

**THE BOARD OF MANAGEMENT FOR
YORK- EGLINTON
BUSINESS IMPROVEMENT AREA**

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

YORK-EGLINTON BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2017

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

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the
Board of Management for York-Eglinton Business Improvement Area

I have audited the accompanying financial statements of York-Eglinton 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 York-Eglinton 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
April 10, 2018

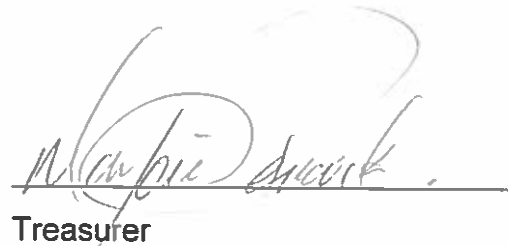

Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR
YORK-EGLINTON BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

	2017 \$	2016 \$
FINANCIAL ASSETS		
Cash	657,885	476,665
Accounts receivable		
City of Toronto – special charges (Note 3)	20,485	11,169
Other	11,822	17,019
	<u>690,192</u>	<u>504,853</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	4,625	3,873
	<u>4,625</u>	<u>3,873</u>
NET FINANCIAL ASSETS	685,567	500,980
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	2,360	4,720
ACCUMULATED SURPLUS	<u>687,927</u>	<u>505,700</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR
YORK- EGLINTON BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 \$ Budget (Note 7)	2017 \$ Actual	2016 \$ Actual
REVENUE			
City of Toronto – special charges	318,966	319,071	258,839
Other	-	6,048	31,836
	318,966	325,119	290,675
EXPENSES			
Administration	129,443	85,822	98,741
Promotion and advertising	129,500	12,620	104,277
Maintenance	31,000	30,577	18,895
Amortization (Note 4)	-	2,360	2,360
Provision for uncollected levies (Note 3)	20,723	11,513	10,859
	310,666	142,892	235,132
SURPLUS FOR THE YEAR	8,300	182,227	55,543
OPERATING SURPLUS, BEGINNING OF YEAR	687,927	505,700	450,157
OPERATING SURPLUS, END OF YEAR	696,227	687,927	505,700

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

	2017	2016
	\$	\$
Surplus for the year	182,227	55,543
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	<u>2,360</u>	<u>2,360</u>
	184,587	57,903
Balance - Beginning of year	500,980	443,077
Balance - End of year	<u><u>685,567</u></u>	<u><u>500,980</u></u>

**THE BOARD OF MANAGEMENT FOR
YORK- EGLINTON 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	182,227	55,543
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	2,360	2,360
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(9,316)	(8,053)
Accounts receivable – other	5,197	(667)
Accounts payable – other	752	(2,950)
Cash Provided By Operations	181,220	46,233
Investing Activities		
Purchase of tangible capital assets	-	-
Cash, Beginning Of Year	476,665	430,432
Cash, End Of Year	657,885	476,665

**THE BOARD OF MANAGEMENT FOR
YORK- EGLINTON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. ESTABLISHMENT AND OPERATIONS

York-Eglinton 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.

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
---------------------------	---------

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
YORK- EGLINTON 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. 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 are comprised of:

	2017	2016
	\$	\$
Total special charges outstanding	33,785	22,669
Less: allowance for uncollected special charges	(13,300)	(11,500)
Special charges receivable (payable)	<u>20,485</u>	<u>11,169</u>

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

	2017	2016
	\$	\$
Special charges written-off	9,713	23,859
Changes in allowance for uncollected special charges	1,800	(13,000)
	<u>11,513</u>	<u>10,859</u>

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

4. CAPITAL ASSETS

	2017	
	Lighting	Total
Cost		
Beginning	11,800	11,800
Additions	-	-
Disposals	-	-
Ending	11,800	11,800
Accumulated Amortization		
Beginning	7,080	7,080
Amortization	2,360	2,360
Disposals	-	-
Ending	9,440	9,440
Net Book Value	2,360	2,360
	2016	
	Lighting	Total
Cost		
Beginning	11,800	11,800
Additions	-	-
Disposals	-	-
Ending	11,800	11,800
Accumulated Amortization		
Beginning	4,720	4,720
Amortization	2,360	2,360
Disposals	-	-
Ending	7,080	7,080
Net Book Value	4,720	4,720

**THE BOARD OF MANAGEMENT FOR
YORK- EGLINTON 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 cash and short-term investments, accounts receivable, due from City of Toronto, accounts payable and accrued liabilities reflected in the statement of financial position approximate their respective fair value, due to the relatively short term nature of the instruments.

7. BUDGET

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

