### **AU7.2 Appendix N**

### THE BOARD OF MANAGEMENT FOR THE CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA

Financial Statements
For the Year Ended December 31, 2019

### CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA

### DECEMBER 31, 2019

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#### RAFIQ DOSANI, B.Comm. CPA, CA. CHARTERED PROFESSIONAL ACCOUNTANT

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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 Church-Wellesley Business Improvement Area

#### Opinion

I have audited the financial statements of Church-Wellesley Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2019, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2019 and its financial performance and its 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).

#### Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the BIA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the BIA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

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#### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to
  fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
  evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not
  detecting a material misstatement resulting from fraud is higher than for one resulting from error,
  as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the
  override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the
  disclosures, and whether the financial statements represent the underlying transactions and events
  in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Toronto, Ontario July 15, 2020 Chartered Professional Accountant Licensed Public Accountant

# THE BOARD OF MANAGEMENT FOR THE CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	e e e e e e e e e e e e e e e e e e e		
		2019 \$	.2018 \$
FINANCIAL ASSETS			
Cash		54,707	168,302
Short-term investment (Note 3)			
Accounts receivable	3		eat.
City of Toronto – special charges (N	ote 4)	12,025	23,652
Other.		38,604	28,043
		206,266	219,997
	- 120 (120 (120 (120 (120 (120 (120 (120		
LIABILITIES			
Accounts payable and accrued liabilities			
City of Toronto	70	**************************************	
Ofter	W.	6,047	<u>27,121</u>
			27.121
	. 1854		200.070
NET FINANCIAL ASSETS	ali di	200,219	192,876
Non-Financial Assets			
Tangible Capital Assets (Note 5)		2.237	2,470
ACCUMULATED SURPLUS		202.456	195 346
		402.740	100,040

Approved on behalf of the Board of Management:

Chair

Treasurer

## THE BOARD OF MANAGEMENT FOR THE CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 2019

REVENUE  City of Toronto – special charges 249,051 249,051 248  Grant 3,300 20,867 3 Interest, sponsorships and other 22,000 27,684 18  274,351 297,602 268  EXPENSES  Administration 119,027 118,646 108 Promotion and advertising 88,800 110,072 74 Maintenance 64,805 53,770 50 Capital (Note 8) 1,195 - 853 Provision for (recovery of) uncollected special charges (Note 4) (4,476) 7,151 (4,269,351 290,492 229  SURPLUS FOR THE YEAR 5,000 7,110 38	2018 \$ .ctual		2019 \$ Actual	2019 \$ Budget	
Start   3,300   20,867   3,300   22,684   15   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   268   274,351   297,602   274   274,351   274,3					ÉVÉNUE
Surplus For The Year   Supplemental   Supplementa	49,084	245	249.0F1	245.051	ilty of Toronto – special charges
Interest, sponsorships and other 22,000 27,684 16 274,351 297,602 266  EXPENSES  Administration 119,027 118,646 106 Promotion and advertising 88,800 110,072 74 Maintenance 64,805 53,770 50 Capital (Note 8) 1,195 - Amortization - 853  Provision for (recovery of) uncollected special charges (Note 4) (4,476) 7,151 (4,269,351 290,492 226  SURPLUS FOR THE YEAR 5,000 7,110 38	3.902		BROOKER AL AMARINE ON THE SER AND REVENUE		CANTONES (SCHOOLS) A CONSTITUTE (C.S. 1917) (C.S. 1917
EXPENSES  Administration	15,382	3000 TO 1000 TO 1000	Service of the Market Service of the Control of the	The manufacture of the part of	선생해생생물하다 내용에는 이번째에 가장하다 하면 이 사람들이 되었다. 그는 것이 없는 것이다.
Administration 119,027 118,646 108 Promotion and advertising 88,800 110,072 74 Maintenance 64,805 53,770 56 Capital (Note 8) 1,195 - 853 Amortization - 853 Provision for (recovery of) uncollected special charges (Note 4) (4,476) 7,151 (4,269,351 290,492 225  SURPLUS FOR THE YEAR 5,000 7,110 38	68,368	and the second second second	enanidasi da kalendari kalendari kalendari kalendari kalendari kalendari kalendari kalendari kalendari kalenda		
Promotion and advertising 88,800 110,072 74 Maintenance 64,805 53,770 50 Capital (Note 8) 1,195 - 853 Amortization 883 Provision for (recovery of) uncollected special 44,476 7,151 (4,269,351 290,492 225  SURPLUS FOR THE YEAR 5,000 7,110 38					XPENSES
Maintenance 64,805 53,770 50 Capital (Note 8) 1,195 - Amortization - 853 Provision for (recovery of) uncollected special charges (Note 4) (4,476) 7,151 (4) (269,351 290,492 220  SURPLUS FOR THEYEAR 5,000 7,110 36	08.072	108	118.646	119.027	dministration
Capital (Note 8) 1,195 - 853 Amortization - 853 Provision for (recovery of) uncollected special (4,476) 7,151 (4) (4,476) 7,151 (4) (269,351 (290,492 (20)) 225  SURPLUS FOR THE YEAR 5,000 7,110 (38)	74,829	74	110,072	88,800	romotion and advertising
Amortization - 853 Provision for (recovery of) uncollected special (4.476) 7,151 (4.269,351 290,492 225  SURPLUS FOR THEYEAR + 5,000 7,110 35	50,565	50	53,770	64,805	<b>laintenance</b>
Provision for (recovery of) uncollected special (4,476) 7,151 (4 269,351 290,492 229				1,195	2 X 140 G G G G A 46 G X 17 TO
tharges (Note 4) (4,476) 7,151 (4 269,351 290,492 225 SURPLUS FOR THE YEAR 5,000 7,110 35	729		853		
269,351 290,492 225  SURPLUS FOR THE YEAR 5,000 7,110 35		7.3	mana Tanggan ya		
SURPLUS FOR THE YEAR 5,000 7,110 38	4,950)	philipping on your and	amarqui que em fario fondes presidentes de la fruiza		rarges (Note 4)
	29,245	22\	29U 492	704,301	
OPERATING SURPLUS, BEGINNING OF YEAR195,346196,346196	39,123	30	7,110	5,000	URPLUS FOR THE YEAR
	56,223	156	195,346	195,346	PERATING SURPLUS, BEGINNING OF YEAR
OPERATING SURPLUS, END OF YEAR 200,346 202,456 195	95,346	195	202,456	200,346	PERATING SURPLUS, END OF YEAR

# THE BOARD OF MANAGEMENT FOR THE CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 \$	2018 \$
Surplus for the year	7,110	39,123
Acquisition of tangible capital assets	(620)	
Amortization of tangible capital assets	853	729_
	7,343	39,852
Balance - Beginning of year	192,876	153,024
Balance - End of year	200,219	192,876

# THE BOARD OF MANAGEMENT FOR THE CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 \$	2018
Cash flows from operating activities		
Surplus for the year	7,110	39,123
Non-cash changes to operations Add: Non-cash item Amortization of capital assets Increase (decrease) resulting from changes in	853	<b>7.29</b>
Accounts receivable - City of Toronto Accounts receivable – other Accounts payable – City of Toronto	11,627 (10,561)	16,994 (240) (1,323)
Accounts payable – other	(21,074)	20,353
Cash Provided By (Used In) Operations	(12,045)	75,636
Investing activities		
Purchase of tangible capital assets  Purchase of investments	(620) (100,930)	Pilipini Nil
	(101,550)	NI
CASH, BEGINNING OF YEAR	168,302	92,666
CASH, END OF YEAR	54,707	168,302

#### 1. ESTABLISHMENT AND OPERATIONS

The Church-Wellesley 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:

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	evi													<b>:</b> ai	
	niti													141	
	nte													a	

#### 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.

### 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 INVESTMENT

Short-term investment consists of a guaranteed investment from Meridian Credit Union earning interest at the rate of 1.5% per annum. It matures in 2020.

#### 4. CITY OF TORONTO - SPECIAL CHARGE

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:

보면 경우 가는 바로 가게 하면 하면 하면 보다는 것이 하는 것이 되었다. 그는 그를 보고 있다면 하는 것이 없는 것이다.	2019	2018
#요즘 하다면 하면 1000 1000 1000 1000 1000 1000 1000		
[하다면 :pusy : 1000] [100		
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경기가 있다고 하는데 그 일을 내려가고 하셨다. 그는 말을 내려 가지 않는데 보다 있는데 말을 하고 있다면 하셨다.		
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	<i></i>	a a mem
Total special charges outstanding	10 Page 10 29 825 and	44.952
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Less: allowance for uncollected specia		
the second secon		
	James Company	ma aaa
Charges	(17.800)	(21.300)
	Annual Company of the	
Special charges receivable	AA AAC	nn och
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. 그 경우 등 14. 2일 하다면 하고 있다. 그러지 않아요즘 하면 하는 그리고 있는 사람이 그리고 있다는 하는 그 그 가는 것이다. 하는 사람들이 모든 사람들이 되었다.	- 124 Act 1 - 12	sample in influence exception and consideration and the second contract in the second contr

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

	그런 보다 보면 하는 것 같아요? 하다 하다 하는		maan	MAAN
		그 아니다. 돈 가장 없는 동생 경험 보기를 들어 바꾸게 되었다.	2019	2018
	실일: [2:16] 이 시험 바람이 보는 나라고 있다.			
		병원 동안 하는 사람이 되고 있다면 보다는 그 사람들은 아이들이	8	<b>8</b>
16 (의 집중) 중요하다 함께 있는다. 스페이스		사람들이 되는 사람들은 그 가는 얼마를 보고 있다.		of Control (
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	강아 가는 말이다. 그들이 그림이라는 나는 아			
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Special charge	s willen-off		10.651	9:350
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Charges			(3.500)	(14.300i
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# THE BOARD OF MANAGEMENT FOR THE CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS, CONT'D FOR THE YEAR ENDED DECEMBER 31, 2019

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100	San Acres of	7 1 1 1 1 1 1 1	Sand. San Me		

	20	Ġ		
	Gateway Signs	Furniture & Equipment	Banners	Total
Cost				
Beginning	133,746	3,646	1,684	139,076
Additions	*	620		620
Disposals	<u>#</u>		*	
Eraine	133,746	4,266	1,684	139,696
Accumulated Amortization				
Beginning	133,746	1,176	1,684	136,606
Amortization	**	853	100 <b>100</b> 0	853
Disposals	*			*
Ending	139,746	2,029	1,684	137,459
Net Book Value		2297		2.237

	2018			
	Gateway Signs	Furniture & Equipment	Banners	Total
Cost				7.
Seginning	133,746	3,646	1,684	139,076
Additions		**************************************	AND STATE	
Disposals			<b>24</b>	·
Ending	133,746	3,646	1,684	139,076
Accumulated Amortization				
Beginning	133,746	447	1,684	135,877
Amortization .	4	729	Talentijs **	729
Disposals			<u>*</u>	*
Ending	133,746	1,176	1,684	136,606
Net Book Value		2,470	normalista (* 1868). Tarihin da santa (* 1888).	2,470

### THE BOARD OF MANAGEMENT FOR THE CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA NOTES TO THE FINANCIAL STATEMENTS, CONT'D FOR THE YEAR ENDED DECEMBER 31, 2019

#### 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 carrying value of the BIA's financial instruments approximates their values.

#### 8. 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.

#### 9. COMMITMENTS

The Board is committed to annual rent payments for office space as follows:

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	Y2.5	40.5			3 %					1 40			c.re	XIII	33	200	Buch	THE.	23

In addition, the Board is also responsible for its proportionate share of property taxes and common expenses.

#### 10. BUDGET

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