

**Appendix AH:**

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

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

**THE EGLINTON WAY  
BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2014**

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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

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## 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, 2012 and the statements of operations 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.

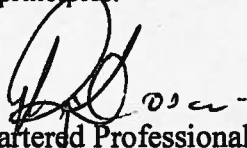
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

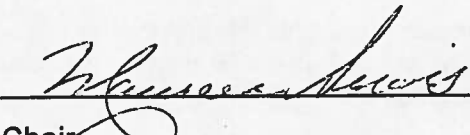
Toronto, Ontario  
April 2, 2013

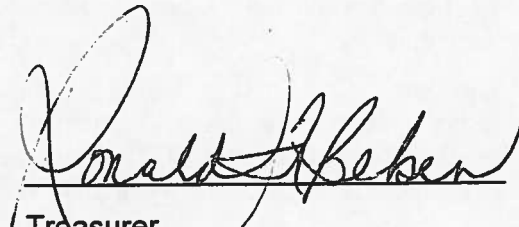
  
Chartered Professional Accountant  
Licensed Public Accountant

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

	2014 \$	2013 \$
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments	294,314	288,628
Accounts receivable		
City of Toronto – special charges (Note 3)	25,535	28,825
Other	12,297	17,283
	<u>332,146</u>	<u>334,736</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
Other	24,197	25,320
	<u>24,197</u>	<u>25,320</u>
<b>NET FINANCIAL ASSETS</b>	307,949	309,416
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	7,812	15,995
<b>ACCUMULATED SURPLUS</b>	<u>315,761</u>	<u>325,411</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, 2014**

	<b>2014 \$ Budget (Note 7)</b>	<b>2014 \$ Actual</b>	<b>2013 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	298,572	298,572	292,718
Interest and Other	885	2,200	1,853
	<u>299,457</u>	<u>300,772</u>	<u>294,571</u>
<b>EXPENSES</b>			
Administration	102,296	126,001	69,877
Promotion and advertising	144,684	99,707	143,645
Maintenance	79,374	62,937	66,567
Amortization	-	8,183	8,991
Provision for uncollected levies (Note 3)	10,304	13,594	2,670
	<u>336,658</u>	<u>310,422</u>	<u>291,750</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(37,201)</b>	<b>(9,650)</b>	<b>2,821</b>
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u><b>325,411</b></u>	<u><b>325,411</b></u>	<u><b>322,590</b></u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u><b>288,210</b></u>	<u><b>315,761</b></u>	<u><b>325,411</b></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, 2014**

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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Surplus (deficit) for the year	(9,650)	2,821
Acquisition of tangible capital assets	-	(7,200)
Amortization of tangible capital assets	<u>8,183</u>	<u>8,991</u>
	(1,467)	4,612
Balance - Beginning of year	309,416	304,804
Balance - End of year	<u><u>307,949</u></u>	<u><u>309,416</u></u>

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

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Surplus (deficit) for the year	(9,650)	2,821
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	8,183	8,991
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	3,290	(3,048)
Accounts receivable – other	4,986	(4,961)
Accounts payable – other	(1,123)	11,332
	<hr/>	<hr/>
<b>Cash Provided By Operations</b>	<b>5,686</b>	<b>15,135</b>
<b>Investing activities</b>		
Purchase of tangible capital assets	-	(7,200)
<b>Cash and short-term investments, Beginning Of Year</b>	<hr/> <b>288,628</b>	<hr/> <b>280,693</b>
<b>Cash and short-term investments, End Of Year</b>	<hr/> <b>294,314</b>	<hr/> <b>288,628</b>

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

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**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), 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:

Benches	5 years
Banner Poles	5 years
Banners	3 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 EGLINTON WAY BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**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	52,535	45,125
Less: allowance for uncollected special charges	<u>(27,000)</u>	<u>(16,300)</u>
Special charges receivable	<u>25,535</u>	<u>28,825</u>

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

	2014 \$	2013 \$
Special charges written-off	2,894	5,370
Changes in allowance for uncollected special charges	<u>10,700</u>	<u>(2,700)</u>
	<u>13,594</u>	<u>2,670</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, 2014

4. TANGIBLE CAPITAL ASSETS

	2014			Total
	Banner Poles	Banner, Flags & Signs	Benches	
<b>Cost</b>				
Beginning	27,060	15,717	5,894	48,671
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Ending</b>	<b>27,060</b>	<b>15,717</b>	<b>5,894</b>	<b>48,671</b>
<b>Accumulated Amortization</b>				
Beginning	16,236	10,917	5,523	32,676
Amortization	5,412	2,400	371	8,183
Disposals	-	-	-	-
<b>Ending</b>	<b>21,648</b>	<b>13,317</b>	<b>5,894</b>	<b>40,859</b>
<b>Net Book Value</b>	<b>5,412</b>	<b>2,400</b>	<b>-</b>	<b>7,812</b>

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

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

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**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. BUDGET**

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

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY  
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CHICAGO, ILLINOIS 60637

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