

**THE BOARD OF MANAGEMENT FOR THE
CHURCH-WELLESLEY
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2013**

**CHURCH-WELLESLEY
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Church-Wellesley Business Improvement Area

I have audited the accompanying financial statements of Church-Wellesley 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.

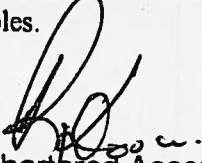
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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
May 26, 2014


Chartered Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash and short-term investments	73,693	144,825
Accounts receivable		
City of Toronto – special charges (Note 3)	49,324	4,356
Other	12,498	12,473
	<u>135,515</u>	<u>161,654</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	29,485	87,199
Other	48,966	31,969
	<u>78,451</u>	<u>119,168</u>
NET FINANCIAL ASSETS	57,064	42,486
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	88,038	91,719
ACCUMULATED SURPLUS	<u>145,102</u>	<u>134,205</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 \$ Budget (Note 8)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	240,899	240,899	233,730
Mural	-	136,862	-
Interest, sponsorships and other	6,000	50,563	8,222
	<u>246,899</u>	<u>428,324</u>	<u>241,952</u>
EXPENSES			
Administration	92,377	87,395	86,667
Promotion and advertising	80,000	143,176	66,575
Maintenance	44,500	46,599	39,672
Mural	-	136,862	-
Capital (Note 7)	30,000	-	-
Amortization	-	33,341	30,103
Provision for (recovery of) uncollected special charges (Note 3)	15,022	(29,946)	16,323
	<u>261,899</u>	<u>417,427</u>	<u>239,340</u>
SURPLUS (DEFICIT) FOR THE YEAR	(15,000)	10,897	2,612
OPERATING SURPLUS, BEGINNING OF YEAR	<u>134,205</u>	<u>134,205</u>	<u>131,593</u>
OPERATING SURPLUS, END OF YEAR	<u>119,205</u>	<u>145,102</u>	<u>134,205</u>

**THE BOARD OF MANAGEMENT FOR THE
 CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA
 STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u> \$	<u>2012</u> \$
Surplus for the year	10,897	2,612
Acquisition of tangible capital assets	(29,660)	(92,890)
Amortization of tangible capital assets	<u>33,341</u>	<u>30,103</u>
	14,578	(60,175)
Balance - Beginning of year	42,486	102,661
Balance - End of year	<u><u>57,064</u></u>	<u><u>42,486</u></u>

**THE BOARD OF MANAGEMENT FOR THE
CHURCH-WELLESLEY 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	10,897	2,612
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	33,341	30,103
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(44,968)	(3,056)
Accounts receivable – other	(25)	8,765
Accounts payable - City of Toronto	(57,714)	86,791
Accounts payable – other	16,997	9,730
Cash Provided By (Used In) Operations	(41,472)	134,945
Investing activities		
Purchase of tangible capital assets	(29,660)	(92,890)
Cash and short-term investments, Beginning Of Year	144,825	102,770
Cash and short-term investments, End Of Year	73,693	144,825

**THE BOARD OF MANAGEMENT FOR THE
CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

1. ESTABLISHMENT AND OPERATIONS

The Church-Wellesley 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:

Banners & Flags	3 years
Alexander Wood Sculpture	5 years
Benches	5 years
Gateway Signs	5 years
Lights	5 years
Planters	5 years

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

**THE BOARD OF MANAGEMENT FOR THE
CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 (payable) from/to the City of Toronto are comprised of:

	2013 \$	2012 \$
Total special charges outstanding	65,824	67,356
Less: allowance for uncollected special charges	<u>(16,500)</u>	<u>(63,000)</u>
Special charges receivable (payable)	<u>49,324</u>	<u>4,356</u>

The provision for (recovery of) uncollected levies reported on the Statement of Revenue, Expenditure and Operating Surplus comprises:

	2013 \$	2012 \$
Special charges written-off	16,554	7,723
Change in allowance for uncollected special charges	<u>(46,500)</u>	<u>8,600</u>
	<u>(29,946)</u>	<u>16,323</u>

**THE BOARD OF MANAGEMENT FOR THE
CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

4. CAPITAL ASSETS

	2013				
	Gateway Signs	Lights	Benches	Planters	Total
Cost					
Beginning	104,086	40,797	2,955	2,673	150,511
Additions	29,660	-	-	-	29,660
Disposals	-	-	-	-	-
Ending	133,746	40,797	2,955	2,673	180,171
Accumulated Amortization					
Beginning	24,464	29,291	2,364	2,673	58,792
Amortization	26,750	6,000	591	-	33,341
Disposals	-	-	-	-	-
Ending	51,214	35,291	2,955	2,673	92,133
Net Book Value	82,532	5,506	-	-	88,038

	2012				
	Gateway Signs	Lights	Benches	Planters	Total
Cost					
Beginning	11,196	40,797	2,955	2,673	57,621
Additions	92,890	-	-	-	92,890
Disposals	-	-	-	-	-
Ending	104,086	40,797	2,955	2,673	150,511
Accumulated Amortization					
Beginning	3,647	21,131	1,773	2,138	28,689
Amortization	20,817	8,160	591	535	30,103
Disposals	-	-	-	-	-
Ending	24,464	29,291	2,364	2,673	58,792
Net Book Value	79,622	11,506	591	-	91,719

**THE BOARD OF MANAGEMENT FOR THE
CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

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. BUDGET

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