

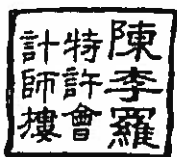
**OSSINGTON AVENUE BUSINESS  
IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

# **OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA**

**Financial Statements  
December 31, 2016**

## **CONTENTS**

	<b><u>Page</u></b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Accumulated Surplus	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 8



**C.C.L.** Chartered Professional Accountants  
Professional Corporation  
(Member of LAWCPA network)

Terence Chan MBA, CPA (ILL, US), CPA, CA  
Michele Chan MBA, CPA (ILL, US), CPA, CA  
Anne Law B.Comm, CPA, CA

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Board of Directors of OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA**, which comprise the statements of financial position as at **December 31, 2016** and the statements of operations, changes in accumulated surplus and cash flows for the period 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ossington Avenue Business Improvement Area as at December 31, 2016 and the results of its operations, changes in accumulated surplus and its cash flows for the period ended in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB).

A handwritten signature in dark ink, consisting of the letters 'C.C.I.' in a stylized, cursive font.

**Chartered Professional Accountants Professional Corporation**  
**Authorized to practice public accounting by the**  
**Chartered Professional Accountants of Ontario**

Toronto, Ontario  
September 29, 2017


# OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

## Statement of Financial Position December 31, 2016

	<u>2016</u> \$	<u>2015</u> \$
<b>Financial Assets</b>		
Cash and short-term investments	56,547	45,950
Accounts receivable		
- City of Toronto - special charges (note 3)	5,710	4,113
- Other	<u>4,433</u>	<u>438</u>
	<u>66,690</u>	<u>50,501</u>
<b>Liabilities</b>		
Accounts payable		
- Other	1,000	2,982
<b>Net Financial Assets</b>	<u>65,690</u>	<u>47,519</u>
<b>Accumulated Surplus</b>	<u>66,690</u>	<u>50,501</u>

Approved on behalf of the Board of Management

 , Chair

 , Treasurer

## OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

### Statement of Changes in Accumulated Surplus Period ended December 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>Accumulated Surplus</b>		
Balance, beginning of year	47,519	-
Excess for the year	<u>18,171</u>	<u>47,519</u>
<b>Balance, end of year</b>	<u><b>65,690</b></u>	<u><b>47,519</b></u>

## OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

### Statement of Operations

Period ended December 31, 2016

	<b>Budget</b>		
	<b><u>2016</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
City of Toronto - special charges	54,012	54,104	54,296
Sponsorship	<u>5,000</u>	<u>32,549</u>	<u>-</u>
	<b><u>59,012</u></b>	<b><u>86,653</u></b>	<b><u>54,296</u></b>
<b>Expenses</b>			
Advertising and promotion	13,475	783	3,460
Events	30,000	51,862	-
Insurance	727	994	310
Office and general	2,500	11,060	508
Professional fees	1,400	618	1,400
Streetscape	6,000	3,035	-
Provision for uncollected special charges	<u>4,910</u>	<u>130</u>	<u>1,099</u>
	<b><u>59,012</u></b>	<b><u>68,482</u></b>	<b><u>6,777</u></b>
<b>Excess for the year</b>	<b><u>-</u></b>	<b><u>18,171</u></b>	<b><u>47,519</u></b>

## OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Period ended December 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>Funds provided (used):</b>		
<b>Operating Activities</b>		
Excess for the period	18,171	47,519
Changes in other non-cash working capital components (1)	<u>(7,574)</u>	<u>(1,569)</u>
	<u>10,597</u>	<u>45,950</u>
<b>Net increase in cash</b>	<b>10,597</b>	<b>45,950</b>
Cash, beginning of year	<u>45,950</u>	<u>-</u>
<b>Cash, end of year</b>	<b><u>56,547</u></b>	<b><u>45,950</u></b>

(1) Changes in other non-cash working capital components represented by:

Accounts receivable - City of Toronto	(1,597)	(4,113)
Accounts receivable - Other	(3,995)	(438)
Accounts payable - Other	<u>(1,982)</u>	<u>2,982</u>
	<u>(7,574)</u>	<u>(1,569)</u>



# **OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA**

## **Notes to Financial Statements December 31, 2016**

### **1. Nature of the Organization**

Ossington Avenue Business Improvement Area is not-for-profit volunteer-based association dedicated to create a safe and competitive business area that attract shoppers and new businesses under the management and control of a Board of Management appointed by the 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 the Council under Section 220(17) of the Municipal Act.

### **2. Significant Accounting Policies**

The Organization follows Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB) which include the following policies:

#### **Revenue recognition:**

The Organization receives special charges from the City of Toronto, cash donations from corporate sponsors and private donors, as well as grants for operating purposes and capital projects. Revenue are being recorded upon signing of contract, and when collection can be reasonably ascertained.

#### **Financial instruments:**

Financial instruments are recorded at the approximated fair value. 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.

#### **Use of Estimates:**

The preparation of these financial statements in conformity with Canadian accounting standards for local governments requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

## OSSINGTON AVENUE BUSINESS IMPROVEMENT AREA

### Notes to Financial Statements

December 31, 2016

#### 3. City of Toronto - Special Charges

Special charges levied by the City are collected from BIA members 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:

	<u>2016</u>	<u>2015</u>
	\$	\$
Total special charges outstanding	6,410	4,913
Less: allowance for uncollected special charges	<u>(700)</u>	<u>(800)</u>
Accounts receivable - City of Toronto (special charges)	<u>5,710</u>	<u>4,113</u>

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

	<u>2016</u>	<u>2015</u>
	\$	\$
Special charges written-off	230	299
Changes in allowance for uncollected special charges	<u>(100)</u>	<u>800</u>
	<u>130</u>	<u>1,099</u>

#### 4. 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.