



Financial Statements

Alliston Business Improvement Association

December 31, 2017

Alliston Business Improvement Association

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Independent Auditor's Report

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To the Chairman, Members of the Board of Management and Ratepayers of the Alliston Business Improvement Association

We have audited the accompanying financial statements of Alliston Business Improvement Association, which comprise the statement of financial position as at December 31, 2017, and the statement of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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.

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.

Basis for qualified opinion

Alliston Business Improvement Association derives revenue from event activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Alliston Business Improvement Association. Therefore, we were not able to determine whether any adjustments might be necessary to event revenue, accumulated surplus, and cash flows from operations for the years ended December 31, 2017, current assets as at December 31, 2017, and net assets as at December 31, 2016. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Alliston Business Improvement Association as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Barrie, Canada
April 26, 2018

Chartered Professional Accountants
Licensed Public Accountants

**Alliston Business Improvement Association
Statement of Financial Position**

December 31	2017	2016
Financial assets		
Cash and cash equivalents	\$ 64,316	\$ 17,229
Receivables	<u>8,535</u>	<u>53,074</u>
	72,851	70,303
Liabilities		
Payables and accruals	<u>16,448</u>	<u>5,723</u>
Net financial assets	56,403	64,580
Non-financial assets		
Prepays	1,643	11,073
Tangible capital assets (Note 7)	<u>46,884</u>	<u>70,281</u>
	<u>48,527</u>	<u>81,354</u>
Accumulated Surplus	\$ <u>104,930</u>	\$ <u>145,934</u>

On behalf of the Board
"Mike Jerry"

Director *Julia Stubb* Director

See accompanying notes to the financial statements.

Alliston Business Improvement Association Statement of Operations and Accumulated Surplus

Year Ended December 31

2017

2016

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Levied by the Town of			
New Tecumseth	\$ 173,555	\$ 176,733	\$ 168,500
Other contributions	25,000	-	25,000
Monument building rental income	945	760	360
Event income	<u>23,900</u>	<u>36,407</u>	<u>39,541</u>
	<u>223,400</u>	<u>213,900</u>	<u>233,401</u>
Expenditures			
Bank fees	-	272	119
Events	65,800	61,623	74,179
Facilities and equipment	-	9,681	5,015
Downtown clean-up	15,900	14,445	13,542
Amortization	33,947	33,947	41,162
Operating	57,000	13,705	5,133
Planters	-	7,224	9,044
Professional fees	-	-	7,469
Wages	-	58,234	47,052
Website development	-	7,842	1,628
Advertising	59,700	46,552	48,925
Miscellaneous	<u>-</u>	<u>1,379</u>	<u>3,959</u>
	<u>232,347</u>	<u>254,904</u>	<u>257,227</u>
Annual deficit	\$ <u>(8,947)</u>	(41,004)	(23,826)
Accumulated surplus, beginning of year		<u>145,934</u>	<u>169,760</u>
Accumulated surplus, end of year		\$ <u>104,930</u>	\$ <u>145,934</u>

See accompanying notes to the financial statements.

Alliston Business Improvement Association
Statement of Change in Net Financial Assets

Year Ended December 31

2017

2016

	<u>Budget</u>		<u>Actual</u>		<u>Actual</u>
Annual deficit	\$ (8,947)	\$	(41,004)	\$	(23,826)
Change in prepaids	-		9,430		(4,420)
Acquisition of tangible capital assets	(25,000)		(10,550)		(26,627)
Amortization of tangible capital assets	<u>33,947</u>		<u>33,947</u>		<u>41,162</u>
Change in net financial assets	-		(8,177)		(13,711)
Net financial assets, beginning of year	<u>64,580</u>		<u>64,580</u>		<u>78,291</u>
Net financial assets, end of year	<u>\$ 64,580</u>	\$	<u>56,403</u>	\$	<u>64,580</u>

See accompanying notes to the financial statements.

Alliston Business Improvement Association Statement of Cash Flows

Year Ended December 31	2017	2016
Increase (decrease) in cash and cash equivalents		
Operating Activities		
Annual deficit	\$ (41,004)	\$ (23,826)
Amortization	33,947	41,162
Changes in non-cash item balances		
Prepays	9,430	(4,420)
Receivables	44,539	(5,115)
Payables and accruals	<u>10,725</u>	<u>(3,748)</u>
	<u>57,637</u>	<u>4,055</u>
Financing Activities		
Purchase of tangible capital assets	<u>(10,550)</u>	<u>(26,627)</u>
Increase (decrease) in cash and cash equivalents	47,087	(22,572)
Cash and cash equivalents, beginning of year	<u>17,229</u>	<u>39,801</u>
Cash and cash equivalents, end of year	<u>\$ 64,316</u>	<u>\$ 17,229</u>

See accompanying notes to the financial statements.

Alliston Business Improvement Association Notes to the Financial Statements

December 31, 2017

1. Nature of operations

The Alliston Business Improvement Association (the "Association") was created under the provisions of a by-law passed by the Council of The Corporation of the Town of New Tecumseth. Designated to serve the downtown area of the community of Alliston, its operations are governed by applicable sections of the Municipal Act, town by-laws and other applicable legislation. It is a board of management of The Corporation of the Town of New Tecumseth.

2. Summary of significant accounting policies

The financial statements of the Association are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash on hand, guaranteed investment certificates and balances with banks.

Tangible capital assets

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

Banners	3 years
Billboards	5 years
Garbage Cans	5 years
Barricades	5 years
Benches and planters	5 years
Storage containers	10 years
Decorative lights	3 years
Furniture and fixtures	15 years
Website Domain	2 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets which are under the threshold established by the Board are not capitalized, and are expensed as incurred.

Alliston Business Improvement Association Notes to the Financial Statements

December 31, 2017

2. Summary of significant accounting policies (Continued)

Revenue recognition

Government transfers are recognized in the financial statements in the year 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.

Rental income, interest income and other revenues are recognized as the amounts are earned and there is reasonable assurance of collection.

Use of estimates

The preparation of financial statements in accordance with 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 expenditures during the reporting period. Actual results could differ from those estimates.

3. Financial Instruments

Financial instruments consist of receivables and payables and accruals. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values unless otherwise noted.

4. Downtown area expenses, sub-contracting purchases, hanging planters and consultant costs

The Council of the Town of New Tecumseth has directed the Town to assume the costs of downtown area expenses, sub-contracting purchases, hanging planters and consultant costs for the association facilities. Costs totalling \$71,061 were incurred by the Town during 2017 (2016 - \$63,298). As these costs are reported by the Town, they were not budgeted by the Association and are not reported in these financial statements.

Alliston Business Improvement Association Notes to the Financial Statements

December 31, 2017

5. Related party transactions 2017 2016

The Association had the following related party transactions:

With the Town of New Tecumseth, valued at cost:

- Related organization

Municipal levy	\$ 176,733	\$ 168,500
Other contributions	-	25,000

6. Budget figures

The operating budget approved by the Board for 2017 is reflected on the statement of operations. The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be incurred over a number of years and therefore may not be comparable with the current year's actual expenditures.

Adjustments to the budget approved by the Board are reflected to adjust the basis of presentation to the accounting principles applied in preparing the financial statements. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results.

	<u>Revenues</u>	<u>Expenditures</u>
Board's approved budget	\$ 223,400	\$ 223,400
Less: Tangible capital assets capitalization	-	(25,000)
Add: Amortization expense	-	33,947
Adjusted budget per consolidated statement of operations	<u>\$ 223,400</u>	<u>\$ 232,347</u>

Alliston Business Improvement Association
Notes to the Financial Statements

December 31, 2017

7. Tangible capital assets

	Benches and Planters	Banners	Storage Containers	Billboard	Garbage Cans	Furniture and Fixtures
Cost						
Balance, beginning of year	\$ 43,403	\$ 71,893	\$ 4,471	\$ 19,163	\$ 5,763	\$ 3,340
Add: Additions during the year	-	4,132	-	-	-	748
Less: Write off of fully amortized assets during the year	-	(5,953)	-	(8,319)	-	-
Balance, end of year	<u>43,403</u>	<u>70,072</u>	<u>4,471</u>	<u>10,844</u>	<u>5,763</u>	<u>4,088</u>
Accumulated amortization						
Balance, beginning of year	13,878	54,570	2,012	13,418	4,035	1,644
Add: Amortization during the year	8,581	14,405	447	2,169	1,153	248
Less: Write off of fully amortized assets during the year	-	(5,953)	-	(8,319)	-	-
Balance, end of year	<u>22,459</u>	<u>63,022</u>	<u>2,459</u>	<u>7,268</u>	<u>5,188</u>	<u>1,892</u>
Net book value of Tangible Capital Assets	\$ <u>20,944</u>	\$ <u>7,050</u>	\$ <u>2,012</u>	\$ <u>3,576</u>	\$ <u>575</u>	\$ <u>2,196</u>

Alliston Business Improvement Association
Notes to the Financial Statements

December 31, 2017

7. Tangible capital assets (continued)

	Office Equipment	Barricades	Decorative Lights	Website Domain	2017	2016
Cost						
Balance, beginning of year	\$ -	\$ 916	\$ 44,046	\$ 1,241	\$ 184,236	\$ 177,006
Add: Additions during the year	1,710	-	2,003	1,957	10,560	28,627
Less: Write off of fully amortized assets during the year	-	-	(26,472)	(1,241)	(41,985)	(9,395)
Balance, end of year	<u>1,710</u>	<u>916</u>	<u>19,577</u>	<u>1,957</u>	<u>162,801</u>	<u>194,236</u>
Accumulated amortization						
Balance, beginning of year	-	824	32,331	1,243	123,956	92,189
Add: Amortization during the year	171	92	6,182	469	33,947	41,182
Less: Write off of fully amortized assets during the year	-	-	(26,472)	(1,241)	(41,985)	(9,395)
Balance, end of year	<u>171</u>	<u>916</u>	<u>12,051</u>	<u>481</u>	<u>116,917</u>	<u>123,955</u>
Net book value of Tangible Capital Assets	\$ <u>1,539</u>	\$ -	\$ <u>7,526</u>	\$ <u>1,466</u>	\$ <u>48,884</u>	\$ <u>70,281</u>