

**THE BOARD OF MANAGEMENT FOR
YORK- EGLINTON
BUSINESS IMPROVEMENT AREA**

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

YORK- EGLINTON 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 York-Eglinton Business Improvement Area

I have audited the accompanying financial statements of York-Eglinton 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 York-Eglinton 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).

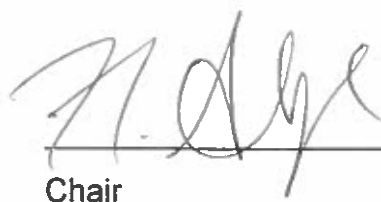
Toronto, Ontario
March 7, 2017

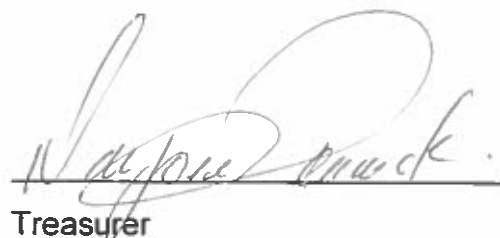

Chartered Professional Accountant
Licensed Public Accountant

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

	2016 \$	2015 \$
FINANCIAL ASSETS		
Cash	476,665	430,432
Accounts receivable		
City of Toronto – special charges (Note 3)	11,169	3,116
Other	17,019	16,352
	<u>504,853</u>	<u>449,900</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	3,873	6,823
	<u>3,873</u>	<u>6,823</u>
NET FINANCIAL ASSETS	500,980	443,077
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	4,720	7,080
ACCUMULATED SURPLUS	<u>505,700</u>	<u>450,157</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR
YORK- EGLINTON 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	257,492	258,839	215,447
Other	-	31,836	66,426
	<u>257,492</u>	<u>290,675</u>	<u>281,873</u>
EXPENSES			
Administration	129,427	98,741	64,565
Promotion and advertising	129,500	104,277	110,201
Maintenance	31,000	18,895	18,040
Amortization (Note 4)	-	2,360	2,360
Provision for uncollected levies (Note 3)	17,565	10,859	13,483
	<u>307,492</u>	<u>235,132</u>	<u>208,649</u>
SURPLUS (DEFICIT) FOR THE YEAR	(50,000)	55,543	73,224
OPERATING SURPLUS, BEGINNING OF YEAR	450,157	450,157	376,933
OPERATING SURPLUS, END OF YEAR	<u>400,157</u>	<u>505,700</u>	<u>450,157</u>

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

	2016	2015
	\$	\$
Surplus for the year	55,543	73,224
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	2,360	2,360
	57,903	75,584
Balance - Beginning of year	443,077	367,493
Balance - End of year	<u>500,980</u>	<u>443,077</u>

**THE BOARD OF MANAGEMENT FOR
YORK- EGLINTON 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	55,543	73,224
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	2,360	2,360
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(8,053)	446
Accounts receivable – other	(667)	2,385
Accounts payable – other	(2,950)	(15,529)
Cash Provided By Operations	46,233	62,886
Investing Activities		
Purchase of tangible capital assets	-	-
Cash, Beginning Of Year	430,432	367,546
Cash, End Of Year	476,665	430,432

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

1. ESTABLISHMENT AND OPERATIONS

York-Eglinton 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
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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
YORK- EGLINTON 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 (payable to) the City of Toronto are comprised of:

	2016	2015
	\$	\$
Total special charges outstanding	22,669	27,616
Less: allowance for uncollected special charges	(11,500)	(24,500)
Special charges receivable (payable)	<u>11,169</u>	<u>3,116</u>

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

	2016	2015
	\$	\$
Special charges written-off	23,859	5,983
Changes in allowance for uncollected special charges	(13,000)	7,500
	<u>10,859</u>	<u>13,483</u>

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

4. CAPITAL ASSETS

	2016	
	Lighting	Total
Cost		
Beginning	11,800	11,800
Additions	-	-
Disposals	-	-
Ending	11,800	11,800
Accumulated Amortization		
Beginning	4,720	4,720
Amortization	2,360	2,360
Disposals	-	-
Ending	7,080	7,080
Net Book Value	4,720	4,720
	2015	
	Lighting	Total
Cost		
Beginning	11,800	11,800
Additions	-	-
Disposals	-	-
Ending	11,800	11,800
Accumulated Amortization		
Beginning	2,360	2,360
Amortization	2,360	2,360
Disposals	-	-
Ending	4,720	4,720
Net Book Value	7,080	7,080

**THE BOARD OF MANAGEMENT FOR
YORK- EGLINTON 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 cash and short-term investments, accounts receivable, due from City of Toronto, accounts payable and accrued liabilities reflected in the statement of financial position approximate their respective fair value, due to the relatively short term nature of the instruments.

7. BUDGET

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

