

**THE BOARD OF MANAGEMENT FOR THE
YONGE-LAWRENCE VILLAGE
BUSINESS IMPROVEMENT AREA**

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

**THE BOARD OF MANAGEMENT FOR THE
YONGE-LAWRENCE VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2015

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AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Yonge-Lawrence Village Business Improvement Area

I have audited the accompanying financial statements of Yonge-Lawrence 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 Yonge-Lawrence 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 4, 2016


Chartered Professional Accountant
Licensed Public Accountant

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

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash and short-term investments	104,139	122,346
Accounts receivable		
City of Toronto – special charges (Note 3)	31,141	8,037
Other	15,183	15,992
	<u>150,463</u>	<u>146,375</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	628
Other	9,318	8,711
	<u>9,318</u>	<u>9,339</u>
NET FINANCIAL ASSETS	141,145	137,036
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	5,218	7,388
ACCUMULATED SURPLUS	<u>146,363</u>	<u>144,424</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
YONGE-LAWRENCE 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	191,493	191,493	186,751
Interest and other	11,500	9,380	12,406
	<u>202,993</u>	<u>200,873</u>	<u>199,157</u>
EXPENSES			
Administration	71,567	71,212	68,129
Promotion & advertising	78,120	89,275	90,184
Maintenance	52,400	50,974	53,288
Amortization	-	3,640	6,978
Capital (Note 7)	8,323	337	2,684
Provision for (recovery of) uncollected special charges (Note 3)	6,582	(16,504)	(1,252)
	<u>216,992</u>	<u>198,934</u>	<u>220,011</u>
SURPLUS (DEFICIT) FOR THE YEAR	(13,999)	1,939	(20,854)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	144,424	144,424	165,278
ACCUMULATED SURPLUS, END OF YEAR	<u>130,425</u>	<u>146,363</u>	<u>144,424</u>

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

	2015	2014
	\$	\$
Surplus (deficit) for the year	1,939	(20,854)
Acquisition of tangible capital assets	(1,470)	(7,950)
Amortization of tangible capital assets	<u>3,640</u>	<u>6,978</u>
	4,109	(21,826)
Balance - Beginning of year	137,036	158,862
Balance - End of year	<u>141,145</u>	<u>137,036</u>

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

	2015 \$	2014 \$
Cash flows from operating activities		
Surplus (deficit) for the year	1,939	(20,854)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	3,640	6,978
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(23,104)	6,003
Accounts receivable – other	809	(1,484)
Accounts payable - City of Toronto	(628)	(2,852)
Accounts payable – other	607	1,236
Cash Provided By (Used In) Operations	(16,737)	(10,973)
Investing Activities		
Purchase of tangible capital assets	(1,470)	(7,950)
Cash and short-term investments, Beginning Of Year	122,346	141,269
Cash and short-term investments, End Of Year	104,139	122,346

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

1. ESTABLISHMENT AND OPERATIONS

The Yonge-Lawrence 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
Benches	5 years
Streetscape	5 years
Planters	5 years
Flags & Banners	3 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
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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 the City of Toronto are comprised of:

	2015 \$	2014 \$
Total special charges outstanding	41,541	37,937
Less: allowance for uncollected special charges	<u>(10,400)</u>	<u>(29,900)</u>
Special charges receivable	<u>31,141</u>	<u>8,037</u>

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

	2015 \$	2014 \$
Special charges written-off	2,996	548
Increase (decrease) in allowance for uncollected special charges	<u>(19,500)</u>	<u>(1,800)</u>
	<u>(16,504)</u>	<u>(1,252)</u>

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

4. CAPITAL ASSETS

	2015			
	Banners	Lights	Benches	Total
Cost				
Beginning	22,571	5,950	9,396	37,917
Additions	-	-	1,470	1,470
Disposals	-	-	-	-
Ending	22,571	5,950	10,866	39,387
Accumulated Amortization				
Beginning	17,271	5,950	7,308	30,529
Amortization	2,650	-	990	3,640
Disposals	-	-	-	-
Ending	19,921	5,950	8,298	34,169
Net Book Value	2,650	-	2,568	5,218

	2014			
	Banners	Lights	Benches	Total
Cost				
Beginning	14,621	5,950	9,396	29,967
Additions	7,950	-	-	7,950
Disposals	-	-	-	-
Ending	22,571	5,950	9,396	37,917
Accumulated Amortization				
Beginning	12,179	4,760	6,612	23,551
Amortization	5,092	1,190	696	6,978
Disposals	-	-	-	-
Ending	17,271	5,950	7,308	30,529
Net Book Value	5,300	-	2,088	7,388

**THE BOARD OF MANAGEMENT FOR THE
YONGE-LAWRENCE 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. 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.

