

Appendix AA:

**THE BOARD OF MANAGEMENT FOR THE
MOUNT DENNIS
BUSINESS IMPROVEMENT AREA**

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

**MOUNT DENNIS
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2015

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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 Mount Dennis Business Improvement Area

I have audited the accompanying financial statements of the Mount Dennis 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 the Mount Dennis 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
March 29, 2016


Chartered Professional Accountant
Licensed Public Accountant

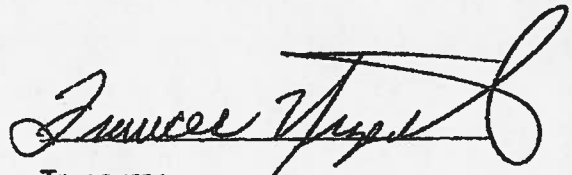
**THE BOARD OF MANAGEMENT FOR THE
MOUNT DENNIS BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash	40,475	68,408
Accounts receivable		
City of Toronto – special charges (Note 3)	1,981	1,638
Other	3,263	1,317
	<u>45,719</u>	<u>71,361</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	19,141
Other	950	750
	<u>950</u>	<u>19,891</u>
NET FINANCIAL ASSETS	44,769	51,470
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	16,210	22,401
Accumulated Surplus	<u>60,979</u>	<u>73,871</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
MOUNT DENNIS BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 \$ Budget (Note 7)	2015 \$ Actual	2014 \$ Actual
REVENUE			
City of Toronto – special charges	14,544	14,544	16,360
	<u>14,544</u>	<u>14,544</u>	<u>16,360</u>
EXPENSES			
Administration	14,137	2,852	2,761
Promotion and advertising	4,000	2,020	2,775
Maintenance	15,850	16,142	10,317
Capital (Note 9)	-	-	-
Amortization	-	6,191	6,754
Provision for (recovery of) uncollected special charges (Note 3)	1,322	231	(213)
	<u>35,309</u>	<u>27,436</u>	<u>22,394</u>
(DEFICIT) FOR THE YEAR	(20,765)	(12,892)	(6,034)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>73,871</u>	<u>73,871</u>	<u>79,905</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>53,106</u>	<u>60,979</u>	<u>73,871</u>

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

	2015	2014
	\$	\$
(Deficit) for the year	(12,892)	(6,034)
Acquisition of tangible capital assets	-	(19,140)
Amortization of tangible capital assets	6,191	6,754
	(6,701)	(18,420)
Balance - Beginning of year	51,470	69,890
Balance - End of year	<u>44,769</u>	<u>51,470</u>

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

	2015	2014
	\$	\$
Cash flows from operating activities		
(DEFICIT) FOR THE YEAR	(12,892)	(6,034)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	6,191	6,754
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(343)	759
Accounts receivable – other	(1,946)	1,719
Accounts payable - City of Toronto	(19,141)	7,325
Accounts payable – other	200	-
Cash Provided By Operations	(27,931)	10,523
Investing activities		
Purchase of tangible capital assets	-	(19,140)
Cash, Beginning Of Year	68,406	77,023
Cash, End Of Year	40,475	68,406

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

1. ESTABLISHMENT AND OPERATIONS

The Mount Dennis 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
Streetscape	5 years
Hanging Flower Baskets	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
MOUNT DENNIS 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 the City of Toronto are comprised of:

	2015	2014
	\$	\$
Total special charges outstanding	2,081	1,738
Less: allowance for uncollected special charges	(100)	(100)
Special charges receivable	<u>1,981</u>	<u>1,638</u>

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

	2015	2014
	\$	\$
Special charges written-off	231	587
Change in provision for uncollected levies	-	(800)
	<u>231</u>	<u>(213)</u>

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

4. TANGIBLE CAPITAL ASSETS

	2015		
	Hanging Flower Basket	Street Scape	Total
Cost			
Beginning	2,815	30,955	33,770
Additions	-	-	-
Disposals	-	-	-
Ending	2,815	30,955	33,770
Accumulated Amortization			
Beginning	2,815	8,554	11,369
Amortization	-	6,191	6,191
Disposals	-	-	-
Ending	2,815	14,745	17,560
Net Book Value	-	16,210	16,210

	2014		
	Hanging Flower Basket	Street Scape	Total
Cost			
Beginning	2,815	11,815	14,630
Additions	-	19,140	19,140
Disposals	-	-	-
Ending	2,815	30,955	33,770
Accumulated Amortization			
Beginning	2,252	2,363	4,615
Amortization	563	6,191	6,754
Disposals	-	-	-
Ending	2,815	8,554	11,369
Net Book Value	-	22,401	22,401

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

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.

7. BUDGET

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

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.