Appendix AD:

THE BOARD OF MANAGEMENT FOR THE PARKDALE VILLAGE BUSINESS IMPROVEMENT AREA

Financial Statements
For the Year Ended December 31, 2013

PARKDALE 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 Parkdale Village Business Improvement Area

I have audited the accompanying financial statements of Parkdale Village 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
PARKDALE VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	2013 $	2012 $
FINANCIAL ASSETS		
Cash and short-term investments	280,074	345,837
Accounts receivable		
City of Toronto – special charges (Note 3)	13,848	1,969
Other	11,495	21,781
Prepaid Expenses	880	563
	306,297	370,150
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	94,523	102,361
Other	13,986	9,300
	108,509	111,661
NET FINANCIAL ASSETS	197,788	258,489
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	119,939	95,551
ACCUMULATED SURPLUS	317,727	354,040

Approved on behalf of the Board of Management:

Chair

Treasurer

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

	2013 $ Budget (Note 9)	2013 $ Actual	2012 $ Actual
REVENUE			
City of Toronto – special charges	250,297	250,574	245,476
Interest and other revenue	7,100	10,313	3,556
	257,397	260,887	249,032
EXPENSES			
Administration	94,653	98,056	88,558
Promotion and advertising	61,800	44,345	51,706
Maintenance	75,600	77,652	61,105
Capital (Note 8)	115,000	1,259	-
Amortization	-	70,132	52,308
Provision for uncollected special charges (Note 3)	17,358	5,756	29,484
	364,411	297,200	283,161
(DEFICIT) FOR THE YEAR	(107,014)	(36,313)	(34,129)
OPERATING SURPLUS, BEGINNING OF YEAR	354,040	354,040	388,169
OPERATING SURPLUS, END OF YEAR	247,026	317,727	354,040

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

	2013 $	2012 $
(Deficit) for the year	(36,313)	(34,129)
Acquisition of tangible capital assets	(94,520)	(9,300)
Amortization of tangible capital assets	70,132	52,308
	(60,701)	8,879
Balance - Beginning of year	258,489	249,610
Balance - End of year	197,788	258,489

THE BOARD OF MANAGEMENT FOR THE
PARKDALE VILLAGE 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	(36,313)	(34,129)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	70,132	52,308
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(11,879)	23,680
Accounts receivable – other	10,286	(7,182)
Prepaid Expenses	(317)	-
Accounts payable - City of Toronto	(7,838)	5,520
Accounts payable – other	4,686	(21,171)
Cash Provided By Operations	28,757	19,026
Investing activities		
Purchase of tangible capital assets	(94,520)	(9,300)
Cash and short-term investments, Beginning Of Year	345,837	336,111
Cash and short-term investments, End Of Year	280,074	345,837

1. ESTABLISHMENT AND OPERATIONS

The Parkdale 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:

Flags and banners	3 years
Street & Christmas lights	5 years
Bike Rack	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	18,748	7,169
Less: allowance for uncollected special charges	(4,900)	(5,200)
Special charges receivable	13,848	1,969

The provision for uncollected special charges reported on the statement of Revenue, Expenses and Operating Surplus comprises

	2013 $	2012 $
Special charges written off	6,056	27,884
Change in allowance for uncollected special charges	(300)	1,600
	5,756	29,484

4. CAPITAL ASSETS

	2013		
	Lights	Banners	Total
Cost			
Beginning	253,729	4,686	258,415
Additions	94,520	-	94,520
Disposals	-	-	-
Ending	**348,249**	**4,686**	**352,935**
Accumulated Amortization			
Beginning	159,740	3,124	162,864
Amortization	68,570	1,562	70,132
Disposals	-	-	-
Ending	**228,310**	**4,686**	**232,996**
Net Book Value	**119,939**	**-**	**119,939**

	2012		
	Lights	Banners	Total
Cost			
Beginning	244,429	4,686	249,115
Additions	9,300	-	9,300
Disposals	-	-	-
Ending	**253,729**	**4,686**	**258,415**
Accumulated Amortization			
Beginning	108,994	1,562	110,556
Amortization	50,746	1,562	52,308
Disposals	-	-	-
Ending	**159,740**	**3,124**	**162,864**
Net Book Value	**93,989**	**1,562**	**95,551**

5. INSURANCE

The Board is required to deposit with the City 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. 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 $86,598 (2012 - $145,018) was outstanding as at December 31, 2013.

8. 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.

9. BUDGET

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