

**THE BOARD OF MANAGEMENT FOR THE
MIMICO VILLAGE
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2015**

**MIMICO VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2015

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 – 10

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

90 Risebrough Avenue
Toronto, Ontario M2M 2E3
Telephone: (416) 221 - 4095
Fax: (416) 221 - 4160

AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Mimico Village Business Improvement Area

I have audited the accompanying financial statements of Mimico Village Business Improvement Area, which comprise the statement of financial position as at December 31, 2015 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 Mimico Village Business Improvement Area as at December 31, 2015 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).

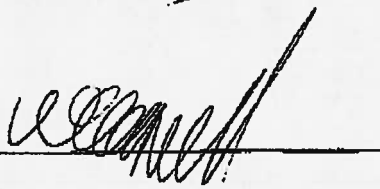
Toronto, Ontario
April 15, 2016

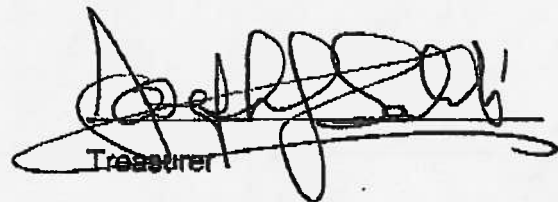

Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
MIMICO VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash and short-term investments	48,890	30,921
Accounts receivable		
City of Toronto – special charges (Note 3)	-	-
Other	1,469	3,125
	<u>50,359</u>	<u>34,046</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto – special charges (Note 3)	3,263	3,386
Other	900	850
	<u>4,163</u>	<u>4,236</u>
NET FINANCIAL ASSETS	<u>46,196</u>	<u>29,810</u>
ACCUMULATED SURPLUS	<u>46,196</u>	<u>29,810</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR THE
MIMICO VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 \$ Budget (Note 8)	2015 \$ Actual	2014 \$ Actual
REVENUE			
City of Toronto – special charges	32,420	32,420	34,377
Festival, interest and other	5,000	8,275	5,007
	<u>37,420</u>	<u>40,695</u>	<u>39,384</u>
EXPENSES			
Administration	2,367	2,159	1,918
Promotion and advertising	17,900	18,893	13,236
Maintenance	3,035	2,995	3,876
Capital (Note 6)	13,750	-	-
Provision for uncollected special charges (Note 3)	368	262	6,719
	<u>37,420</u>	<u>24,309</u>	<u>25,749</u>
SURPLUS (DEFICIT) FOR THE YEAR	-	16,386	13,635
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>29,810</u>	<u>29,810</u>	<u>16,175</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>29,810</u>	<u>46,196</u>	<u>29,810</u>

**THE BOARD OF MANAGEMENT FOR THE
MIMICO VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
	\$	\$
Surplus (deficit) for the year	16,386	13,635
Amortization of tangible capital assets	-	-
	16,386	13,635
Balance - Beginning of year	29,810	16,175
Balance - End of year	<u>46,196</u>	<u>29,810</u>

**THE BOARD OF MANAGEMENT FOR THE
MIMICO VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
	\$	\$
Cash flows from operating activities		
Surplus for the year	16,386	13,635
Non-cash changes to operations		
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	-	1,244
Accounts receivable – other	1,656	(1,211)
Accounts payable – City of Toronto	(123)	3,386
Accounts payable – other	50	50
	<hr/>	<hr/>
Cash Provided By Operations	17,969	17,104
Cash and short-term investments, Beginning Of Year	<hr/> 30,921	<hr/> 13,817
Cash and short-term investments, End Of Year	<hr/> 48,890	<hr/> 30,921

**THE BOARD OF MANAGEMENT FOR THE
MIMICO VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

1. ESTABLISHMENT AND OPERATIONS

The Mimico Village 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 THE
MIMICO VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2015**

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:

	2015	2014
	\$	\$
Total special charges outstanding	(2,963)	(3,286)
Less: allowance for uncollected special charges	(300)	(100)
Special charges receivable / (payable)	<u>(3,263)</u>	<u>(3,386)</u>

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

	2015	2014
	\$	\$
Special charges written-off	62	8,019
Change in allowance for uncollected levies	200	(1,300)
	<u>262</u>	<u>6,719</u>

**THE BOARD OF MANAGEMENT FOR THE
MIMICO VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2015**

4. 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.

5. 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.

6. 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.

7. COMMITMENTS

The Board, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property for several years. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. The Board is committed to capital improvement projects of which the Board's share of \$5,000 (2014 - \$nil) was outstanding as at December 31, 2015.

8. BUDGET

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