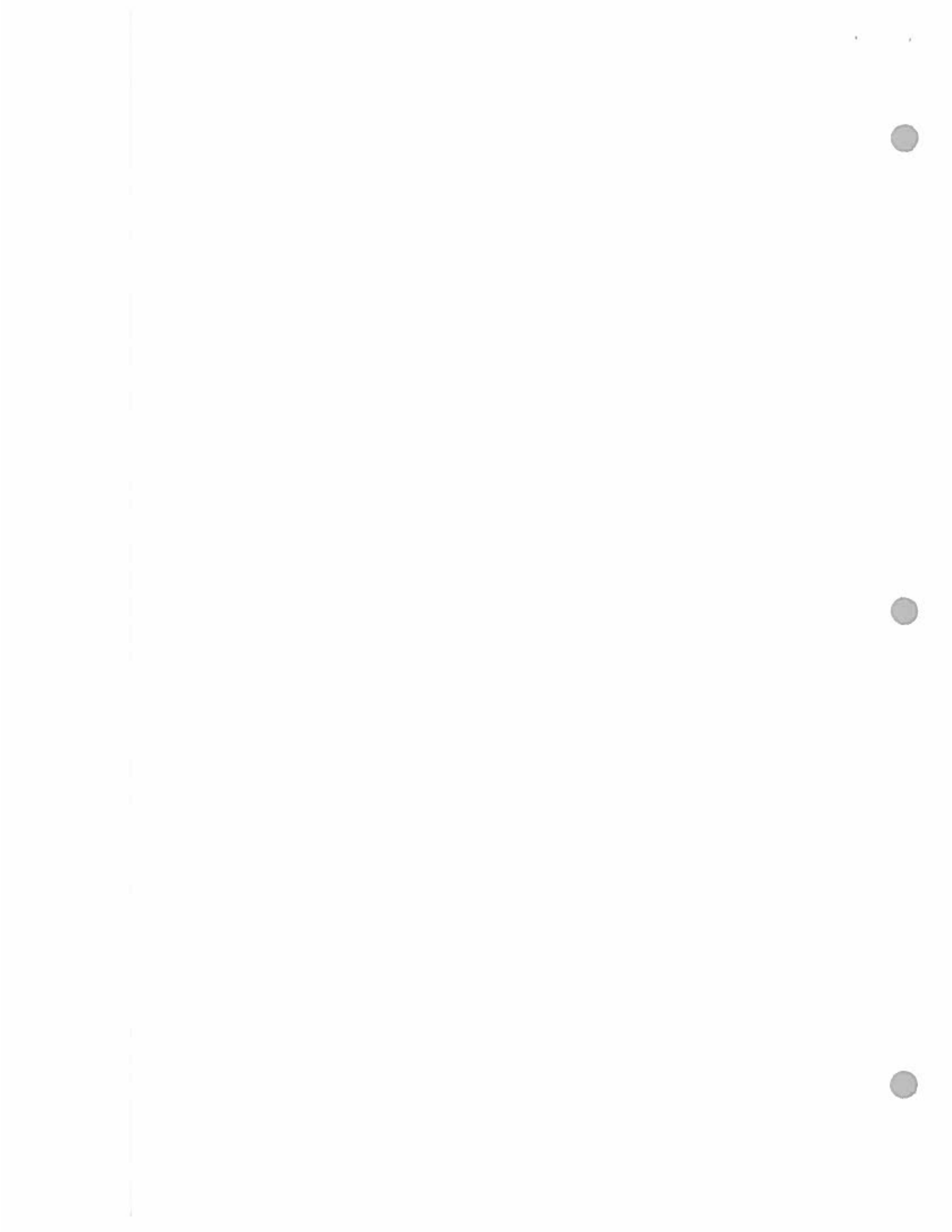


**OSSINGTON AVENUE BUSINESS  
IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2017**





## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

#### Report on the Financial Statements

We have audited the accompanying financial statements of **OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA**, which comprise the statements of financial position as at **December 31, 2017** and the statements of operations, changes in accumulated surplus and cash flows for the period 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 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

**Financial Statements  
December 31, 2017**

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**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ossington Avenue Business Improvement Area as at December 31, 2017 and the results of its operations, changes in accumulated surplus and its cash flows for the period ended in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB).

**C.C.I**

**Chartered Professional Accountants Professional Corporation  
Authorized to practice public accounting by the  
Chartered Professional Accountants of Ontario**

Toronto, Ontario  
June 7, 2018

# OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

## Statement of Financial Position December 31, 2017

	<u>2017</u> \$	<u>2016</u> \$
<b>Financial Assets</b>		
Cash and short-term investments	49,430	56,547
Accounts receivable		
- City of Toronto - special charges (note 3)	121	5,710
- Other	<u>14,684</u>	<u>4,433</u>
	<u>64,235</u>	<u>66,690</u>
<b>Liabilities</b>		
Accounts payable		
- Other	4,670	1,000
Deferred contributions (note 4)	<u>12,848</u>	<u>-</u>
	<u>17,518</u>	<u>1,000</u>
<b>Net Financial Assets</b>	<b>46,717</b>	<b>65,690</b>
Property (note 5)	<u>4,047</u>	<u>-</u>
<b>Accumulated Surplus</b>	<b><u>50,764</u></b>	<b><u>66,690</u></b>

Approved on behalf of the Board of Management

  
\_\_\_\_\_, Chair Secretary - Stephanie Drabik.

  
\_\_\_\_\_, Treasurer  
MITCH GILMAN

**OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA**

**Statement of Changes in Accumulated Surplus  
Period ended December 31, 2017**

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>Accumulated Surplus</b>		
Balance, beginning of year	65,690	47,519
(Deficiency) excess for the year	<u>(14,926)</u>	<u>18,171</u>
<b>Balance, end of year</b>	<u><b>50,764</b></u>	<u><b>65,690</b></u>

## OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

### Statement of Operations Period ended December 31, 2017

	<b>Budget</b>		<b>Restated</b>
	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
City of Toronto - special charges	55,507	55,086	54,104
Other revenue	<u>138,250</u>	<u>61,424</u>	<u>32,549</u>
	<b><u>193,757</u></b>	<b><u>116,510</u></b>	<b><u>86,653</u></b>
<b>Expenses</b>			
Advertising and promotion	62,500	15,924	783
Amortization	-	450	-
Events	63,465	76,230	51,862
Insurance	743	343	994
Office and general	16,054	3,141	2,503
Professional fees	1,582	3,854	618
Salaries and benefits	-	14,263	8,557
Streetscape	6,000	12,400	3,035
Provision for uncollected special charges	<u>5,046</u>	<u>4,831</u>	<u>130</u>
	<b><u>155,390</u></b>	<b><u>131,436</u></b>	<b><u>68,482</u></b>
<b>(Deficiency) excess for the year</b>	<b><u>38,367</u></b>	<b><u>(14,926)</u></b>	<b><u>18,171</u></b>



## OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows Period ended December 31, 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
<b>Funds provided (used):</b>		
<b>Operating Activities</b>		
(Deficiency) excess for the period	(14,926)	18,171
Item not affecting cash		
- amortization	450	-
Changes in other non-cash working capital components (1)	<u>(992)</u>	<u>(7,574)</u>
	<u>(15,468)</u>	<u>10,597</u>
<b>Investing Activities</b>		
Property	(4,497)	-
Deferred contributions	<u>12,848</u>	<u>-</u>
	<u>8,351</u>	<u>-</u>
<b>Net (decrease) increase in cash</b>	<b>(7,117)</b>	<b>10,597</b>
Cash, beginning of year	<u>56,547</u>	<u>45,950</u>
<b>Cash, end of year</b>	<u><b>49,430</b></u>	<u><b>56,547</b></u>
(1) Changes in other non-cash working capital components represented by:		
Accounts receivable - City of Toronto	5,589	(1,597)
Accounts receivable - Other	(10,251)	(3,995)
Accounts payable - Other	<u>3,670</u>	<u>(1,982)</u>
	<u>(992)</u>	<u>(7,574)</u>

# OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

## Notes to Financial Statements December 31, 2017

### 1. Nature of the Organization

Ossington Avenue Business Improvement Area is not-for-profit volunteer-based association dedicated to create a safe and competitive business area that attract shoppers and new businesses under the management and control of a Board of Management appointed by the 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 the Council under Section 220(17) of the Municipal Act.

### 2. Significant Accounting Policies

The Organization follows Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB) which include the following policies:

#### Revenue recognition:

The Organization receives special charges from the City of Toronto, cash donations from corporate sponsors and private donors, as well as grants for operating purposes and capital projects. Revenue are being recorded upon signing of contract, and when collection can be reasonably ascertained.

#### Property:

Mural are stated at cost and amortized using straight-line basis over five years

#### Financial instruments:

Financial instruments are recorded at the approximated fair value. 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.

#### Use of Estimates:

The preparation of these financial statements in conformity with Canadian accounting standards for local governments requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

## OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

### Notes to Financial Statements December 31, 2017

#### 3. City of Toronto - Special Charges

Special charges levied by the City are collected from BIA members 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:

	<u>2017</u>	<u>2016</u>
	\$	\$
Total special charges outstanding	5,921	6,410
Less: allowance for uncollected special charges	<u>(5,800)</u>	<u>(700)</u>
Accounts receivable - City of Toronto (special charges)	<u>121</u>	<u>5,710</u>

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Special charges (recovery) written-off	(269)	230
Changes in allowance for uncollected special charges	<u>5,100</u>	<u>(100)</u>
	<u>4,831</u>	<u>130</u>

#### 4. Deferred Contributions

	<u>2017</u>
	\$
Grant received in the year	5,000
Less: amortization during the year	<u>(1,000)</u>
	4,000
Deferred sponsorship	<u>8,848</u>
Balance at year end	<u>12,848</u>

Grant received from the City of Toronto for the construction of the mural is being deferred and amortized on the same basis of the property.

BIA received sponsorship of \$21,248 for 50% of the costs of the streetscape project. The amount net of actual expenditures incurred in the year has been deferred to match future project costs.

## OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

### Notes to Financial Statements December 31, 2017

#### 5. Property

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2017</u>	<u>2016</u>
	\$	\$	\$	\$
Mural	<u>4,496</u>	<u>449</u>	<u>4,047</u>	<u>-</u>

#### 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. Comparative Figures

Prior year statements have been restated to conform with current year presentation.