

**LAKESHORE VILLAGE BUSINESS
IMPROVEMENT AREA
FINANCIAL STATEMENTS
DECEMBER 31, 2015**



C.C.L.

**Chartered Professional Accountants
Professional Corporation**

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Financial Statements
December 31, 2015

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Accumulated Surplus	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Report on the Financial Statements

We have audited the accompanying financial statements of **LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA**, which comprise the statements of financial position as at **December 31, 2015** and the statements of operations, changes in accumulated surplus and cash flows for the year then ended and 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lakeshore Village Business Improvement Area as at December 31, 2015 and the results of its operations, changes in accumulated surplus and its 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).

C.C.I

**Chartered Professional Accountants Professional Corporation
Licensed Public Accountants**

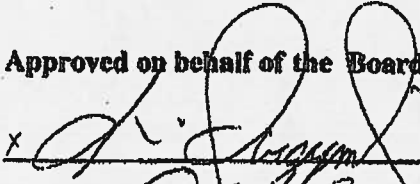
Toronto, Ontario
June 30, 2016

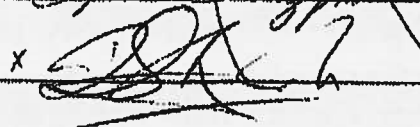
LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Financial Position December 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Financial Assets		
Cash and short-term investments	22,796	31,723
Accounts receivable		
- City of Toronto - special charges (note 3)	6,360	7,914
- Other	<u>6,896</u>	<u>8,809</u>
	<u>36,052</u>	<u>48,446</u>
Liabilities		
Accounts payable		
- City of Toronto	9,378	2,351
- Other	1,725	4,369
Deferred grant - lighting (note 5)	<u>10,086</u>	<u>2,116</u>
	<u>21,189</u>	<u>8,836</u>
Net Financial Assets	14,863	39,610
Non-Financial Assets		
Equipment (note 4)	<u>20,286</u>	<u>4,727</u>
Accumulated Surplus	<u>35,149</u>	<u>44,337</u>

Approved on behalf of the Board of Management

X  , Chair

X  , Treasurer

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

**Statement of Changes in Accumulated Surplus
Year ended December 31, 2015**

	<u>2015</u>	<u>2014</u>
	\$	\$
Accumulated Surplus		
Balance, beginning of year	44,337	54,338
Deficit for the year	<u>(9,188)</u>	<u>(10,001)</u>
Balance, end of year	<u>35,149</u>	<u>44,337</u>

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Operations Year ended December 31, 2015

	Budget 2015 \$	2015 \$	2014 \$
Revenue			
City of Toronto - special charges	70,445	70,622	70,995
Investment and other income	<u>4,000</u>	<u>11,740</u>	<u>12,624</u>
	<u>74,445</u>	<u>82,362</u>	<u>83,619</u>
Expenses			
Advertising and promotion	13,650	6,349	13,667
Amortization	-	3,198	13,477
Bank charges	170	144	118
Events	32,600	42,333	33,517
Insurance	827	742	759
Office and general	5,917	6,150	4,422
Professional fees	1,700	2,031	1,422
Repair and maintenance	19,146	18,469	16,171
Storage	-	600	-
Subcontractor	10,000	8,175	6,000
Utilities	2,000	2,176	2,222
Provision for uncollected special charges	<u>6,404</u>	<u>1,183</u>	<u>1,845</u>
	<u>92,414</u>	<u>91,550</u>	<u>93,620</u>
Deficit for the year	<u>(17,969)</u>	<u>(9,188)</u>	<u>(10,001)</u>

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows Year ended December 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Funds provided (used):		
Operating Activities		
Deficit for the year	(9,188)	(10,001)
Item not affecting cash		
- amortization	3,198	13,477
-Grant - City of Toronto	(1,408)	(235)
Changes in other non-cash working capital components (1)	<u>7,850</u>	<u>4,600</u>
	<u>452</u>	<u>7,841</u>
Investing Activities		
Acquisition of equipment	(18,757)	(5,158)
Deferred grant	<u>9,378</u>	<u>2,350</u>
	<u>(9,379)</u>	<u>(2,808)</u>
Net (decrease) increase in cash	(8,927)	5,033
Cash, beginning of year	<u>31,723</u>	<u>26,690</u>
Cash, end of year	<u>22,796</u>	<u>31,723</u>

(1) Changes in other non-cash working capital components represented by:

Accounts receivable - City of Toronto	1,554	(2,376)
Accounts receivable - Other	1,913	4,656
Accounts payable - City of Toronto	7,027	2,350
Accounts payable - Other	<u>(2,644)</u>	<u>(30)</u>
	<u>7,850</u>	<u>4,600</u>

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements December 31, 2015

1. Nature of the Organization

Lakeshore Village Business Improvement Area is not-for-profit volunteer-based association dedicated to create a safe and competitive business area that attract shoppers and new businesses under the management and control of a Board of Management appointed by the 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 the Council under Section 220(17) of the Municipal Act.

2. Significant Accounting Policies

The Organization follows Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB) which include the following policies:

Revenue recognition:

The Organization receives special charges from the City of Toronto, cash donations from corporate sponsors and private donors, as well as grants for operating purposes and capital projects. Revenue are being recorded upon signing of contract, and when collection can be reasonably ascertained.

Equipment:

Equipment are stated at cost and amortized using straight-line basis over the estimated useful lives of the assets at the following rates per annum:

Computer	2 years
Lights	5 years
Fountain	5 years
Banners	3 years

Financial instruments:

Financial instruments are recorded at the approximated fair value. 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.

Use of Estimates:

The preparation of these financial statements in conformity with Canadian accounting standards for local governments requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements December 31, 2015

3. City of Toronto - Special Charges

Special charges levied by the City are collected from BIA members 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:

	<u>2015</u>	<u>2014</u>
Total special charges outstanding	\$ 7,760	\$ 9,814
Less: allowance for uncollected special charges	<u>(1,400)</u>	<u>(1,900)</u>
Accounts receivable - City of Toronto (special charges)	<u>6,360</u>	<u>7,914</u>

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

	<u>2015</u>	<u>2014</u>
Special charges written-off	\$ 1,683	\$ 845
Changes in allowance for uncollected special charges	<u>(500)</u>	<u>1,000</u>
	<u>1,183</u>	<u>1,845</u>

4. Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	Net	
	\$	\$	<u>2015</u>	<u>2014</u>
			\$	\$
Computer equipment	1,070	955	115	496
Lights	104,207	84,036	20,171	4,231
Fountain	20,510	20,510	-	-
Banners	<u>6,768</u>	<u>6,768</u>	-	-
	<u>132,555</u>	<u>112,269</u>	<u>20,286</u>	<u>4,727</u>

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements December 31, 2015

5. Deferred Grant - Lighting

Grant received from the City of Toronto for multiple constructions from year to year is being deferred and amortized on the same basis of the capital projects.

	<u>2015</u>	2014
	\$	\$
Balance, beginning of year	2,116	-
Add : Addition during the year	9,378	2,351
Less: amortization during the year	<u>(1,408)</u>	<u>(235)</u>
Balance at year end	<u>10,086</u>	<u>2,116</u>

6. 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.

7. Budget

Budget figures are provided for comparative purpose only and have not been audited. Accordingly, we do not express any opinion on the budget figures.