

**THE BOARD OF MANAGEMENT FOR THE
YONGE-LAWRENCE VILLAGE
BUSINESS IMPROVEMENT AREA**

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

**THE BOARD OF MANAGEMENT FOR THE
YONGE-LAWRENCE VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2013

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RAFIQ DOSANI, B.Comm CPA, CA.
CHARTERED ACCOUNTANT

90 Risebrough Avenue
Toronto, Ontario M2M 2E3
Telephone: (416) 221 - 4095
Fax: (416) 221 - 4160

AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Yonge-Lawrence Village Business Improvement Area

I have audited the accompanying financial statements of Yonge-Lawrence 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 13, 2014


Chartered Accountant
Licensed Public Accountant

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

	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash and short-term investments	141,269	104,367
Accounts receivable		
City of Toronto – special charges (Note 3)	14,040	43,397
Other	14,508	15,078
	<u>169,817</u>	<u>162,842</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	3,480	-
Other	7,475	14,444
	<u>10,955</u>	<u>14,444</u>
NET FINANCIAL ASSETS	158,862	148,398
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	6,416	9,228
ACCUMULATED SURPLUS	<u>165,278</u>	<u>157,626</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
YONGE-LAWRENCE VILLAGE 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	190,982	198,091	192,731
Interest and other	8,500	9,546	10,083
	<u>199,482</u>	<u>207,637</u>	<u>202,814</u>
EXPENSES			
Administration	65,394	63,462	63,605
Promotion & advertising	74,669	70,927	82,837
Maintenance	48,212	50,054	49,552
Amortization	-	6,292	9,924
Capital (Note 7)	38,421	-	-
Provision for (recovery of) uncollected special charges (Note 3)	(27,214)	9,250	(18,599)
	<u>199,482</u>	<u>199,985</u>	<u>187,319</u>
SURPLUS FOR THE YEAR	-	7,652	15,495
OPERATING SURPLUS, BEGINNING OF YEAR	<u>165,434</u>	<u>157,626</u>	<u>142,131</u>
OPERATING SURPLUS, END OF YEAR	<u>165,434</u>	<u>165,278</u>	<u>157,626</u>

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

	2013	2012
	\$	\$
Surplus for the year	7,652	15,495
Acquisition of tangible capital assets	(3,480)	(7,326)
Amortization of tangible capital assets	<u>6,292</u>	<u>9,924</u>
	10,464	18,093
Balance - Beginning of year	148,398	130,305
Balance - End of year	<u><u>158,862</u></u>	<u><u>148,398</u></u>

**THE BOARD OF MANAGEMENT FOR THE
YONGE-LAWRENCE VILLAGE 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	7,652	15,495
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	6,292	9,924
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	29,357	(34,327)
Accounts receivable – other	570	(1,353)
Accounts payable - City of Toronto	3,480	(8,202)
Accounts payable – other	(6,969)	11,378
	<hr/>	<hr/>
Cash Provided By (Used In) Operations	40,382	(7,085)
Investing Activities		
Purchase of tangible capital assets	(3,480)	(7,326)
Cash and short-term investments, Beginning Of Year	104,367	118,778
	<hr/>	<hr/>
Cash and short-term investments, End Of Year	<u>141,269</u>	<u>104,367</u>

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

1. ESTABLISHMENT AND OPERATIONS

The Yonge-Lawrence 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 |
| Bike Racks | 5 years |
| Lights | 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
YONGE-LAWRENCE VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
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	45,740	71,597
Less: allowance for uncollected special charges	<u>(31,700)</u>	<u>(28,200)</u>
Special charges receivable	<u>14,040</u>	<u>43,397</u>

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

	2013 \$	2012 \$
Special charges written-off	5,750	8,801
Increase (decrease) in allowance for uncollected special charges	<u>3,500</u>	<u>(27,400)</u>
	<u>9,250</u>	<u>(18,599)</u>

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

4. CAPITAL ASSETS

	2013				
	Banners	Lights	Bike Racks	Benches	Total
Cost					
Beginning	14,621	5,950	18,247	5,916	44,734
Additions	-	-	-	3,480	3,480
Disposals	-	-	-	-	-
Ending	14,621	5,950	18,247	9,396	48,214
Accumulated Amortization					
Beginning	8,279	3,570	18,247	5,410	35,506
Amortization	3,900	1,190	-	1,202	6,292
Disposals	-	-	-	-	-
Ending	12,179	4,760	18,247	6,612	41,798
Net Book Value	2,442	1,190	-	2,784	6,416

	2012				
	Banners	Lights	Bike Racks	Benches	Total
Cost					
Beginning	7,295	5,950	18,247	5,916	37,408
Additions	7,326	-	-	-	7,326
Disposals	-	-	-	-	-
Ending	14,621	5,950	18,247	5,916	44,734
Accumulated Amortization					
Beginning	4,379	2,380	14,597	4,226	25,582
Amortization	3,900	1,190	3,650	1,184	9,924
Disposals	-	-	-	-	-
Ending	8,279	3,570	18,247	5,410	35,506
Net Book Value	6,342	2,380	-	506	9,228

**THE BOARD OF MANAGEMENT FOR THE
YONGE-LAWRENCE VILLAGE 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 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. 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.

