

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY
BUSINESS IMPROVEMENT AREA**

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

THE EGLINTON WAY 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 Eglinton Way Business Improvement Area

I have audited the accompanying financial statements of the The Eglinton Way 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.

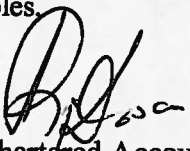
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

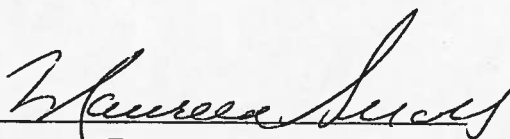
Toronto, Ontario
May 9, 2014



Chartered Accountant
Licensed Public Accountant

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

	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash and short-term investments	288,628	280,693
Accounts receivable		
City of Toronto – special charges (Note 3)	28,825	25,777
Other	17,283	12,322
	<u>334,736</u>	<u>318,792</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	25,320	13,988
	<u>25,320</u>	<u>13,988</u>
NET FINANCIAL ASSETS	309,416	304,804
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	15,995	17,786
ACCUMULATED SURPLUS	<u>325,411</u>	<u>322,590</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

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

	2013 \$ Budget (Note 8)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	292,718	292,718	261,753
Interest and Other	1,000	1,853	1,884
	<u>293,718</u>	<u>294,571</u>	<u>263,637</u>
EXPENSES			
Administration	70,192	69,877	64,488
Promotion and advertising	155,810	143,645	93,416
Maintenance	57,698	66,567	72,813
Capital (Note 7)	4,300	-	-
Amortization	-	8,991	9,430
Provision for uncollected levies (Note 3)	5,718	2,670	(2,272)
	<u>293,718</u>	<u>291,750</u>	<u>237,875</u>
SURPLUS FOR THE YEAR	-	2,821	25,762
OPERATING SURPLUS, BEGINNING OF YEAR	<u>322,590</u>	<u>322,590</u>	<u>296,828</u>
OPERATING SURPLUS, END OF YEAR	<u>322,590</u>	<u>325,411</u>	<u>322,590</u>

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

	2013	2012
	\$	\$
Surplus for the year	2,821	25,762
Acquisition of tangible capital assets	(7,200)	-
Amortization of tangible capital assets	8,991	9,430
	4,612	35,192
Balance - Beginning of year	304,804	269,612
Balance - End of year	<u>309,416</u>	<u>304,804</u>

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY 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	2,821	25,762
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	8,991	9,430
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(3,048)	(12,821)
Accounts receivable – other	(4,961)	8,281
Accounts payable - City of Toronto	-	(27,061)
Accounts payable – other	11,332	7,710
Cash Provided By Operations	15,135	11,301
Investing activities		
Purchase of tangible capital assets	(7,200)	-
Cash and short-term investments, Beginning Of Year	280,693	269,392
Cash and short-term investments, End Of Year	288,628	280,693

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

1. ESTABLISHMENT AND OPERATIONS

The Eglinton Way 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 & Signs	3 years
Banner Poles	5 years
Christmas Ornaments	5 years
Benches	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 EGLINTON WAY 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 from the City of Toronto are comprised of:

	2013 \$	2012 \$
Total special charges outstanding	45,125	44,777
Less: allowance for uncollected special charges	<u>(16,300)</u>	<u>(19,000)</u>
Special charges receivable	<u>28,825</u>	<u>25,777</u>

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

	2013 \$	2012 \$
Special charges written-off	5,370	5,228
Changes in allowance for uncollected special charges	<u>(2,700)</u>	<u>(7,500)</u>
	<u>2,670</u>	<u>(2,272)</u>

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

4. TANGIBLE CAPITAL ASSETS

	2013			
	Banner Poles	Banner, Flags & Signs	Benches	Total
Cost				
Beginning	27,060	8,517	5,894	41,471
Additions	-	7,200	-	7,200
Disposals	-	-	-	-
Ending	27,060	15,717	5,894	48,671
Accumulated Amortization				
Beginning	10,824	8,517	4,344	23,685
Amortization	5,412	2,400	1,179	8,991
Disposals	-	-	-	-
Ending	16,236	10,917	5,523	32,676
Net Book Value	10,824	4,800	371	15,995

	2012			
	Banner Poles	Banner, Flags & Signs	Benches	Total
Cost				
Beginning	27,060	8,517	5,894	41,471
Additions	-	-	-	-
Disposals	-	-	-	-
Ending	27,060	8,517	5,894	41,471
Accumulated Amortization				
Beginning	5,412	5,678	3,165	14,255
Amortization	5,412	2,839	1,179	9,430
Disposals	-	-	-	-
Ending	10,824	8,517	4,344	23,685
Net Book Value	16,236	-	1,550	17,786

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY 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 values of the BIA's financial instruments approximate their values. The BIA is subject to an interest rate risk with respect to its investments; however, as these investments 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.