

Financial Statements of

**THE BLUE MOUNTAINS ATTAINABLE
HOUSING CORPORATION**

Year ended December 31, 2019

Blue Mountains Attainable Housing Corporation

Financial Statements

Year ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Members of The Blue Mountains Attainable Housing Corporation

We have audited the financial statements of The Blue Mountains Attainable Housing Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations, its changes in net financial assets and its 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.

Auditors' 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 auditors' 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 the 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 auditors' 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 auditors' 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.
- 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

Waterloo, Canada

DATE

Blue Mountains Attainable Housing Corporation

Statement of Financial Position

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Financial assets		
Cash and cash equivalents	\$ 207,861	\$ 250,890
Loans receivable	58,750	25,750
Interest receivable	517	107
	267,128	276,747
Liabilities		
Accrued payable	38,336	1,500
Due to The Town of The Blue Mountains	58,750	25,750
	97,086	27,250
Net financial assets	170,042	249,497
Accumulated Surplus	\$ 170,042	\$ 249,497

Blue Mountains Attainable Housing Corporation

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	Budget 2019	Actual 2019	Actual 2018
Revenues:			
Grants From Town	\$ -	\$ -	\$ 20,000
Interest Income	-	5,152	4,251
	-	5,152	24,251
Expenses:			
Administration	-	390	70
Professional fees	-	79,217	1,500
Grants	-	5,000	-
	-	84,607	1,570
Annual surplus/(deficit)	-	(79,455)	22,681
Accumulated surplus, beginning of the year	249,497	249,497	226,816
Accumulated surplus, end of the year	\$ 249,497	\$ 170,042	\$ 249,497

Blue Mountains Attainable Housing Corporation

Statement of Net Financial Assets

Year ended December 31, 2019, with comparative information for 2018

	Budget 2019	Actual 2019	Actual 2018
Annual Surplus/(deficit)	\$ -	\$ (79,455)	\$ 22,681
Change in net financial assets		(79,455)	22,681
Net financial assets, beginning of year	249,497	249,497	226,816
Net financial assets, end of year	\$ 169,837	\$ 170,042	\$ 249,497

Blue Mountains Attainable Housing Corporation

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	Actual 2019	Actual 2018
Increase (decrease) in cash and cash equivalents		
Operating Activities		
Annual surplus	\$ (79,455)	\$ 22,681
Increase in interest receivable	(410)	(107)
Increase in accrued payable	36,836	1,500
	(43,029)	24,074
Investing Activities		
Collection/ (issuance) loans receivable	(33,000)	3,500
Financing Activities		
Increase/(decrease) in due to The Town of The Blue Mountains	33,000	(3,500)
Net increase in cash and cash equivalents	(43,029)	24,074
Cash and cash equivalents, beginning of year	250,890	226,816
Cash and cash equivalents, end of year	\$ 207,861	\$ 250,890

Blue Mountains Attainable Housing Corporation

Notes to the Financial Statements

Year ended December 31, 2019

1. Significant accounting policies:

The Blue Mountains Attainable Housing Corporation (the "Corporation") is a not-for-profit corporation wholly owned by the Corporation of The Town of The Blue Mountains ("The Town") in September 2013. The objects for which the corporation is incorporated are "To augment the supply of healthy, affordable and sustainable ownership housing units in The Town of The Blue Mountains which are affordable to a larger portion of the population.

(a) Basis of accounting:

The financial statements of the Corporation are the representations of management. They have been prepared in accordance with the Canadian Public Sector Accounting Board of the Chartered Professional Accountants Canada.

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measureable; expenses are recognized as they are incurred and measureable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Use of estimates:

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items such as tangible capital assets. By their nature, these estimates are subject to measurement uncertainty and actual results could differ from management's best estimates as additional information becomes available in the future.

(c) Revenue recognition:

Revenues are recognized as follows:

- a. Municipal transfers are recognized in the year the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated. Municipal grants are recognized when approved to the extent that the related expenses have been incurred and collection can be reasonably assured

2. Loans receivable

Amounts have been loaned, on an interest free basis, to successful applicants for the purposes of assistance in acquiring real estate. Amounts are receivable at the earlier of either the applicant's disposition of real estate or twenty years from the date the loan was issued.

Balance Remaining by Issuance Year	Amount
2017 Issuance	\$ 11,500
2018 Issuance	\$ 14,250
2019 Issuance	\$ 33,000
Total	\$ 58,750

Blue Mountains Attainable Housing Corporation

Notes to the Financial Statements

Year ended December 31, 2019

3. Related party transactions

The Corporation was established as a not-for-profit corporation wholly owned by the Town. The Town is considered to be a related party.

During the year, the Corporation in its normal course of operations, had the following transactions with the Town:

	2019	2018
Grants From Town	\$ -	\$ 20,000
	\$ -	\$ 20,000

During the year, the Corporation remitted a net amount of \$0 to The Town. As at December 31, 2019, an amount of \$58,750 is payable to The Town (2018 – \$27,250). The amount payable to The Town is due on demand and bears no interest.

4. Segment disclosure

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