

**Invest North Bay  
Development Corporation  
Financial Statements  
For the year ended December 31, 2018**

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**Financial Statements**  
For the year ended December 31, 2018

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## Independent Auditor's Report

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To the members of Invest North Bay Development Corporation

### Opinion

We have audited the financial statements of Invest North Bay Development Corporation (the Entity), which comprise the statement of financial position as at December 31, 2018, the statements of change in net assets, operations, and cash flows 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 Entity as at December 31, 2018, and its financial performance and cash flows 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 Entity 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 these 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities 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 Entity'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 Entity'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 Entity 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.



Chartered Professional Accountants, Licensed Public Accountants

North Bay, Ontario  
May 28, 2019

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**Invest North Bay Development Corporation**  
**Statement of Financial Position**

**December 31** **2018** **2017**

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**Assets**

**Current**

Accounts receivable (Note 2)	\$ 21,386	\$ 32,222
Due from the City of North Bay	222,005	279,246
Prepaid expenses	48,410	-
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	\$ 291,801	\$ 311,468

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**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 2,500	\$ 2,887
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**Net Assets**

Internally restricted (Note 3)	127,500	116,613
Unrestricted	161,801	191,968
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	289,301	308,581
	<hr/>	<hr/>
	\$ 291,801	\$ 311,468

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**Commitments (Note 4)**

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## Invest North Bay Development Corporation Statement of Changes in Net Assets

<b>For the year ended December 31</b>			2018	2017
	Unrestricted	Internally Restricted	Total	Total
<b>Net assets, beginning of year</b>	\$ 191,968	\$ 116,613	\$ 308,581	\$ 220,261
Excess of (expenses over revenues) revenues over expenses	(19,280)	-	(19,280)	88,320
Internally imposed restrictions (Note 3)				
- Hydrogen Demonstration Facility	90,000	(90,000)	-	-
- Jack Garland Airport	(127,500)	127,500	-	-
- Marketing Initiative	26,613	(26,613)	-	-
<b>Net assets, end of year</b>	\$ 161,801	\$ 127,500	\$ 289,301	\$ 308,581

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	2018	2017
<b>Revenues</b>		
Municipal contributions - operating (Note 5a)	\$ 140,000	\$ 140,000
Municipal contributions - special projects (Note 5b)	155,910	12,044
Reimbursements	-	3,500
Federal grants	-	24,875
	<b>295,910</b>	<b>180,419</b>
<b>Expenses</b>		
Projects	167,500	-
Consulting fees	143,100	77,597
Professional fees	3,898	2,599
Promotion	683	5,000
Office expenses	9	195
Meetings	-	6,653
Travel and other	-	55
	<b>315,190</b>	<b>92,099</b>
<b>Excess of (expenses over revenues) revenues over expenses for the year</b>	<b>\$ (19,280)</b>	<b>\$ 88,320</b>

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

## Invest North Bay Development Corporation Statement of Cash Flows

For the year ended December 31	2018	2017
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of (expenses over revenues) revenues over over expenses for the year	\$ (19,280)	\$ 88,320
Changes in non-cash working capital balances		
Accounts receivable	10,836	(29,592)
Due from City of North Bay	57,241	(47,071)
Prepaid expenses	(48,410)	-
Accounts payable and accrued liabilities	(387)	387
Deferred revenue	-	(12,044)
	-	-
<b>Change in cash and cash equivalents during the year</b>	-	-
<b>Cash and cash equivalents, beginning of year</b>	-	-
<b>Cash and cash equivalents, end of year</b>	\$ -	\$ -

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



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# Invest North Bay Development Corporation

## Notes to Financial Statements

December 31, 2018

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### 1. Significant Accounting Policies

**Nature of Organization** Invest North Bay Development Corporation (the "Company") 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 corporation have been prepared in accordance with Canadian public sector accounting standards for 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.

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## Invest North Bay Development Corporation Notes to Financial Statements

**December 31, 2018**

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### 2. Accounts Receivable

	2018	2017
HST receivable	\$ 21,386	\$ 7,347
Federal grants receivable	-	24,875
	\$ 21,386	\$ 32,222

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### 3. Internally Restricted Net Assets

Internally restricted net assets consists of the following initiatives:

	2018	2017
Hydrogen Demonstration Facility (i)	\$ -	\$ 90,000
Marketing Initiative	-	26,613
Jack Garland Airport	127,500	-
	\$ 127,500	\$ 116,613

(i) During the year the corporation reallocated \$90,000 of internally restricted funds originally restricted for the Hydrogen Demonstration Facility and moved it back to unrestricted assets.

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### 4. Commitments

- a) During the year the corporation signed a contract for up to \$1,200,000 with a vendor to provide marketing and related services. As at December 31, 2018 \$1,050,000 remains outstanding on this contract.
  
- b) During the year the corporation signed a contract for \$295,000 with the Jack Garland Airport. As at December 31, 2018 \$127,500 remains outstanding on this contract.

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## Invest North Bay Development Corporation Notes to Financial Statements

December 31, 2018

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### 5. Municipal Operating Agreement

- a) On July 29, 2016 the corporation entered into an operating agreement with the City of North Bay for five years, ending July 29, 2021. This agreement may be terminated by either party without cause, upon one hundred and twenty days notice.
  
- b) On May 30, 2017 the City of North Bay passed a resolution to allocate up to \$1,000,000 in funding to the corporation upon notification to the CAO and CFO of the City of North Bay by the corporation's Board of Directors of a successful investment pursuant to the terms of the operating agreement. In 2018 the corporation received funding from the City of North Bay of \$155,910 relating to the TWG contract.