



Financial Statements

Alliston Business Improvement Association

December 31, 2016

Contents

	Page
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus	4
Statement of Change in Net Financial Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-10

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, 2016, 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, 2016, current assets as at December 31, 2016, and net assets as at December 31, 2015. Our audit opinion on the financial statements for the year ended December 31, 2016 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, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Orillia, Canada
June 1, 2017

Chartered Professional Accountants
Licensed Public Accountants

Alliston Business Improvement Association

Statement of Financial Position

December 31

2016

2015

Financial assets

Cash and cash equivalents	\$ 17,229	\$ 39,801
Receivables	<u>53,074</u>	<u>47,959</u>
	70,303	87,760

Liabilities

Payables and accruals	<u>5,723</u>	<u>9,469</u>
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Net financial assets

64,580 78,291

Non-financial assets

Prepays	11,073	6,653
Tangible capital assets (Note 7)	<u>70,281</u>	<u>84,816</u>
	81,354	91,469

Accumulated Surplus

\$ 145,934 \$ 169,760

On behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

Alliston Business Improvement Association Statement of Operations and Accumulated Surplus

Year Ended December 31

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Levied by the Town of			
New Tecumseth	\$ 168,500	\$ 168,500	\$ 151,000
Other contributions	25,000	25,000	60,000
Monument building rental income	450	360	60
Event Income	1,500	39,541	23,688
Miscellaneous income	-	-	212
Interest income	-	-	157
	<u>195,450</u>	<u>233,401</u>	<u>235,117</u>
Expenditures			
Bank fees	-	119	242
Events	28,500	74,179	44,945
Facilities and equipment	-	5,015	3,838
Downtown clean-up	-	13,542	20,024
Amortization	41,162	41,162	48,553
Operating	55,000	5,133	4,735
Planters	17,850	9,044	1,400
Professional fees	-	7,469	23,918
Wages	-	47,052	33,648
Website development	-	1,628	5,905
Advertising	69,100	48,925	42,447
Miscellaneous	-	3,959	1,751
	<u>211,612</u>	<u>257,227</u>	<u>231,406</u>
Annual surplus (deficit)	\$ <u>(16,162)</u>	(23,826)	3,711
Accumulated surplus, beginning of year		<u>169,760</u>	<u>166,049</u>
Accumulated surplus, end of year		\$ <u>145,934</u>	\$ <u>169,760</u>

See accompanying notes to the financial statements.

Alliston Business Improvement Association Statement of Change in Net Financial Assets

Year Ended December 31

2016

2015

	<u>Budget</u>		<u>Actual</u>	<u>Actual</u>
Annual surplus (deficit)	\$ (16,162)	\$	(23,826)	\$ 3,711
Change in prepaids	-		(4,420)	(554)
Acquisition of tangible capital assets	(25,000)		(26,627)	(41,918)
Amortization of tangible capital assets	<u>41,162</u>		<u>41,162</u>	<u>48,553</u>
Change in net financial assets	-		(13,711)	9,792
Net financial assets, beginning of year	<u>78,291</u>		<u>78,291</u>	<u>68,499</u>
Net financial assets, end of year	<u>\$ 78,291</u>	\$	<u>64,580</u>	\$ <u>78,291</u>

See accompanying notes to the financial statements.

Alliston Business Improvement Association Statement of Cash Flows

Year Ended December 31 2016 2015

Increase (decrease) in cash and cash equivalents

Operating Activities

Annual surplus (deficit)	\$ (23,826)	\$ 3,711
Amortization	41,162	48,553
Changes in non-cash item balances		
Prepays	(4,420)	(554)
Receivables	(5,115)	(20,900)
Payables and accruals	<u>(3,746)</u>	<u>(5,694)</u>
	<u>4,055</u>	<u>25,116</u>

Financing Activities

Purchase of tangible capital assets	<u>(26,627)</u>	<u>(41,918)</u>
Decrease in cash and cash equivalents	(22,572)	(16,802)
Cash and cash equivalents, beginning of year	<u>39,801</u>	<u>56,603</u>
Cash and cash equivalents, end of year	\$ <u>17,229</u>	\$ <u>39,801</u>

Supplemental information

Interest received	\$ <u>-</u>	\$ <u>157</u>
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See accompanying notes to the financial statements.

Alliston Business Improvement Association

Notes to the Financial Statements

December 31, 2016

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, 2016

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 \$63,298 were incurred by the Town during 2016 (2015 - \$74,188). 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, 2016

5. Related party transactions

2016

2015

The Association had the following related party transactions:

With the Town of New Tecumseth, valued at cost:

- Related organization

Municipal levy	\$	168,500	\$	151,000
Other contributions		25,000		60,000

6. Budget figures

The operating budget approved by the Board for 2016 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	\$ 195,450	\$ 195,450
Less: Tangible capital assets capitalization	-	(25,000)
Add: Amortization expense	-	<u>41,162</u>
Adjusted budget per consolidated statement of operations	<u>\$ 195,450</u>	<u>\$ 211,612</u>

Alliston Business Improvement Association

Notes to the Financial Statements

December 31, 2016

7. Tangible capital assets

	Benches and Planters	Banners	Storage Containers	Billboard	Garbage Cans	Furniture and Fixtures	Barricades	Decorative Lights	Website Domain	2016	2015
Cost											
Balance, beginning of year	\$ 26,190	\$ 74,216	\$ 4,471	\$ 16,822	\$ 5,763	\$ 3,340	\$ 916	\$ 44,046	\$ 1,241	\$ 177,005	\$ 168,637
Add: Additions during the year	21,641	2,646	-	2,340	-	-	-	-	-	26,627	41,918
Less: Write off of fully amortized assets during the year	<u>(4,428)</u>	<u>(4,968)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,396)</u>	<u>(33,550)</u>
Balance, end of year	<u>43,403</u>	<u>71,891</u>	<u>4,471</u>	<u>19,163</u>	<u>5,763</u>	<u>3,340</u>	<u>916</u>	<u>44,046</u>	<u>1,241</u>	<u>194,236</u>	<u>177,005</u>
Accumulated amortization											
Balance, beginning of year	11,791	37,006	1,565	10,652	2,883	1,422	641	24,988	1,241	92,189	77,186
Add: Amortization during the year	6,516	22,532	447	2,767	1,153	223	183	7,341	-	41,162	48,553
Less: Write off of fully amortized assets during the year	<u>(4,428)</u>	<u>(4,968)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,396)</u>	<u>(33,550)</u>
Balance, end of year	<u>13,878</u>	<u>54,569</u>	<u>2,012</u>	<u>13,418</u>	<u>4,035</u>	<u>1,644</u>	<u>824</u>	<u>32,330</u>	<u>1,241</u>	<u>123,955</u>	<u>92,189</u>
Net book value of Tangible Capital Assets	\$ <u>29,524</u>	\$ <u>17,324</u>	\$ <u>2,459</u>	\$ <u>5,743</u>	\$ <u>1,727</u>	\$ <u>1,695</u>	\$ <u>92</u>	\$ <u>11,717</u>	\$ <u>-</u>	\$ <u>70,281</u>	\$ <u>84,816</u>