Appendix R:

THE BOARD OF MANAGEMENT FOR THE GREEKTOWN ON THE DANFORTH BUSINESS IMPROVEMENT AREA

Financial Statements
For the Year Ended December 31, 2013

GREEKTOWN ON THE DANFORTH BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2013

CONTENTS

RAFIQ DOSANI, B.Comm. CPA, CA.
CHARTERED ACCOUNTANT

90 Risebrough Avenue
Toronto, Ontario M2M 2E3
Telephone: (416) 221 - 4095
Fax: (416) 221 - 4160

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Greektown on the Danforth Business Improvement Area

I have audited the accompanying financial statements of the Greektown on the Danforth Business Improvement Area, which comprise the statement of financial position as at December 31, 2013 and the statements of operations and accumulated surplus, changes in net 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 generally accepted accounting principles 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
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
April 22, 2014

Chartered Accountant
Licensed Public Accountant

THE BOARD OF MANAGEMENT FOR THE
GREEKTOWN ON THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	2013 $	2012 $
FINANCIAL ASSETS		
Cash and short-term investments	883,510	823,025
Accounts receivable		
City of Toronto – special charges (Note 3)	41,635	31,074
Other	56,505	5,907
	981,650	860,006
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	217,357	72,063
Other	76,168	99,236
	293,525	171,299
NET FINANCIAL ASSETS	688,125	688,707
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	250,959	128,398
ACCUMULATED SURPLUS	939,084	817,105

Approved on behalf of the Board of Management:

Chair

Treasurer

THE BOARD OF MANAGEMENT FOR THE
GREEKTOWN ON THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 $ Budget (Note 9)	2013 $ Actual	2012 $ Actual
REVENUE			
City of Toronto – special charges	427,275	427,275	425,989
Grants and other revenue	50,000	127,775	46,628
Taste of the Danforth	433,500	695,853	610,810
	910,775	1,250,903	1,083,427
EXPENSES			
Administration	131,616	135,977	164,261
Promotion and advertising	702,000	772,611	654,195
Maintenance	134,700	76,319	127,303
Capital (Note 7)	157,500	49,826	-
Amortization	-	94,794	60,820
Provision for (recovery of) uncollected special charges (note 3)	9,959	(603)	12,882
	1,135,775	1,128,924	1,019,461
SURPLUS (DEFICIT) FOR THE YEAR	(225,000)	121,979	63,966
OPERATING SURPLUS, BEGINNING OF YEAR	817,105	817,105	753,139
OPERATING SURPLUS, END OF YEAR	592,105	939,084	817,105

THE BOARD OF MANAGEMENT FOR THE
GREEKTOWN ON THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 $	2012 $
Surplus for the year	121,979	63,966
Acquisition of tangible capital assets	(217,355)	(37,371)
Amortization of tangible capital assets	94,794	60,820
	(582)	87,415
Balance - Beginning of year	688,707	601,292
Balance - End of year	688,125	688,707

THE BOARD OF MANAGEMENT FOR THE
GREEKTOWN ON THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 $	2012 $
Cash flows from operating activities		
Surplus for the year	121,979	63,966
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	94,794	60,820
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(10,561)	(4,835)
Accounts receivable – other	(50,598)	13,544
Accounts payable – Other	(23,068)	(37,376)
Accounts payable – City of Toronto	145,294	9,851
Cash Provided By Operations	277,840	105,970
Investing activities		
Purchase of tangible capital assets	(217,355)	(37,371)
Cash and short-term investments, beginning of year	823,025	754,426
Cash and short-term investments, end of year	883,510	823,025

1. ESTABLISHMENT AND OPERATIONS

The Greektown on the Danforth Business Improvement Area (BIA) is established as a Business Improvement Area under the management and control of a Board of Management appointed by Council of the City of Toronto.

The Board is entrusted with the improvements, beautification and maintenance of municipally owned lands, buildings and structures in the area, together with the promotion of the area as a business or shopping area. Funding is provided by property owners of the BIA who are levied a special charge based on an annual operating budget prepared by the Board and approved by Council under Section 220(17) of the Municipal Act, as amended.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with generally accepted accounting principles for local governments as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA), the most significant of which are as follows:

(a) Revenues and expenses are recorded using the accrual basis of accounting.

(b) Capital assets
Purchased capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Flags and banners	3 years
Street & Christmas lights	5 years
Street furniture	5 years
Planters	5 years

(c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

3. CITY OF TORONTO – SPECIAL CHARGES

Special charges levied by the City are collected and remitted to the Board by the City. The total special charges outstanding consist of amounts collected by the City not yet remitted to the Board and amounts uncollected by the City.

The Board records special charges receivable net of an allowance for uncollected amounts. The special charges receivable from the City of Toronto are comprised of:

	2013 $	2012 $
Total special charges outstanding	57,735	67,574
Less: allowance for uncollected special charges	(16,100)	(36,500)
Special charges receivable	41,635	31,074

The provision for (recovery of) uncollected levies reported on the Statement of Operations and Accumulated Surplus comprises of:

	2013 $	2012 $
Special charges written-off	19,797	9,282
Change in allowance for uncollected special charges	(20,400)	3,600
	(603)	12,882

4. CAPITAL ASSETS

2013

	Lights	Pole Wraps	Banner Poles	Planters	Furniture	Total
Cost						
Beginning	313,789	28,493	-	-	2,073	344,355
Additions	-	-	102,280	115,075	-	217,355
Disposals	-	-	-	-	-	-
Ending	**313,789**	**28,493**	**102,280**	**115,075**	**2,073**	**561,710**
Accumulated Amortization						
Beginning	186,523	28,493	-	-	941	215,957
Amortization	50,757	-	20,456	23,015	566	94,794
Disposals	-	-	-	-	-	-
Ending	**237,280**	**28,493**	**20,456**	**23,015**	**1,507**	**310,751**
Net Book Value	**76,509**	**-**	**81,824**	**92,060**	**566**	**250,959**

2012

	Lights	Pole Wraps	Banner Poles	Planters	Furniture	Total
Cost						
Beginning	277,551	28,493	-	-	940	306,984
Additions	36,238	-	-	-	1,133	37,371
Disposals	-	-	-	-	-	-
Ending	**313,789**	**28,493**	**-**	**-**	**2,073**	**344,355**
Accumulated Amortization						
Beginning	135,766	18,995	-	-	376	155,137
Amortization	50,757	9,498	-	-	565	60,820
Disposals	-	-	-	-	-	-
Ending	**186,523**	**28,493**	**-**	**-**	**941**	**215,957**
Net Book Value	**127,266**	**-**	**-**	**-**	**1,132**	**128,398**

5. INSURANCE

The Board is required to deposit with the Treasurer, City of Toronto, insurance policies indemnifying the City against public liability and property damage in respect of the activities of the Board. Insurance coverage providing $5,000,000 for each occurrence or accident has been obtained by the Board through the City of Toronto.

6. FINANCIAL INSTRUMENTS

The carrying value of the BIA's financial instruments approximates their values. The BIA is subject to an interest rate risk with respect to its investments; however, as these instruments are short-term investments the risk is minimal.

7. CAPITAL EXPENSES

In order to finance major capital expenses the BIA annually budgets certain amounts and accumulates them as operating surplus. Once adequate funds have accumulated, the BIA undertakes cost-shared capital improvement projects with the City. For this reason the actual expenses in a given year could significantly differ from the amount budgeted for the year. Any excess actual capital expenses are financed out of the accumulated surplus.

8. COMMITMENTS

The Board, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property for several years. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. The Board is committed to capital improvement projects of which the Board's share of $54,336 (2012 - $7,892) was outstanding as at December 31, 2013.

9. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures.