

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS
BUSINESS IMPROVEMENT AREA**

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

**ST. CLAIR GARDENS
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 St. Clair Garden Business Improvement Area

I have audited the accompanying financial statements of St. Clair Garden Business Improvement Area, which comprise the statement of financial position as at December 31, 2013 and the statements of operations, 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.

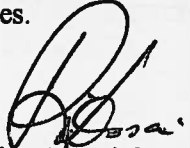
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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
April 7, 2014


Chartered Accountant
Licensed Public Accountant

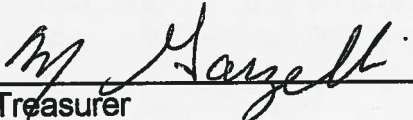
**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash	27,599	22,153
Accounts receivable		
City of Toronto – special charges (Note 3)	-	8,893
Other	4,573	4,339
	<u>32,172</u>	<u>35,385</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto- special charges (Note 3)	1,045	-
City of Toronto	-	2,236
Other	2,629	6,349
	<u>3,674</u>	<u>8,585</u>
NET FINANCIAL ASSETS	28,498	26,800
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	10,144	21,603
	<u>38,642</u>	<u>48,403</u>
ACCUMULATED SURPLUS	<u>38,642</u>	<u>48,403</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS 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	65,327	65,327	65,415
Interest and Other	841	4,450	8,315
	<u>66,168</u>	<u>69,777</u>	<u>73,730</u>
EXPENSES			
Administration	17,945	6,306	15,769
Promotion and advertisement	20,552	20,552	29,086
Maintenance	20,760	25,292	23,383
Capital (Note 7)	16,420	-	18,658
Amortization	-	20,459	
Provision for (recovery of) uncollected levies (Note 3)	(3,009)	6,929	1,066
	<u>72,668</u>	<u>79,538</u>	<u>87,962</u>
SURPLUS (DEFICIT) FOR THE YEAR	(6,500)	(9,761)	(14,232)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>48,403</u>	<u>48,403</u>	<u>62,635</u>
OPERATING SURPLUS, END OF YEAR	<u>41,903</u>	<u>38,642</u>	<u>48,403</u>

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u> \$	<u>2012</u> \$
(Deficit) for the year	(9,761)	(14,232)
Acquisition of tangible capital assets	(9,000)	-
Amortization of tangible capital assets	<u>20,459</u>	<u>18,658</u>
	1,698	4,426
Balance - Beginning of year	26,800	22,374
Balance - End of year	<u><u>28,498</u></u>	<u><u>26,800</u></u>

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
	\$	\$
Cash flows from operating activities		
(Deficit) for the year	(9,761)	(14,232)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	20,459	18,658
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	9,938	(1,408)
Accounts receivable – other	(234)	(570)
Accounts payable - City of Toronto	(2,236)	2,177
Accounts payable – other	(3,720)	5,399
	<hr/>	<hr/>
Cash Provided By Operations	14,446	10,024
Capital Transactions		
Purchase of tangible capital assets	(9,000)	-
Cash, Beginning Of Year	22,153	12,129
	<hr/>	<hr/>
Cash, End Of Year	27,599	22,153
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**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2013**

1. ESTABLISHMENT AND OPERATIONS

The St. Clair Gardens 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:

Computers	3 years
Street & Christmas lights	5 years
Christmas Decorations	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.

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS 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 the City of Toronto are comprised of:

	2013	2012
	\$	\$
Total special charges outstanding	4,355	9,593
Less: allowance for uncollected special charges	<u>(5,400)</u>	<u>(700)</u>
Special charges receivable (payable)	<u><u>(1,045)</u></u>	<u><u>8,893</u></u>

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

	2013	2012
	\$	\$
Special charges written-off	2,229	366
Changes in allowance for uncollected special charges	<u>4,700</u>	<u>700</u>
	<u><u>6,929</u></u>	<u><u>1,066</u></u>

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
For the Year Ended December 31, 2013**

4. CAPITAL ASSETS

	2013			Total
	Lights	Christmas Decorations	Hanging Baskets	
Cost				
Beginning	78,572	14,720	-	93,292
Additions	-	-	9,000	9,000
Disposals	-	-	-	-
Ending	78,572	14,720	9,000	102,292
Accumulated Amortization				
Beginning	62,857	8,832	-	71,689
Amortization	15,715	2,944	1,800	20,459
Disposals	-	-	-	-
Ending	78,572	11,776	1,800	92,148
Net Book Value	-	2,944	7,200	10,144

	2012			Total
	Lights	Christmas Decorations	Hanging Baskets	
Cost				
Beginning	78,572	14,720	-	93,292
Additions	-	-	-	-
Disposals	-	-	-	-
Ending	78,572	14,720	-	93,292
Accumulated Amortization				
Beginning	47,143	5,888	-	53,031
Amortization	15,714	2,944	-	18,658
Disposals	-	-	-	-
Ending	62,857	8,832	-	71,689
Net Book Value	15,715	5,888	-	21,603

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS 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.

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.

