

**THE BOARD OF MANAGEMENT FOR THE
WEST QUEEN WEST
BUSINESS IMPROVEMENT AREA**

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

WEST QUEEN WEST 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 West Queen West Business Improvement Area

I have audited the accompanying financial statements of West Queen West 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 West Queen West 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 14, 2017

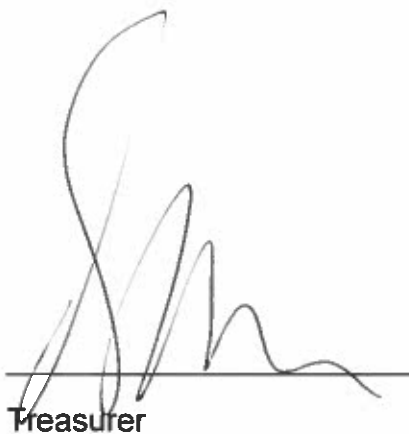

Chartered Professional Accountant
Licensed Public Accountant

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

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	66,486	44,656
Accounts receivable		
City of Toronto – special charges (Note 3)	29,717	22,456
Other	24,599	8,528
	<u>120,802</u>	<u>75,640</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	3,135	18,915
	<u>3,135</u>	<u>18,915</u>
NET FINANCIAL ASSETS	117,667	56,725
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	16,040	26,099
ACCUMULATED SURPLUS	<u>133,707</u>	<u>82,824</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR THE
WEST QUEEN WEST BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016 \$ Budget (Note 7)	2016 \$ Actual	2015 \$ Actual
REVENUE			
City of Toronto – special charges	308,303	308,640	284,797
Interest and other	10,000	194	5,477
	<u>318,303</u>	<u>308,834</u>	<u>290,274</u>
EXPENSES			
Administration	87,095	77,843	99,692
Promotion and advertising	38,900	50,470	36,386
Maintenance	135,000	109,694	90,226
Capital	40,000	-	
Amortization	-	14,559	32,256
Provision for (recovery of) uncollected special charges (Note 3)	12,308	5,385	(381)
	<u>313,303</u>	<u>257,951</u>	<u>258,179</u>
SURPLUS FOR THE YEAR	5,000	50,883	32,095
ACCUMULATED SURPLUS, BEGINNING OF YEAR	82,824	82,824	50,729
ACCUMULATED SURPLUS, END OF YEAR	<u>87,824</u>	<u>133,707</u>	<u>82,824</u>

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

	2016	2015
	\$	\$
Surplus for the year	50,883	32,095
Acquisition of tangible capital assets	(4,500)	(7,998)
Amortization of tangible capital assets	14,559	32,256
	60,942	56,353
Balance - Beginning of year	56,725	372
Balance - End of year	<u>117,667</u>	<u>56,725</u>

**THE BOARD OF MANAGEMENT FOR THE
WEST QUEEN WEST 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	50,883	32,095
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	14,559	32,256
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(7,261)	(8,615)
Accounts receivable – other	(16,071)	88,016
Accounts payable – other	(15,780)	(91,098)
Cash Provided By Operations	26,330	52,654
Investing activities		
Purchase of tangible capital assets	(4,500)	(7,998)
Cash Beginning Of Year	44,656	-
Cash End Of Year	66,486	44,656

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

1. ESTABLISHMENT AND OPERATIONS

The West Queen West 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
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
WEST QUEEN WEST 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	37,817	29,456
Less: allowance for uncollected special charges	(8,100)	(7,000)
Special charges receivable	<u>29,717</u>	<u>22,456</u>

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

	2016 \$	2015 \$
Special charges written-off	4,285	3,619
Change in provision for uncollectable levies	1,100	(4,000)
	<u>5,385</u>	<u>(381)</u>

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

4. CAPITAL ASSETS

	2016			
	Planters	Banners	Lights	Total
Cost				
Beginning	142,985	-	7,998	150,983
Additions	-	4,500	-	4,500
Disposals	-	-	-	-
Ending	142,985	4,500	7,998	155,483
Accumulated Amortization				
Beginning	123,285	-	1,599	124,884
Amortization	11,460	1,500	1,599	14,559
Disposals	-	-	-	-
Ending	134,745	1,500	3,198	139,443
Net Book Value	8,240	3,000	4,800	16,040

	2015			
	Planters	Banners	Lights	Total
Cost				
Beginning	142,985	-	-	142,985
Additions	-	-	7,998	7,998
Disposals	-	-	-	-
Ending	142,985	-	7,998	150,983
Accumulated Amortization				
Beginning	92,628	-	-	92,628
Amortization	30,657	-	1,599	32,256
Disposals	-	-	-	-
Ending	123,285	-	1,599	124,884
Net Book Value	19,700	-	6,399	26,099

**THE BOARD OF MANAGEMENT FOR THE
WEST QUEEN WEST 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 and short-term investments, 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. BUDGET

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