

**THE BOARD OF MANAGEMENT FOR THE
GREEKTOWN ON THE DANFORTH
BUSINESS IMPROVEMENT AREA**

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

GREEKTOWN ON 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 Greektown on the Danforth Business Improvement Area

I have audited the accompanying financial statements of the Greektown on 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 Greektown 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).

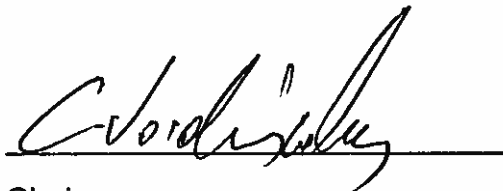
Toronto, Ontario
May 23, 2016


Chartered Professional Accountant
Licensed Public Accountant

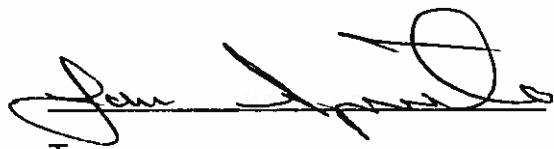
**THE BOARD OF MANAGEMENT FOR THE
GREEKTOWN ON THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016**

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	155,256	43,322
Short-term investment (Note 3)	600,341	821,118
Accounts receivable		
City of Toronto – special charges (Note 4)	52,062	35,587
Other	119,251	39,801
	<u>926,910</u>	<u>939,828</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	156,509
Other	187,922	109,729
	<u>187,922</u>	<u>266,238</u>
NET FINANCIAL ASSETS	738,988	673,590
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	87,804	160,086
ACCUMULATED SURPLUS	<u>826,792</u>	<u>833,676</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

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

	2016 \$ Budget (Note 9)	2016 \$ Actual	2015 \$ Actual
REVENUE			
City of Toronto – special charges	424,297	426,159	426,157
Grants and other revenue	80,000	123,503	13,308
Taste of the Danforth	695,000	694,210	738,345
	<u>1,199,297</u>	<u>1,243,872</u>	<u>1,177,810</u>
EXPENSES			
Administration	121,839	113,074	117,904
Promotion and advertising	950,000	925,545	880,666
Maintenance	172,500	119,846	118,553
Capital (Note 8)	50,000	3,561	-
Amortization	-	91,056	173,063
Provision for (recovery of) uncollected special charges (Note 4)	12,286	(2,326)	9,593
	<u>1,306,625</u>	<u>1,250,756</u>	<u>1,299,779</u>
SURPLUS (DEFICIT) FOR THE YEAR	(107,328)	(6,884)	(121,969)
OPERATING SURPLUS, BEGINNING OF YEAR	833,676	833,676	955,645
OPERATING SURPLUS, END OF YEAR	<u>726,348</u>	<u>826,792</u>	<u>833,676</u>

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

	2016	2015
	\$	\$
Deficit for the year	(6,884)	(121,969)
Acquisition of tangible capital assets	(18,774)	-
Amortization of tangible capital assets	91,056	173,063
	65,398	51,094
Balance - Beginning of year	673,590	622,496
Balance - End of year	<u>738,988</u>	<u>673,590</u>

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

	2016	2015
	\$	\$
Cash flows from operating activities		
Deficit for the year	(6,884)	(121,969)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	91,056	173,063
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(16,475)	13,253
Accounts receivable – other	(79,450)	44,933
Accounts payable – Other	(156,509)	(101,694)
Accounts payable – City of Toronto	78,193	(457)
Cash Provided By (Used In) Operations	(90,069)	7,129
Investing activities		
Purchase of tangible capital assets	(18,774)	-
(Increase) decrease in short-term investment	220,777	(113,895)
Cash, beginning of year	43,322	150,088
Cash, end of year	155,256	43,322

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

1. ESTABLISHMENT AND OPERATIONS

The Greektown on 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.

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:

Street lights	5 years	Planters	5 years
Pole Wraps	3 years	Alexander Parkette	3 years
Banner Poles	3 years	Furniture	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
GREEKTOWN ON 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. SHORT-TERM INVESTMENT

Short-term investment consists of a cashable guaranteed investment certificate with the TD Bank. This investment bears interest at the rate of 1.28% 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	60,062	54,087
Less: allowance for uncollected special charges	(8,000)	(18,500)
Special charges receivable	<u>52,062</u>	<u>35,587</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	8,174	12,593
Change in allowance for uncollected special charges	(10,500)	(3,000)
	<u>(2,326)</u>	<u>9,593</u>

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

5. CAPITAL ASSETS

	2016					
	Lights	Pole Wraps	Banner Poles	Planters	Alexander Parkette	Total
Cost						
Beginning	369,904	47,120	189,454	143,465	39,455	789,398
Additions	18,774	-	-	-	-	18,774
Disposals	-	-	-	-	-	-
Ending	388,678	47,120	189,454	143,465	39,455	808,172
Accumulated Amortization						
Beginning	369,904	39,304	112,665	80,381	27,058	629,312
Amortization	3,755	7,816	38,395	28,693	12,397	91,056
Disposals	-	-	-	-	-	-
Ending	373,659	47,120	151,060	109,074	39,455	720,368
Net Book Value	15,019	-	38,394	34,391	-	87,804

	2015					
	Lights	Pole Wraps	Banner Poles	Planters	Alexander Parkette	Total
Cost						
Beginning	369,904	47,120	189,454	143,465	39,455	789,398
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Ending	369,904	47,120	189,454	143,465	39,455	789,398
Accumulated Amortization						
Beginning	311,261	29,880	49,514	51,688	13,906	456,249
Amortization	58,643	9,424	63,151	28,693	13,152	173,063
Disposals	-	-	-	-	-	-
Ending	369,904	39,304	112,665	80,381	27,058	629,312
Net Book Value	-	7,816	76,789	63,084	12,397	160,086

**THE BOARD OF MANAGEMENT FOR THE
GREEKTOWN ON THE DANFORTH 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 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.

8. CAPITAL EXPENSES

In order to finance major capital expenses the BIA annually budgets certain amounts and accumulates them as 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.

9. BUDGET

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

