

**THE BOARD OF MANAGEMENT FOR THE
WILSON VILLAGE
BUSINESS IMPROVEMENT AREA**

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

WILSON VILLAGE 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 Wilson Village Business Improvement Area

I have audited the accompanying financial statements of Wilson Village 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 Wilson Village 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 21, 2017


Chartered Professional Accountant
Licensed Public Accountant

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

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	414,308	313,689
Accounts receivable		
City of Toronto – special charges (Note 3)	14,615	6,053
Other	19,279	7,544
	<u>448,202</u>	<u>327,286</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	12,501	12,374
Other	20,996	3,943
	<u>33,497</u>	<u>16,317</u>
NET FINANCIAL ASSETS	414,705	310,969
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	17,019	20,493
ACCUMULATED SURPLUS	<u>431,724</u>	<u>331,462</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
WILSON VILLAGE 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	275,169	275,472	274,613
Interest, fund raising and other	-	-	9
	<u>275,169</u>	<u>275,472</u>	<u>274,622</u>
EXPENSES			
Administration	73,288	56,973	55,363
Promotion and advertising	37,500	1,649	3,237
Maintenance	102,200	86,690	44,578
Capital (Note 7)	85,000	7,702	-
Amortization	-	8,274	7,314
Provision for uncollected special charges (Note 3)	22,181	13,922	19,568
	<u>320,169</u>	<u>175,210</u>	<u>130,060</u>
SURPLUS (DEFICIT) FOR THE YEAR	(45,000)	100,262	144,562
ACCUMULATED SURPLUS, BEGINNING OF YEAR	331,462	331,462	186,900
ACCUMULATED SURPLUS, END OF YEAR	<u>286,462</u>	<u>431,724</u>	<u>331,462</u>

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

	2016	2015
	\$	\$
Surplus for the year	100,262	144,562
Acquisition of tangible capital assets	(4,800)	(17,490)
Amortization of tangible capital assets	8,274	7,314
	103,736	134,386
Balance - Beginning of year	310,969	176,583
Balance - End of year	<u>414,705</u>	<u>310,969</u>

**THE BOARD OF MANAGEMENT FOR THE
WILSON VILLAGE 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	100,262	144,562
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	8,274	7,314
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(8,562)	(6,053)
Accounts receivable – other	(11,735)	(3,920)
Accounts payable – City of Toronto	127	(3,106)
Accounts payable – other	17,053	(3,496)
Cash Provided By Operations	105,419	135,301
Investing activities		
Purchase of tangible capital assets	(4,800)	(17,490)
Cash, Beginning Of Year	313,689	195,878
Cash, End Of Year	414,308	313,689

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

1. ESTABLISHMENT AND OPERATIONS

The Wilson Village 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:

Street & Christmas lights	5 years
Benches	5 years
Street Signs	5 years
Hanging Baskets	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
WILSON VILLAGE 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	76,915	57,353
Less: allowance for uncollected special charges	(62,300)	(51,300)
Special charges receivable	<u>14,615</u>	<u>6,053</u>

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

	2016	2015
	\$	\$
Special charges written-off	2,922	668
Change in provision for assessment appeals	11,000	18,900
	<u>13,922</u>	<u>19,568</u>

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

4. TANGIBLE CAPITAL ASSETS

2016					
	Lights	Banners	Signs	Hanging Baskets	Total
Cost					
Beginning	6,711	7,422	5,115	12,375	31,623
Additions	-	-	-	4,800	4,800
Disposals	-	-	-	-	-
Ending	6,711	7,422	5,115	17,175	36,423
Accumulated Amortization					
Beginning	2,684	4,948	1,023	2,475	11,130
Amortization	1,342	2,474	1,023	3,435	8,274
Disposals	-	-	-	-	-
Ending	4,026	7,422	2,046	5,910	19,404
Net Book Value	2,685	-	3,069	11,265	17,019
2015					
	Lights	Banners	Signs	Hanging Baskets	Total
Cost					
Beginning	6,711	7,422	-	-	14,133
Additions	-	-	5,115	12,375	17,490
Disposals	-	-	-	-	-
Ending	6,711	7,422	5,115	12,375	31,623
Accumulated Amortization					
Beginning	1,342	2,474	-	-	3,816
Amortization	1,342	2,474	1,023	2,475	7,314
Disposals	-	-	-	-	-
Ending	2,684	4,948	1,023	2,475	11,130
Net Book Value	4,027	2,474	4,092	9,900	20,493

**THE BOARD OF MANAGEMENT FOR THE
WILSON VILLAGE 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 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. CAPITAL EXPENSES

In order to finance major capital expenses the BIA annually budgets certain amounts and accumulates them as operating surplus. Once adequate funds have accumulated, the BIA undertakes cost-shared capital improvement projects with the City. For this reason the actual expenses in a given year could significantly differ from the amount budgeted for the year. Any excess actual capital expenses are financed out of the accumulated surplus.

8. BUDGET

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

9. 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 \$6,673 (2015 - \$13,888) was outstanding as at December 31, 2016.