

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY
BUSINESS IMPROVEMENT AREA**

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

THE EGLINTON WAY BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2016

CONTENTS

	<u>Page</u>
Independent auditor's report	3
Financial statements	
Statement of financial position	4
Statement of operations and Accumulated Surplus	5
Statement of changes in net financial assets	6
Statement of cash flows	7
Notes to financial statements	8 – 11

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for The Eglinton Way Business Improvement Area

I have audited the accompanying financial statements of the The Eglinton Way 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 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 Eglinton Way 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).

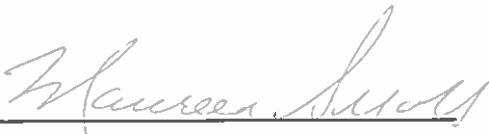
Toronto, Ontario
March 23, 2017


Chartered Professional Accountant
Licensed Public Accountant

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

	2016 \$	2015 \$
FINANCIAL ASSETS		
Cash	74,018	98,121
Short-term investments (Note 3)	206,080	204,914
Accounts receivable		
City of Toronto – special charges (Note 4)	26,412	36,741
Other	43,592	27,225
	<u>350,102</u>	<u>367,001</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	2,776	3,247
	<u>2,776</u>	<u>3,247</u>
NET FINANCIAL ASSETS	347,326	363,754
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	2,160	-
ACCUMULATED SURPLUS	<u>349,486</u>	<u>363,754</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY 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	310,271	310,483	310,271
Interest and Other	2,420	8,627	2,035
	<u>312,691</u>	<u>319,110</u>	<u>312,306</u>
EXPENSES			
Administration	141,580	130,926	105,003
Promotion and advertising	138,500	124,045	99,082
Maintenance	81,900	67,235	54,277
Amortization	-	1,080	7,812
Provision for (recovery of) uncollected levies (Note 4)	(449)	10,092	(1,861)
	<u>361,531</u>	<u>333,378</u>	<u>264,313</u>
SURPLUS (DEFICIT) FOR THE YEAR	(48,840)	(14,268)	47,993
OPERATING SURPLUS, BEGINNING OF YEAR	363,754	363,754	315,761
OPERATING SURPLUS, END OF YEAR	<u>314,914</u>	<u>349,486</u>	<u>363,754</u>

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

	2016	2015
	\$	\$
Surplus (deficit) for the year	(14,268)	47,993
Acquisition of tangible capital assets	(3,240)	-
Amortization of tangible capital assets	1,080	7,812
	(16,428)	55,805
Balance - Beginning of year	363,754	307,949
Balance - End of year	<u>347,326</u>	<u>363,754</u>

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

	2016	2015
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	(14,268)	47,993
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	1,080	7,812
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	10,329	(11,206)
Accounts receivable – other	(16,367)	(14,928)
Accounts payable – other	(471)	(20,950)
Cash Provided By (Used In) Operations	(19,697)	8,721
Investing activities		
Purchase of tangible capital assets	(3,240)	-
(Increase) decrease in short-term investments	(1,166)	(2,017)
Cash, Beginning Of Year	98,121	91,417
Cash, End Of Year	74,018	98,121

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

1. ESTABLISHMENT AND OPERATIONS

The Eglinton Way 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 generally accepted accounting principles 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.

Short-term Investments:

Short-term investments are highly liquid financial instruments with original maturities greater than three months but less than one year and are classified as "short-term" investments. BIA classifies short-term investments as current assets and reports them at their fair market value.

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:

Benches	5 years
Banner Poles	5 years
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 EGLINTON WAY 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. SHORT-TERM INVESTMENTS

Short-term investments consist of cashable guaranteed investment certificates with the TD Canada Trust Bank. These investments bear interest at the rate of ranging from 0.40% - 1.15% per annum and will be maturing in 2017.

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 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	44,012	59,241
Less: allowance for uncollected special charges	(17,600)	(22,500)
Special charges receivable	<u>26,412</u>	<u>36,741</u>

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

	2016	2015
	\$	\$
Special charges written-off	14,992	2,639
Changes in allowance for uncollected special charges	(4,900)	(4,500)
	<u>10,092</u>	<u>(1,861)</u>

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

5. TANGIBLE CAPITAL ASSETS

	2016			
	Banner Poles	Banner, Flags & Signs	Benches	Total
Cost				
Beginning	-	-	-	-
Additions	-	3,240	-	3,240
Disposals	-	-	-	-
Ending	-	3,240	-	3,240
Accumulated Amortization				
Beginning	-	-	-	-
Amortization	-	1,080	-	1,080
Disposals	-	-	-	-
Ending	-	1,080	-	1,080
Net Book Value	-	2,160	-	2,160

	2015			
	Banner Poles	Banner, Flags & Signs	Benches	Total
Cost				
Beginning	27,060	15,717	5,894	48,671
Additions	-	-	-	-
Disposals	-	-	-	-
Ending	27,060	15,717	5,894	48,671
Accumulated Amortization				
Beginning	21,648	13,317	5,894	40,859
Amortization	5,412	2,400	-	7,812
Disposals	-	-	-	-
Ending	27,060	13,317	5,894	48,671
Net Book Value	-	-	-	-

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

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. FINANCIAL INSTRUMENTS

The carrying values of the BIA's financial instruments approximate their values. The BIA is subject to an interest rate risk with respect to its investments; however, as these investments are short-term investments the risk is minimal.

8. BUDGET

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

10

11

12

13