

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

**Financial Statements
For the Year Ended December 31, 2014**

PAPE VILLAGE BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2014

CONTENTS

	<u>Page</u>
Independent auditor's report	3
Financial statements	
Statement of financial position	4
Statement of operations and accumulated surplus	5
Statement of changes in net financial assets	6
Statement of cash flows	7
Notes to financial statements	8 – 11

RAFIQ DOSANI, B.Comm. CFE CA
CHARTERED ACCOUNTANT

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

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Pape Village Business Improvement Area

I have audited the accompanying financial statements of the Pape Village Business Improvement Area, which comprise the statement of financial position as at December 31, 2014 and the statement of operations and accumulated surplus, statement of changes in net financial assets and statement of cash flows for the year then ended, and the related notes which comprises 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 accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB) 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.

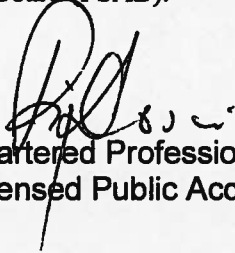
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Pape Village Business Improvement Area as at December 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB).


Toronto, Ontario
April 15, 2015


Chartered Professional Accountant
Licensed Public Accountant


**THE BOARD OF MANAGEMENT FOR THE
PAPE VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014**

	2014 \$	2013 \$
FINANCIAL ASSETS		
Cash and short-term investments	44,514	45,572
Accounts receivable		
City of Toronto – special charges (Note 3)	7,945	6,832
Other	5,750	6,410
	<u>58,209</u>	<u>58,814</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	1,328	1,228
	<u>1,328</u>	<u>1,228</u>
NET FINANCIAL ASSETS	56,881	57,586
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	6,534	10,984
ACCUMULATED SURPLUS	<u>63,415</u>	<u>68,570</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
PAPE VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014 \$ Budget (Note 8)	2014 \$ Actual	2013 \$ Actual
City of Toronto			
- Special charges	74,345	74,345	73,137
Interest and other	3,001	2,322	3,076
	<u>77,346</u>	<u>76,667</u>	<u>76,213</u>
EXPENSES			
Administration	18,647	18,061	17,873
Promotion and advertising	25,050	28,635	26,868
Maintenance	24,300	27,439	25,219
Capital (Note 7)	5,000	-	-
Amortization (Note 4)	-	4,450	5,058
Provision for (recovery of) uncollected special charges (Note 3)	4,349	3,237	(1,081)
	<u>77,346</u>	<u>81,822</u>	<u>73,937</u>
SURPLUS (DEFICIT) FOR THE YEAR	-	(5,155)	2,276
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>68,570</u>	<u>68,570</u>	<u>66,294</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>68,570</u>	<u>63,415</u>	<u>68,570</u>

**THE BOARD OF MANAGEMENT FOR THE
PAPE VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u> \$	<u>2013</u> \$
Surplus (deficit) for the year	(5,155)	2,276
Acquisition of tangible capital assets	-	(11,841)
Amortization of tangible capital assets	<u>4,450</u>	<u>5,058</u>
	(705)	(4,507)
Balance - Beginning of year	57,586	62,093
Balance - End of year	<u><u>56,881</u></u>	<u><u>57,586</u></u>

**THE BOARD OF MANAGEMENT FOR THE
PAPE VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014	2013
	\$	\$
Cash flows from operating transactions		
SURPLUS (DEFICIT) FOR THE YEAR	(5,155)	2,276
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	4,450	5,058
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(1,113)	(2,372)
Accounts receivable – other	660	(1,843)
Accounts payable - City of Toronto	-	-
Accounts payable – other	100	(1,186)
	<hr/>	<hr/>
Cash Provided By (Used In) Operations	(1,058)	1,933
Capital Transactions		
Purchase of tangible capital assets	-	(11,841)
Cash and short-term investments, Beginning Of Year	45,572	55,480
	<hr/>	<hr/>
Cash and short-term investments, End Of Year	44,514	45,572
	<hr/>	<hr/>

**THE BOARD OF MANAGEMENT FOR THE
PAPE VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

1. ESTABLISHMENT AND OPERATIONS

The Pape 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:

Revenue recognition:

The BIA receives special charges from its members which are levied and collected by the City of Toronto. It also receives cash donations and sponsorships from corporate and private donors and grants from local, provincial and federal governments for events and festivals. Revenue is being recorded upon the signing of contracts and when collection can be reasonably ascertained.

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:

Street & Christmas lights	5 years
Planters	5 years
Street Signs	5 years
Travelling Bear	5 years
Flags & Banners	5 years

Contributed services:

Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

Financial instruments:

Financial instruments are recorded at the approximated fair value

**THE BOARD OF MANAGEMENT FOR THE
PAPE VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of estimates:

The preparation of these financial statements in accordance with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include determining the useful lives of tangible capital assets for amortization, the allowance for uncollectible levies and accounts receivable and contingent liabilities. Actual results could differ from management's best estimates, as additional information becomes available in the future.

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:

	2014 \$	2013 \$
Total special charges outstanding	12,245	8,732
Less: allowance for uncollected special charges	(4,300)	(1,900)
Special charges receivable	<u>7,945</u>	<u>6,832</u>

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

	2014 \$	2013 \$
Special charges written-off	2,400	1,019
Change in allowance for uncollected special charges	837	(2,100)
	<u>3,237</u>	<u>(1,081)</u>

**THE BOARD OF MANAGEMENT FOR THE
PAPE VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2014**

4. TANGIBLE CAPITAL ASSETS

	2014					Total
	Flags & Banner	Lights	Planters	Street Signs	Travelling Bear	
Cost						
Beginning	6,213	5,493	2,410	2,420	5,335	21,871
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Ending	6,213	5,493	2,410	2,420	5,335	21,871
Accumulated Amortization						
Beginning	3,575	2,865	1,928	1,452	1,067	10,887
Amortization	1,319	1,098	482	484	1,067	4,450
Disposals	-	-	-	-	-	-
Ending	4,894	3,963	2,410	1,936	2,134	15,337
Net Book Value	1,319	1,530	-	484	3,201	6,534

	2013					Total
	Flags & Banner	Lights	Planters	Street Signs	Travelling Bear	
Cost						
Beginning	2,257	2,943	2,410	2,420	-	19,476
Additions	3,956	2,550	-	-	5,335	11,841
Disposals	-	-	-	-	-	-
Ending	6,213	5,493	2,410	2,420	5,335	31,317
Accumulated Amortization						
Beginning	2,257	1,767	1,446	968	-	15,275
Amortization	1,318	1,098	482	484	1,067	5,058
Disposals	-	-	-	-	-	-
Ending	3,575	2,865	1,928	1,452	1,067	20,333
Net Book Value	2,638	2,628	482	968	4,268	10,984

**THE BOARD OF MANAGEMENT FOR THE
PAPE VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2014**

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.

