

Appendix A:

**THE BOARD OF MANAGEMENT FOR THE
BABY POINT GATES
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2017**

**BABY POINT GATES
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2017

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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 Baby Point Gates Business Improvement Area

I have audited the accompanying financial statements of Baby Point Gates Business Improvement Area, which comprise the statement of financial position as at December 31, 2017 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.

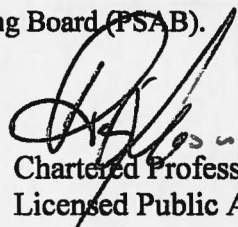
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Baby Point Gates Business Improvement Area as at December 31, 2017 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
March 28, 2018


Chartered Professional Accountant
Licensed Public Accountant

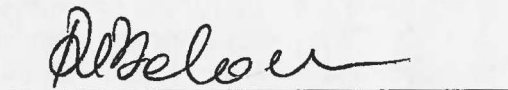
**THE BOARD OF MANAGEMENT FOR THE
 BABY POINT GATES BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2017**

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	23,618	14,681
Short-term investments (Note 3)	57,245	50,915
Accounts receivable		
City of Toronto – special charges (Note 4)	2,298	4,311
Other	3,163	2,349
	<u>86,324</u>	<u>72,256</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	1,400	1,090
	<u>1,400</u>	<u>1,090</u>
NET FINANCIAL ASSETS	84,924	71,166
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	1,906	9,382
ACCUMULATED SURPLUS	<u>86,830</u>	<u>80,548</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
BABY POINT GATES BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 \$ Budget (Note 8)	2017 \$ Actual	2016 \$ Actual
REVENUE			
City of Toronto – special charges	55,000	55,249	49,301
Sponsorships, contributions and other	-	13,457	4,461
	<u>55,000</u>	<u>68,706</u>	<u>53,762</u>
EXPENSES			
Administration	7,446	4,767	3,446
Promotion and advertising	24,078	22,371	24,375
Maintenance	23,900	25,972	14,425
Amortization	-	7,476	7,476
Provision for (recovery of) uncollected special charges (Note 4)	(424)	1,838	314
	<u>55,000</u>	<u>62,424</u>	<u>50,036</u>
SURPLUS FOR THE YEAR	-	6,282	3,726
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>80,548</u>	<u>80,548</u>	<u>76,822</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>80,548</u>	<u>86,830</u>	<u>80,548</u>

**THE BOARD OF MANAGEMENT FOR THE
BABY POINT GATES BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
	\$	\$
Surplus for the year	6,282	3,726
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	<u>7,476</u>	<u>7,476</u>
	13,758	11,202
Balance - Beginning of year	71,166	59,964
Balance - End of year	<u><u>84,924</u></u>	<u><u>71,166</u></u>

**THE BOARD OF MANAGEMENT FOR THE
BABY POINT GATES BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
	\$	\$
Cash flows from operating activities		
Surplus for the year	6,282	3,726
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	7,476	7,476
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	2,013	329
Accounts receivable – other	(814)	1,223
Accounts payable - City of Toronto	-	(648)
Accounts payable – other	310	(1,305)
Cash Provided By Operations	15,267	10,801
Investing activities		
Purchase of tangible capital assets	-	-
(Increase) decrease in short-term investments	(6,330)	(5,429)
Cash, Beginning Of Year	14,681	9,309
Cash, End Of Year	23,618	14,681

**THE BOARD OF MANAGEMENT FOR THE
BABY POINT GATES BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. ESTABLISHMENT AND OPERATIONS

The Baby Point Gates 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 Canadian accounting standards 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.

Short-term Investments:

Short-term investments are highly liquid financial instruments with original maturities greater than three months but less than one year and are classified as "short-term" investments. BIA classifies short-term investments as current assets and reports them at their fair market value.

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
Baby Point Gates	5 years
Streetscape	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
BABY POINT GATES BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2017**

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. SHORT-TERM INVESTMENTS

Short-term investments consist of cashable guaranteed investment certificates with the Scotia Bank. These investments bear interest at the rate of ranging from 0.67% - 0.88% per annum and will be maturing in 2018.

4. 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:

	2017	2016
	\$	\$
Total special charges outstanding	3,798	4,311
Less: allowance for uncollected special charges	(1,500)	-
Special charges receivable	<u>2,298</u>	<u>4,311</u>

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

	2017	2016
	\$	\$
Special charges written-off	338	414
Provision for losses on assessment appeals	1,500	(100)
	<u>1,838</u>	<u>314</u>

**THE BOARD OF MANAGEMENT FOR THE
BABY POINT GATES BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2017**

5. CAPITAL ASSETS

2017			
	Baby Point Gate	Streetscape	Total
Cost			
Beginning	27,850	9,530	37,380
Additions	-	-	-
Disposals	-	-	-
Ending	27,850	9,530	37,380
Accumulated Amortization			
Beginning	22,280	5,718	27,998
Amortization	5,570	1,906	7,476
Disposals	-	-	-
Ending	27,850	7,624	35,474
Net Book Value	-	1,906	1,906

2016			
	Baby Point Gate	Streetscape	Total
Cost			
Beginning	27,850	9,530	37,380
Additions	-	-	-
Disposals	-	-	-
Ending	27,850	9,530	37,380
Accumulated Amortization			
Beginning	16,710	3,812	20,522
Amortization	5,570	1,906	7,476
Disposals	-	-	-
Ending	22,280	5,718	27,998
Net Book Value	5,570	3,812	9,382

**THE BOARD OF MANAGEMENT FOR THE
BABY POINT GATES BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2017**

6. 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.

7. FINANCIAL INSTRUMENTS

The financial instruments recognized in the statement of financial position consist of cash, short-term investments, accounts receivable, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

8. BUDGET

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

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author outlines the various methods used to collect and analyze the data. This includes both primary and secondary data collection techniques. The analysis focuses on identifying trends and patterns over time, which is crucial for making informed decisions.

The third part of the report details the results of the study. It shows that there has been a significant increase in sales volume over the period analyzed. This growth is attributed to several factors, including improved marketing strategies and a strong focus on customer service.

Finally, the document concludes with a series of recommendations for future actions. It suggests continuing to invest in research and development to stay ahead of the competition. Additionally, it highlights the need for ongoing communication and collaboration between all departments to ensure long-term success.