

Appendix AB:

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

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

**PARKDALE VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2015

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

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

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of Parkdale 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 the Parkdale 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
May 2, 2016


Chartered Professional Accountant
Licensed Public Accountant


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

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash and short-term investments	261,633	219,486
Accounts receivable		
City of Toronto – special charges (Note 3)	15,277	20,856
Other	6,948	12,785
Prepaid Expenses	972	2,823
	<u>284,830</u>	<u>255,950</u>
 LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	55,455	5,556
Other	13,902	14,524
	<u>69,357</u>	<u>20,080</u>
 NET FINANCIAL ASSETS	 215,473	 235,870
 NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	44,092	61,156
ACCUMULATED SURPLUS	<u>259,565</u>	<u>297,026</u>

Approved on behalf of the Board of Management:



 Chair



 Treasurer

**THE BOARD OF MANAGEMENT FOR THE
PARKDALE VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 \$ Budget (Note 9)	2015 \$ Actual	2014 \$ Actual
REVENUE			
City of Toronto – special charges	237,194	237,194	251,554
Interest and other revenue	-	10,683	5,700
	<u>237,194</u>	<u>247,877</u>	<u>257,254</u>
EXPENSES			
Administration	96,028	107,570	99,228
Promotion and advertising	51,350	30,512	37,614
Maintenance	88,475	61,094	68,264
Capital (Note 8)	53,728	6,274	1,192
Amortization	-	72,179	64,338
Provision for uncollected special charges (Note 3)	2,113	7,709	7,319
	<u>291,694</u>	<u>285,338</u>	<u>277,955</u>
(DEFICIT) FOR THE YEAR	(54,500)	(37,461)	(20,701)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>297,026</u>	<u>297,026</u>	<u>317,727</u>
OPERATING SURPLUS, END OF YEAR	<u>242,526</u>	<u>259,565</u>	<u>297,026</u>

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

	<u>2015</u> \$	<u>2014</u> \$
(Deficit) for the year	(37,461)	(20,701)
Acquisition of tangible capital assets	(55,115)	(5,555)
Amortization of tangible capital assets	<u>72,179</u>	<u>64,338</u>
	(20,397)	38,082
Balance - Beginning of year	235,870	197,788
Balance - End of year	<u>215,473</u>	<u>235,870</u>

**THE BOARD OF MANAGEMENT FOR THE
PARKDALE VILLAGE 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	(37,461)	(20,701)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	72,179	64,338
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	5,579	(7,008)
Accounts receivable – other	5,837	(1,290)
Prepaid Expenses	1,851	(1,943)
Accounts payable - City of Toronto	49,899	(88,967)
Accounts payable – other	(622)	538
Cash Provided By (Used In) Operations	97,262	(55,033)
Investing activities		
Purchase of tangible capital assets	(55,115)	(5,555)
Cash and short-term investments, Beginning Of Year	219,486	280,074
Cash and short-term investments, End Of Year	261,633	219,486

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

1. ESTABLISHMENT AND OPERATIONS

The Parkdale 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
Planters	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
 PARKDALE 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 the City of Toronto are comprised of:

	2015	2014
	\$	\$
Total special charges outstanding	18,377	28,956
Less: allowance for uncollected special charges	<u>(3,100)</u>	<u>(8,100)</u>
Special charges receivable	<u>15,277</u>	<u>20,856</u>

The provision for uncollected special charges reported on the statement of Operations and Accumulated Surplus comprises of:

	2015	2014
	\$	\$
Special charges written off	12,709	4,119
Change in allowance for uncollected special charges	<u>(5,000)</u>	<u>3,200</u>
	<u>7,709</u>	<u>7,319</u>

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

4. CAPITAL ASSETS

	2015		
	Lights	Planters	Total
Cost			
Beginning	353,804	-	353,804
Additions	7,615	47,500	55,115
Disposals	-	-	-
Ending	361,419	47,500	408,919
Accumulated Amortization			
Beginning	292,648	-	292,648
Amortization	62,679	9,500	72,179
Disposals	-	-	-
Ending	355,327	9,500	364,827
Net Book Value	6,092	38,000	44,092

	2014		
	Lights	Planters	Total
Cost			
Beginning	348,249	-	348,249
Additions	5,555	-	5,555
Disposals	-	-	-
Ending	353,804	-	353,804
Accumulated Amortization			
Beginning	228,310	-	228,310
Amortization	64,338	-	64,338
Disposals	-	-	-
Ending	292,648	-	292,648
Net Book Value	61,156	-	61,156

**THE BOARD OF MANAGEMENT FOR THE
PARKDALE VILLAGE 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 City 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. 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.

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 \$9,419 (2014 - \$33,235) was outstanding as at December 31, 2015.

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. BUDGET

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

