

**THE BOARD OF MANAGEMENT FOR THE
WEXFORD HEIGHTS
BUSINESS IMPROVEMENT AREA**

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

**WEXFORD HEIGHTS
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 Wexford Heights Business Improvement Area

I have audited the accompanying financial statements of Wexford Heights 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.

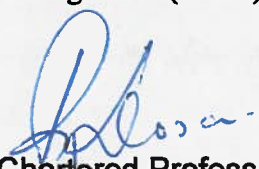
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Wexford Heights 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 27, 2016


Chartered Professional Accountant
Licensed Public accountant

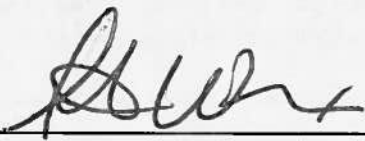
**THE BOARD OF MANAGEMENT FOR THE
WEXFORD HEIGHTS BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash and short-term investments	27,644	55,425
Accounts receivable		
City of Toronto – special charges (Note 3)	26,158	9,996
Other	109,066	84,860
	<u>162,868</u>	<u>150,281</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	-
Other	4,104	4,180
	<u>4,104</u>	<u>4,180</u>
NET FINANCIAL ASSETS	158,764	146,101
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	28,675	50,955
ACCUMULATED SURPLUS	<u>187,439</u>	<u>197,056</u>

Approved on behalf of the Board of Management:



 Chair



 Treasurer - COCHAIR

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

	2015 \$ Budget (Note 8)	2015 \$ Actual	2014 \$ Actual
REVENUE			
City of Toronto – special charges	188,951	188,951	189,036
Advertising, sponsorship & other revenue	183,000	169,558	142,769
	<u>371,951</u>	<u>358,509</u>	<u>331,805</u>
EXPENSES			
Administration	69,568	68,178	67,567
Promotion and advertising	213,700	223,474	214,423
Maintenance	49,200	55,857	40,804
Capital (Note 7)	25,000	-	-
Amortization	-	22,280	22,279
Provision for (recovery of) uncollected special charges (note 3)	14,483	(1,663)	9,841
	<u>371,951</u>	<u>368,126</u>	<u>354,914</u>
(DEFICIT) FOR THE YEAR	-	(9,617)	(23,109)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>197,056</u>	<u>197,056</u>	<u>220,165</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>197,056</u>	<u>187,439</u>	<u>197,056</u>

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

	<u>2015</u> \$	<u>2014</u> \$
(Deficit) for the year	(9,617)	(23,109)
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	<u>22,280</u>	<u>22,279</u>
	12,663	(830)
Balance - Beginning of year	146,101	146,931
Balance - End of year	<u>158,764</u>	<u>146,101</u>

**THE BOARD OF MANAGEMENT FOR THE
WEXFORD HEIGHTS 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	(9,617)	(23,109)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	22,280	22,279
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(16,162)	(10,817)
Accounts receivable – other	(24,206)	(13,812)
Accounts payable – other	(76)	691
Accounts payable – City of Toronto	-	(70,210)
	<hr/>	<hr/>
Cash Provided By (Used In) Operations	(27,781)	(94,978)
Investing Activities		
Purchase of tangible capital assets	-	-
Cash and short-term investments, Beginning Of Year	55,425	150,403
	<hr/>	<hr/>
Cash and short-term investments, End Of Year	27,644	55,425
	<hr/>	<hr/>

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

1. ESTABLISHMENT AND OPERATIONS

The Wexford Heights 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
Hanging 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
WEXFORD HEIGHTS BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
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 is comprised of:

	2015 \$	2014 \$
Total special charges outstanding	48,458	42,196
Less: allowance for uncollected special charges	<u>(22,300)</u>	<u>(32,200)</u>
Special charges receivable / (payable)	<u>26,158</u>	<u>9,996</u>

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

	2015 \$	2014 \$
Special charges written-off	8,237	4,041
Change in allowance for uncollected special charges	<u>(9,900)</u>	<u>5,800</u>
	<u>(1,663)</u>	<u>9,841</u>

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

4. TANGIBLE CAPITAL ASSETS

	2015				
	Banners	Signs	Planters	Banner Poles	Total
Cost					
Beginning	5,434	5,175	40,510	59,785	110,904
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Ending	5,434	5,175	40,510	59,785	110,904
Accumulated Amortization					
Beginning	4,248	4,140	27,647	23,914	59,949
Amortization	1,186	1,035	8,102	11,957	22,280
Disposals	-	-	-	-	-
Ending	5,434	5,175	35,749	35,871	82,229
Net Book Value	-	-	4,761	23,914	28,675

	2014				
	Banners	Signs	Planters	Banner Poles	Total
Cost					
Beginning	5,434	5,175	40,510	59,785	110,904
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Ending	5,434	5,175	40,510	59,785	110,904
Accumulated Amortization					
Beginning	3,063	3,105	19,545	11,957	37,670
Amortization	1,185	1,035	8,102	11,957	22,279
Disposals	-	-	-	-	-
Ending	4,248	4,140	27,647	23,914	59,949
Net Book Value	1,186	1,035	12,863	35,871	50,955

**THE BOARD OF MANAGEMENT FOR THE
WEXFORD HEIGHTS 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. 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. 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.

8. BUDGET

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

