

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2016**

CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2016

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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 Crossroads of the Danforth Business Improvement Area

I have audited the accompanying financial statements of Crossroads of the Danforth Business Improvement Area, which comprise the statement of financial position as at December 31, 2016 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 Crossroads of the Danforth Business Improvement Area as at December 31, 2016 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).

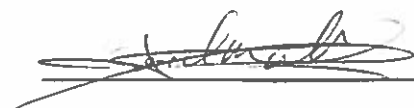
Toronto, Ontario
March 13, 2017


Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016**

	2016 \$	2015 \$
FINANCIAL ASSETS		
Cash	89,222	73,946
Accounts receivable		
City of Toronto – special charges (Note 3)	10,177	1,934
Other	28,138	25,646
	<u>127,537</u>	<u>101,526</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	1,272	-
Other	2,712	15,780
	<u>3,984</u>	<u>15,780</u>
NET FINANCIAL ASSETS	123,553	85,746
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	816	4,003
ACCUMULATED SURPLUS	<u>124,369</u>	<u>89,749</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016 \$ Budget (Note 8)	2016 \$ Actual	2015 \$ Actual
REVENUE			
City of Toronto – special charges	169,766	170,183	164,752
Sponsorships, contributions and other	26,500	12,547	24,903
Grants	-	5,000	18,000
	<u>196,266</u>	<u>187,730</u>	<u>207,655</u>
EXPENSES			
Administration	40,825	48,335	41,052
Promotion and advertising	76,700	67,703	102,255
Maintenance	26,500	22,907	25,622
Capital	40,000	6,564	-
Amortization	-	3,187	3,437
Provision for uncollected special charges (Note 3)	12,241	4,414	5,006
	<u>196,266</u>	<u>153,110</u>	<u>177,372</u>
SURPLUS FOR THE YEAR	-	34,620	30,283
ACCUMULATED SURPLUS, BEGINNING OF YEAR	89,749	89,749	59,466
ACCUMULATED SURPLUS, END OF YEAR	<u>89,749</u>	<u>124,369</u>	<u>89,749</u>

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
	\$	\$
Surplus for the year	34,620	30,283
Acquisition of tangible capital assets	-	(376)
Amortization of tangible capital assets	3,187	3,437
	37,807	33,344
Balance - Beginning of year	85,746	52,402
Balance - End of year	<u>123,553</u>	<u>85,746</u>

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016	2015
	\$	\$
Cash flows from operating activities		
Surplus for the year	34,620	30,283
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	3,187	3,437
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(8,243)	1,160
Accounts receivable – other	(2,492)	(8,886)
Accounts payable - City of Toronto	1,272	-
Accounts payable – other	(13,068)	5,154
Cash Provided By Operations	15,276	31,148
Investing activities		
Purchase of tangible capital assets	-	(376)
Cash, Beginning Of Year	73,946	43,174
Cash, End Of Year	89,222	73,946

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. ESTABLISHMENT AND OPERATIONS

The Crossroads of the Danforth 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:

Furniture & Equipment	5 years
Street Signs	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
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2016**

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:

	2016 \$	2015 \$
Total special charges outstanding	10,177	1,934
Less: allowance for uncollected special charges	-	-
Special charges receivable	<u>10,177</u>	<u>1,934</u>

The provision for uncollected levies reported on the Statement of operations and accumulated surplus comprises:

	2016 \$	2015 \$
Special charges written-off	4,414	6,406
Change in allowance for uncollected special charges	-	(1,400)
	<u>4,414</u>	<u>5,006</u>

THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2016

4. CAPITAL ASSETS

	2016			
	Banners	Planters	Equipment	Total
Cost				
Beginning	9,491	33,601	1,730	44,822
Additions	-	-	-	-
Disposals	-	-	-	-
Ending	9,491	33,601	1,730	44,822
Accumulated Amortization				
Beginning	9,241	30,886	692	40,819
Amortization	125	2,715	347	3,187
Disposals	-	-	-	-
Ending	9,366	33,601	1,039	44,006
Net Book Value	125	-	691	816

	2015			
	Banners	Planters	Equipment	Total
Cost				
Beginning	9,115	33,601	1,730	44,446
Additions	376	-	-	376
Disposals	-	-	-	-
Ending	9,491	33,601	1,730	44,822
Accumulated Amortization				
Beginning	8,865	28,171	346	37,382
Amortization	376	2,715	346	3,437
Disposals	-	-	-	-
Ending	9,241	30,886	692	40,819
Net Book Value	250	2,715	1,038	4,003

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 financial instruments recognized in the statement of financial position consist of cash, accounts receivable, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

7. COMMITMENTS

The Board, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property for several years. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. The Board is committed to capital improvement projects of which the Board's share of \$128,516 (2015 - \$nil) was outstanding as at December 31, 2016.

8. BUDGET

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

