

**THE BOARD OF MANAGEMENT FOR THE  
FAIRBANK VILLAGE  
BUSINESS IMPROVEMENT AREA**

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

# **FAIRBANK VILLAGE 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 Fairbank Village Business Improvement Area**

I have audited the accompanying financial statements of Fairbank Village 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 financial 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.

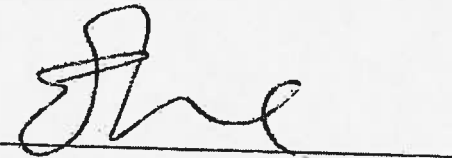
Toronto, Ontario  
May 2, 2014

  
Chartered Accountant  
Licensed Public Accountant

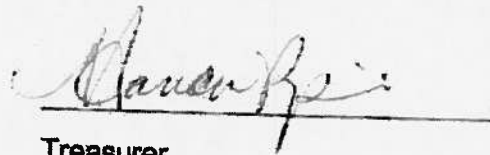
**THE BOARD OF MANAGEMENT FOR THE  
FAIRBANK VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments	60,105	19,098
Accounts receivable		
City of Toronto – special charges (Note 3)	3,673	6,475
Other	17,369	8,059
	<u>81,147</u>	<u>33,632</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
Other	2,727	2,591
	<u>2,727</u>	<u>2,591</u>
<b>NET FINANCIAL ASSETS</b>	<b>78,420</b>	<b>31,041</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	5,186	11,136
<b>ACCUMULATED SURPLUS</b>	<u><b>83,606</b></u>	<u><b>42,177</b></u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
FAIRBANK VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>2013 \$ Budget (Note 8)</b>	<b>2013 \$ Actual</b>	<b>2012 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	221,112	221,112	165,587
Interest, fund raising and other	-	5,878	9,985
	<u>221,112</u>	<u>226,990</u>	<u>175,572</u>
<b>EXPENSES</b>			
Administration	41,869	46,812	34,144
Promotion and advertising	90,927	95,231	96,529
Maintenance	26,618	23,067	21,380
Capital (Note 7)	50,000	-	-
Amortization	-	5,950	5,949
Provision for uncollected special charges (Note 3)	11,698	14,501	10,292
	<u>221,112</u>	<u>185,561</u>	<u>168,294</u>
<b>SURPLUS FOR THE YEAR</b>	-	41,429	7,278
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	42,177	42,177	34,899
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>42,177</u>	<u>83,606</u>	<u>42,177</u>

**THE BOARD OF MANAGEMENT FOR THE  
FAIRBANK VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Surplus for the year	41,429	7,278
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	5,950	5,949
	47,379	13,227
Balance - Beginning of year	31,041	17,814
Balance - End of year	<u>78,420</u>	<u>31,041</u>

**THE BOARD OF MANAGEMENT FOR THE  
FAIRBANK VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 \$	2012 \$
<b>Cash flows from operating activities</b>		
Surplus for the year	41,429	7,278
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	5,950	5,949
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	2,802	(3,212)
Accounts receivable – other	(9,310)	10,636
Accounts payable - City of Toronto	-	-
Accounts payable – other	136	(4,076)
<b>Cash Provided By Operations</b>	41,007	16,575
<b>Investing activities</b>		
Purchase of tangible capital assets	-	-
<b>Cash, Beginning Of Year</b>	19,098	2,523
<b>Cash, End Of Year</b>	60,105	19,098

**THE BOARD OF MANAGEMENT FOR THE  
FAIRBANK VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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**1. ESTABLISHMENT AND OPERATIONS**

The Fairbank Village 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	3 years
Street & Christmas lights	5 years
Benches	5 years
Planters	5 years
Street signs	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  
FAIRBANK VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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**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	35,673	28,775
Less: allowance for uncollected special charges	(32,000)	(22,300)
Special charges receivable	<u>3,673</u>	<u>6,475</u>

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

	2013	2012
	\$	\$
Special charges written-off	4,801	2,792
Change in provision for assessment appeals	9,700	7,500
	<u>14,501</u>	<u>10,292</u>

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

**4. TANGIBLE CAPITAL ASSETS**

	<b>2013</b>			
	<b>Street Signs</b>	<b>Lights</b>	<b>Benches</b>	<b>Total</b>
<b>Cost</b>				
Beginning	2,930	11,500	15,314	29,744
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Ending</b>	<b>2,930</b>	<b>11,500</b>	<b>15,314</b>	<b>29,744</b>
<b>Accumulated Amortization</b>				
Beginning	1,758	4,600	12,250	18,608
Amortization	586	2,300	3,064	5,950
Disposals	-	-	-	-
<b>Ending</b>	<b>2,344</b>	<b>6,900</b>	<b>15,314</b>	<b>24,558</b>
<b>Net Book Value</b>	<b>586</b>	<b>4,600</b>	<b>-</b>	<b>5,186</b>

	<b>2012</b>			
	<b>Street Signs</b>	<b>Lights</b>	<b>Benches</b>	<b>Total</b>
<b>Cost</b>				
Beginning	2,930	11,500	15,314	29,744
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Ending</b>	<b>2,930</b>	<b>11,500</b>	<b>15,314</b>	<b>29,744</b>
<b>Accumulated Amortization</b>				
Beginning	1,172	2,300	9,187	12,659
Amortization	586	2,300	3,063	5,949
Disposals	-	-	-	-
<b>Ending</b>	<b>1,758</b>	<b>4,600</b>	<b>12,250</b>	<b>18,608</b>
<b>Net Book Value</b>	<b>1,172</b>	<b>6,900</b>	<b>3,064</b>	<b>11,136</b>

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

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**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.