

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

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

**HILLCREST VILLAGE
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 Hillcrest Village Business Improvement Area

I have audited the accompanying financial statements of Hillcrest 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 Hillcrest 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).

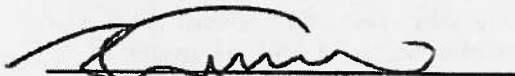
Toronto, Ontario
August 26, 2016



Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
HILLCREST VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
As At December 31, 2015**

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash and short-term investments	70,530	75,111
Accounts receivable		
City of Toronto – special charges (Note 3)	8,090	5,310
Other	11,205	5,610
	<u>89,825</u>	<u>86,031</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	26,575	1,691
	<u>26,575</u>	<u>1,691</u>
NET FINANCIAL ASSETS	63,250	84,340
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	22,482	5,626
ACCUMULATED SURPLUS	<u>85,732</u>	<u>89,966</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

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Chair

Treasurer

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

	2015 \$ Budget (Note 7)	2015 \$ Actual	2014 \$ Actual
REVENUE			
City of Toronto – special charges	90,483	90,483	93,960
Grants, Interest and other	4,000	3,488	2,068
	<u>94,483</u>	<u>93,971</u>	<u>96,028</u>
EXPENSES			
Administration	23,756	24,006	25,886
Promotion and advertising	53,300	46,888	56,794
Maintenance	13,900	17,588	10,187
Amortization	-	8,959	2,790
Provision for uncollected special charges (Note 3)	3,527	764	4,332
	<u>94,483</u>	<u>98,205</u>	<u>99,989</u>
(DEFICIT) FOR THE YEAR	-	(4,234)	(3,961)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>89,966</u>	<u>89,966</u>	<u>93,927</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>89,966</u>	<u>85,732</u>	<u>89,966</u>

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

	2015	2014
	\$	\$
(Deficit) for the year	(4,234)	(3,961)
Acquisition of tangible capital assets	(25,815)	-
Amortization of tangible capital assets	8,959	2,790
	(21,090)	(1,171)
Balance - Beginning of year	84,340	85,511
Balance - End of year	<u>63,250</u>	<u>84,340</u>

**THE BOARD OF MANAGEMENT FOR THE
HILLCREST 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	(4,234)	(3,961)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	8,959	2,790
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(2,780)	1,656
Accounts receivable – other	(5,595)	5,022
Accounts payable - City of Toronto	-	(1,729)
Accounts payable – other	24,884	595
	<hr/>	<hr/>
Cash Provided By Operations	21,234	4,373
Investing Activities		
Purchase of tangible capital assets	(25,815)	-
Cash and short-term investments, Beginning Of Year	<hr/>	<hr/>
	75,111	70,738
Cash and short-term investments, End Of Year	<hr/>	<hr/>
	70,530	75,111

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

1. ESTABLISHMENT AND OPERATIONS

The Hillcrest 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:

Planters	5 years	Lights	5 years
Streetscape	5 years	Banners	3 years
Computers	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
HILLCREST 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	14,190	10,910
Less: allowance for uncollected special charges	<u>(6,100)</u>	<u>(5,600)</u>
Special charges receivable	<u>8,090</u>	<u>5,310</u>

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

	2015	2014
	\$	\$
Special charges written off	264	2,732
Change in allowance for uncollected special charges	<u>500</u>	<u>1,600</u>
	<u>764</u>	<u>4,332</u>

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

4. CAPITAL ASSETS

	2015					
	Planters	Lights	Banners	Computers	Street Scope	Total
Cost						
Beginning	2,520	-	-	-	11,430	13,950
Additions	-	18,270	5,775	1,770	-	25,815
Disposals	-	-	-	-	-	-
Ending	2,520	18,270	5,775	1,770	11,430	39,765
Accumulated Amortization						
Beginning	2,016	-	-	-	6,308	8,324
Amortization	504	3,654	1,925	590	2,286	8,959
Disposals	-	-	-	-	-	-
Ending	2,520	3,654	1,925	590	8,594	17,283
Net Book Value	-	14,616	3,850	1,180	2,836	22,482

	2014					
	Planters	Lights	Banners	Computers	Street Scope	Total
Cost						
Beginning	2,520	-	-	-	11,430	13,950
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Ending	2,520	-	-	-	11,430	13,950
Accumulated Amortization						
Beginning	1,512	-	-	-	4,022	5,534
Amortization	504	-	-	-	2,286	2,790
Disposals	-	-	-	-	-	-
Ending	2,016	-	-	-	6,308	8,324
Net Book Value	504	-	-	-	5,122	5,626

**THE BOARD OF MANAGEMENT FOR THE
HILLCREST 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. BUDGET

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

The first part of the report
describes the general situation
and the results of the
investigation.

The second part of the report
describes the results of the
investigation in detail.

The third part of the report
describes the results of the
investigation in detail.

The fourth part of the report
describes the results of the
investigation in detail.

