

TRINITY BELLWOODS BIA
Financial Statements
Year Ended December 31, 2015

**TRINITY BELLWOODS BIA
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Year Ended December 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Trinity Bellwoods BIA

We have audited the accompanying financial statements of Trinity Bellwoods BIA, which comprise the statement of financial position as at December 31, 2015 and the statements of revenues and expenditures, 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 generally accepted accounting principles, 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 Trinity Bellwoods BIA as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Robert Gore & Associates

Toronto, Ontario
May 25, 2016

CHARTERED ACCOUNTANTS
Licensed Public Accountants

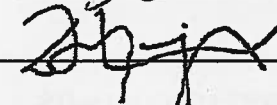
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TRINITY BELLWOODS BIA
Statement of Financial Position
December 31, 2015

	2015	2014
FINANCIAL ASSETS		
CURRENT		
Cash	\$ 79,309	\$ 59,397
Accounts receivable - City of Toronto (Note 4)	1,701	2,350
Recoverable HST	11,243	9,846
	\$ 92,253	\$ 71,593
 LIABILITIES		
CURRENT		
Accounts payable - City of Toronto	\$ 1,782	\$ 1,093
Accrued liabilities	1,500	1,500
	3,282	2,593
 NET FINANCIAL ASSETS	 88,971	 69,000
 NON FINANCIAL ASSETS		
Tangible capital assets (note 3)	7,153	33,500
 ACCUMULATED SURPLUS	 \$ 96,124	 \$ 102,500

ON BEHALF OF THE BOARD

 _____ Director

 _____ Director

See notes to the financial statements

Robert Gore & Associates
Chartered Accountants

TRINITY BELLWOODS BIA
Statement of Revenues and Expenditures
Year Ended December 31, 2015

	Budget 2015	2015	2014
REVENUE			
City of Toronto - special charges	\$ 51,603	\$ 52,301	\$ 49,929
Interest and other	200	1,397	4,440
	<u>51,803</u>	<u>53,698</u>	<u>54,369</u>
EXPENSES			
Capital / Amortization	40,000	28,128	27,772
Administration	9,193	8,099	6,796
Promotion and advertising	27,590	20,608	31,198
Maintenance	1,600	-	-
Provision for uncollected special charges (Note 5)	4,691	3,239	3,115
	<u>83,074</u>	<u>60,074</u>	<u>68,881</u>
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (31,271)	\$ (6,376)	\$ (14,512)

See notes to financial statements

TRINITY BELLWOODS BIA
Statement of Changes In Accumulated Surplus
Year Ended December 31, 2015

	<u>2014</u> <u>Balance</u>	<u>Deficiency of</u> <u>revenue over</u> <u>expenses</u>	<u>2015</u> <u>Balance</u>
surplus	\$ 102,500	\$ (6,376)	\$ 96,124

See notes to financial statements

TRINITY BELLWOODS BIA
Statement of Cash Flows
Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (6,376)	\$ (14,512)
Item not affecting cash:		
Amortization of property, plant and equipment	<u>28,128</u>	<u>27,772</u>
	<u>21,752</u>	<u>13,260</u>
Changes in non-cash working capital:		
Accounts Receivable- City of Toronto	649	359
Recoverable HST	(1,397)	(4,440)
Accounts payable- City of Toronto	<u>689</u>	<u>(3,419)</u>
	<u>(59)</u>	<u>(7,500)</u>
Cash flow from operating activities	<u>21,693</u>	<u>5,760</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment	<u>(1,781)</u>	<u>(6,345)</u>
INCREASE (DECREASE) IN CASH FLOW	19,912	(585)
Cash - beginning of year	<u>59,397</u>	<u>59,982</u>
CASH - END OF YEAR	\$ 79,309	\$ 59,397

See notes to financial statements

TRINITY BELLWOODS BIA
Notes to Financial Statements
Year Ended December 31, 2015

1. ESTABLISHMENT AND OPERATIONS

The Trinity Bellwoods 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 the 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are the representation of management and have been prepared in accordance with generally accepted accounting principals for local governments as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA), the most significant of which are as follows:

Measurement uncertainty

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the organization's best information and judgment. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of property, plant and equipment and goodwill;
- the estimated useful lives of assets;
- the recoverability of tangible assets;

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization. Property and equipment is amortized over its estimated useful life on a straight-line basis at the following rates and methods:

Banners	3 years	straight-line method
Street signage	5 years	straight-line method
Lights	5 years	straight-line method

The organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

(continues)

TRINITY BELLWOODS BIA
Notes to Financial Statements
Year Ended December 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Trinity Bellwoods BIA recognizes revenue on an accrual basis from the following sources.

City of Toronto Special Charges.

These charges are levied to business properties within the BIA on a calendar year basis through the property tax system. The city remits the collected funds to the BIA as well as administering the collection of any unpaid levies. The BIA accounts for the total amount of the levy determined by the City. A general allowance for appeals and reassessments is booked as a provision against the total levies, and any uncollectable levies, as determined by the City of Toronto, are written off to bad debts in the year the City identifies them as uncollectable.

City of Toronto Section 37 Funds.

When an area is identified as requiring assistance over and above the special levy the City provisions funds to meet an identified need. During the year the BIA received such funds to acquire banners and street signage.

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Lights	\$ 140,640	\$ 133,487	\$ 7,153	\$ 33,500

4. 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 (payable) net of an allowance for uncollected amounts. The special charges payable to the City of Toronto are comprised of:

	2015	2014
Total special charges outstanding	\$ 6,101	\$ 5,650
Less: allowance for uncollected special charges	(4,400)	(3,300)
Special charges receivable (payable)	<u>\$ 1,701</u>	<u>\$ 2,350</u>

Accounts payable consist of capital spending reimbursements due to the City of Toronto.

TRINITY BELLWOODS BIA
Notes to Financial Statements
Year Ended December 31, 2015

5. PROVISION FOR UNCOLLECTED SPECIAL CHARGES

The provision for uncollected levies reported on the Statement of Revenue and Expenditures is comprised of:

	<u>2015</u>	<u>2014</u>
Special Charges written-off	\$ 2,139	\$ 3,815
Change in provision for uncollected levies	<u>1,100</u>	<u>(700)</u>
	<u>\$ 3,239</u>	<u>\$ 3,115</u>

6. FINANCIAL INSTRUMENTS

Fair value

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. 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 incident has been obtained by the Board through the City of Toronto.

8. BUDGET

Budget Figures are for comparative purposes only and have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.

9. COMMITMENTS

The BIA is committed to spend \$14,321 on streetscape work in the 2015 fiscal year.