

**THE BOARD OF MANAGEMENT FOR THE
WEXFORD HEIGHTS
BUSINESS IMPROVEMENT AREA**

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

**WEXFORD HEIGHTS
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 Wexford Heights Business Improvement Area

I have audited the accompanying financial statements of Wexford Heights 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.

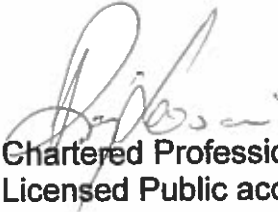
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Wexford Heights 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 20, 2018


Chartered Professional Accountant
Licensed Public accountant

**THE BOARD OF MANAGEMENT FOR THE
WEXFORD HEIGHTS BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

	2017 \$	2016 \$
FINANCIAL ASSETS		
Cash	4,597	8,502
Short-term investment	-	10,591
Accounts receivable		
City of Toronto -- special charges (Note 3)	17,589	21,981
Other	108,818	95,967
	131,004	137,041
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	44,250
Other	5,980	4,185
	5,980	48,435
NET FINANCIAL ASSETS	125,024	88,606
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	29,907	54,905
ACCUMULATED SURPLUS	154,931	143,511

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
WEXFORD HEIGHTS BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 \$ Budget (Note 8)	2017 \$ Actual	2016 \$ Actual
REVENUE			
City of Toronto – special charges	209,935	210,685	190,732
Advertising, sponsorship & other revenue	175,000	173,557	159,465
	<u>384,935</u>	<u>384,242</u>	<u>350,197</u>
EXPENSES			
Administration	71,083	71,891	69,775
Promotion and advertising	244,800	225,329	250,023
Maintenance	56,000	47,411	56,273
Capital (Note 7)	20,000	-	-
Amortization	-	24,998	28,091
Provision for (recovery of) uncollected special charges (note 3)	(1,948)	3,193	(10,037)
	<u>389,935</u>	<u>372,822</u>	<u>394,125</u>
SURPLUS (DEFICIT) FOR THE YEAR	(5,000)	11,420	(43,928)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	143,511	143,511	187,439
ACCUMULATED SURPLUS, END OF YEAR	138,511	154,931	143,511

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

	<u>2017</u> \$	<u>2016</u> \$
Surplus (deficit) for the year	11,420	(43,928)
Acquisition of tangible capital assets	-	(54,321)
Amortization of tangible capital assets	<u>24,998</u>	<u>28,091</u>
	36,418	(70,158)
Balance - Beginning of year	88,606	158,764
Balance - End of year	<u><u>125,024</u></u>	<u><u>88,606</u></u>

**THE BOARD OF MANAGEMENT FOR THE
WEXFORD HEIGHTS BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	11,420	(43,928)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	24,998	28,091
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	4,392	4,177
Accounts receivable – other	(12,851)	13,099
Accounts payable – other	1,795	81
Accounts payable – City of Toronto	(44,250)	44,250
Cash Provided By (Used In) Operations	(14,496)	45,770
Investing Activities		
Purchase of tangible capital assets	-	(54,321)
(Increase) decrease in short-term investment	10,591	9,908
Cash, Beginning Of Year	8,502	7,145
Cash, End Of Year	4,597	8,502

**THE BOARD OF MANAGEMENT FOR THE
WEXFORD HEIGHTS BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. ESTABLISHMENT AND OPERATIONS

The Wexford Heights 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:

Lights	5 years	Banners	3 years
Planters	5 years	Signs	5 years
Banner Poles	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
WEXFORD HEIGHTS BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
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. 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 / (payable to) the City of Toronto is comprised of:

	2017	2016
	\$	\$
Total special charges outstanding	31,289	45,281
Less: allowance for uncollected special charges	<u>(13,700)</u>	<u>(23,300)</u>
Special charges receivable / (payable)	<u>17,589</u>	<u>21,981</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 (recovered)	12,793	(11,037)
Change in allowance for uncollected special charges	<u>(9,600)</u>	<u>1,000</u>
	<u>3,193</u>	<u>(10,037)</u>

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

4. TANGIBLE CAPITAL ASSETS

	2017					
	Banners	Signs	Planters	Banner Poles	Lights	Total
Cost						
Beginning	15,505	-	40,510	59,785	44,250	160,050
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Ending	15,505	-	40,510	59,785	44,250	160,050
Accumulated Amortization						
Beginning	8,791	-	39,676	47,828	8,850	105,145
Amortization	3,357	-	834	11,957	8,850	24,998
Disposals	-	-	-	-	-	-
Ending	12,148	-	-	59,785	17,700	130,143
Net Book Value	3,357	-	-	-	26,550	29,907

	2016					
	Banners	Signs	Planters	Banner Poles	Lights	Total
Cost						
Beginning	5,434	5,175	40,510	59,785	-	110,904
Additions	10,071	-	-	-	44,250	54,321
Disposals	-	-	-	-	-	-
Ending	15,505	5,175	40,510	59,785	44,250	165,225
Accumulated Amortization						
Beginning	5,434	5,175	35,749	35,871	-	82,229
Amortization	3,357	-	3,927	11,957	8,850	28,091
Disposals	-	-	-	-	-	-
Ending	8,791	5,175	39,676	47,828	8,850	110,320
Net Book Value	6,714	-	834	11,957	35,400	54,905

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

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.

