68,943

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, 2023

	Budget 2023 (Note 5)	Actual 2023	Actual 2022
REVENUE			
Taxation levied on members	\$ 135,645	\$ 135,645	\$ 132,985
Provincial grants	-	-	1,300
Community grants	50,000	55,000	60,000
Promotional contributions	12,500	7,361	5,568
Fundraising	8,000	-	-
TOTAL REVENUE	206,145	198,006	199,853
EXPENSES			
Wages and benefits	73,515	70,711	74,447
Beautification	29,000	26,684	30,728
Mural	-	10,000	-
Promotion	58,245	63,492	87,564
Professional fees	600	509	509
Sponsorship	5,000	4,270	5,000
Administration	20,300	12,351	15,922
Beer fest expenses	-	-	3,248
Skating rink	18,000	5,000	-
Contribution to the Town of Huntsville	-	6,974	-
TOTAL EXPENSES	204,660	199,991	217,418
ANNUAL SURPLUS	1,485	(1,985)	(17,565)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	68,943	68,943	86,508
ACCUMULATED SURPLUS, END OF YEAR	\$ 70,428	\$ 66,958	\$ 68,943

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, 2023

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

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.

(a) 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

(iv) Cash and cash equivalents

Cash and cash equivalents includes cash on hand.

(v) Deferred revenue

The Municipality receives Downtown Dollar revenues. These funds are restricted in their use and until applied to the applicable expenditures are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended. The Municipality also defers recognition of certain government grants which have been collected but for which the related expenditures have yet to be incurred. These amounts will be recognized as revenues in the fiscal year the services are performed.

THE CORPORATION OF THE TOWN OF HUNTSVILLE

BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2023

- (vi) Reserves and reserve funds
 Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes. Balances related to these funds are included in the accumulated surplus of the Statement of Financial Position.
- (vii) 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. CHANGE IN ACCOUNTING POLICIES

On January 1, 2023 the Municipality adopted Public Accounting Standards PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3280 Asset Retirement Obligations, and PS 3450 Financial Instruments. These standards have no significant impact on the presentation of the financial statements.

3. TANGIBLE CAPITAL ASSETS

The following tables provide information on the tangible capital assets of the Business Improvement Area. Tangible capital assets consist of equipment.

	TOTAL 2023	TOTAL 2022
COST		
Balance, beginning of year	\$ 42,723	\$ 35,749
Additions and betterments	-	6,974
Disposals and writedowns	(6,974)	-
BALANCE, END OF YEAR	35,749	42,723
ACCUMULATED AMORTIZATION		
Balance, beginning of year	35,749	35,749
BALANCE, END OF YEAR	35,749	35,749
TANGIBLE CAPITAL ASSETS-NET	\$ -	\$ 6,974

4. ACCUMULATED SURPLUS

The accumulated surplus balance is comprised of the following:

	2023	2022
Tangible capital assets (Note 3)	\$ -	\$ 6,974
Capital reserves	66,958	61,969
	\$ 66,958	\$ 68,943

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.

THE CORPORATION OF THE TOWN OF HUNTSVILLE
BUSINESS IMPROVEMENT AREA

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2023

5. 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.

6. SEGMENT DISCLOSURE

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











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Final Audit Report

2024-12-18

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