

**Invest North Bay
Development Corporation
Financial Statements
For the year ended December 31, 2016**

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For the year ended December 31, 2016

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Independent Auditor's Report

To the Members of Invest North Bay Development Corporation

We have audited the accompanying financial statements of Invest North Bay Development Corporation, which comprise the statement of financial position as at December 31, 2016, and the statement of operations, statement of changes in net assets and statement of 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Invest North Bay Development Corporation 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario
June 7, 2017

Invest North Bay Development Corporation
Statement of Financial Position

December 31

2016

Assets

Current

Accounts receivable (Note 2)	\$ 2,630
Due from the City of North Bay	<u>232,175</u>
	<u>\$ 234,805</u>

Liabilities and Members' Equity

Current

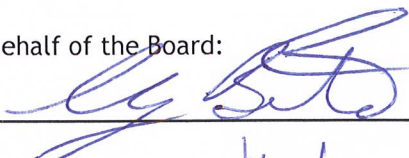
Accounts payable and accrued liabilities	\$ 2,500
Deferred revenue (Note 4)	<u>12,044</u>
	<u>14,544</u>

Net Assets

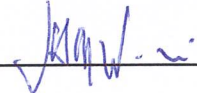
Internally restricted (Note 3)	155,044
Unrestricted	<u>65,217</u>
	<u>220,261</u>
	<u>\$ 234,805</u>

Commitments (Note 5)

On behalf of the Board:



Director



Director

Invest North Bay Development Corporation
Statement of Changes in Net Assets

For the year ended December 31	Unrestricted	Internally Restricted	2016 Total
Net assets, beginning of year	\$ -	\$ -	\$ -
Excess of revenues over expenses	220,261	-	220,261
Internally imposed restrictions - future projects (Note 3)	(155,044)	155,044	-
Net assets, end of year	\$ 65,217	\$ 155,044	\$ 220,261

The accompanying notes are an integral part of these financial statements.

Invest North Bay Development Corporation
Statement of Operations

For the year ended December 31 **2016**

Revenues	
Municipal contributions - operating (Note 6)	\$ 239,982
Municipal contributions - special projects (Note 4)	<u>12,956</u>
	<u>252,938</u>
Expenses	
Consulting fees	27,296
Professional fees	2,500
Travel	2,252
Meetings	<u>629</u>
	<u>32,677</u>
Excess of revenues over expenses for the year	<u>\$ 220,261</u>

Invest North Bay Development Corporation
Statement of Cash Flows

For the year ended December 31

2016

Cash provided by (used in)

Operating activities

Excess of revenues over expenses for the year	<u>\$ 220,261</u>
Changes in non-cash working capital balances	
Accounts receivable	(2,630)
Due from City of North Bay	(232,175)
Accounts payable and accrued liabilities	2,500
Deferred revenue	<u>12,044</u>
	<u>(220,261)</u>
Change in cash and cash equivalents during the year	-
Cash and cash equivalents, beginning of year	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Invest North Bay Development Corporation

Notes to Financial Statements

December 31, 2016

1. Significant Accounting Policies

Nature of Organization Invest North Bay Development Corporation (the "organization") is incorporated without share capital under the laws of Ontario on October 19, 2015. The purpose of the organization is to maximize the value of current and future City owned assets with the focus of growing and developing the City. The corporation is exempt from income tax under the Income Tax Act.

Basis of Presentation The financial statements of the organization have been prepared in accordance with Canadian public sector accounting standards for the government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").

Revenue Recognition The corporation accounts for contributions under the deferral method of accounting as follows:

Operating grants are recorded as revenue in the period which they relate. Grants approved but not received at the end of the period are accrued. Grants relating to future periods are deferred and recognized in the subsequent period when the related activity occurs.

Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized.

Use of Estimates The preparation of the financial instruments in conformity with Canadian generally accepted accounting principles 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 revenue and expenses during the reporting periods. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

Invest North Bay Development Corporation Notes to Financial Statements

December 31, 2016

2. Accounts Receivable

	<u>2016</u>
HST receivable	<u>\$ 2,630</u>

3. Internally Restricted Net Assets and Restricted Cash

Internally restricted net assets consists of the following initiatives:

	<u>2016</u>
Industrial Technology Benefits	\$ 90,000
Marketing Initiative	50,000
Unmanned Aerial Vehicles (UAV)	12,044
Hydrogen Business Forum	<u>3,000</u>
	<u>\$ 155,044</u>

4. Deferred Revenue

The City of North Bay contributed \$25,000 to a special project during the year, of this amount \$12,956 has been recognized as revenue in 2016 with the balance being deferred and to be recognized into revenue in the period in which the project is completed.

5. Commitments

The organization committed \$2,500 to the City of North Bay for a data centre project, the funds will be transferred when the project is completed.

6. Municipal Operating Agreement

The organization has entered into an operating agreement with the Corporation of the City of North Bay until July 29, 2021. This agreement may be terminated by either party without cause, upon one hundred and twenty days notice.