

**THE BOARD OF MANAGEMENT FOR THE
THE BEACH BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2017**

THE BEACH BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2017

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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 The Beach Business Improvement Area

I have audited the accompanying financial statements of The Beach Business Improvement Area, which comprise the statement of financial position as at December 31, 2017 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 The Beach Business Improvement Area as at December 31, 2017 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 13, 2018

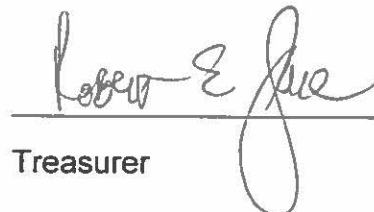

Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
THE BEACH BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	161,173	303,519
Accounts receivable		
City of Toronto – special charges (Note 3)	4,876	21,996
Other	-	17,673
	<u>166,049</u>	<u>343,188</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	4,986	159,950
Other	11,998	20,052
	<u>16,984</u>	<u>180,002</u>
NET FINANCIAL ASSETS	149,065	163,186
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	<u>113,853</u>	<u>138,189</u>
ACCUMULATED SURPLUS	<u>262,918</u>	<u>301,375</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR THE
THE BEACH BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 \$ Budget (Note 8)	2017 \$ Actual	2016 \$ Actual
REVENUE			
City of Toronto – special charges	235,927	236,148	236,655
Fund raising and other	12,000	16,160	14,033
	<u>247,927</u>	<u>252,308</u>	<u>250,688</u>
EXPENSES			
Administration	92,333	89,387	88,846
Promotion and advertising	96,750	77,637	90,111
Maintenance	52,926	67,826	47,977
Capital (Note 7)	200,000	-	-
Amortization	-	38,656	35,667
Provision for (recovery of) uncollected special charges (Note 3)	(82)	17,259	4,822
	<u>441,927</u>	<u>290,765</u>	<u>267,423</u>
DEFICIT FOR THE YEAR	(194,000)	(38,457)	(16,735)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	301,375	301,375	318,110
ACCUMULATED SURPLUS, END OF YEAR	107,375	262,918	301,375

THE BOARD OF MANAGEMENT FOR THE
THE BEACH BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 \$	2016 \$
Deficit for the year	(38,457)	(16,735)
Acquisition of tangible capital assets	(14,320)	(172,736)
Amortization of tangible capital assets	38,656	35,667
	(14,121)	(153,804)
Balance - Beginning of year	163,186	316,990
Balance - End of year	149,065	163,186

THE BOARD OF MANAGEMENT FOR THE
THE BEACH BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017 \$	2016 \$
Cash flows from operating transactions		
Deficit for the year	(38,457)	(16,735)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	38,656	35,667
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	17,120	7,344
Accounts receivable – other	17,673	(2,370)
Accounts payable – City of Toronto	(154,964)	159,950
Accounts payable – other	(8,054)	6,094
Cash Provided By Operations	(128,026)	189,950
Capital Transactions		
Purchase of tangible capital assets	(14,320)	(172,736)
Cash, Beginning Of Year	303,519	286,305
Cash, End Of Year	161,173	303,519

**THE BOARD OF MANAGEMENT FOR THE
THE BEACH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. ESTABLISHMENT AND OPERATIONS

The The Beach 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 Furniture	5 years
Kew Park	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
THE BEACH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2017**

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:

	2017 \$	2016 \$
Total special charges outstanding	18,776	30,896
Less: allowance for uncollected special charges	(13,900)	(8,900)
Special charges receivable	<u>4,876</u>	<u>21,996</u>

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

	2017 \$	2016 \$
Special charges written-off	12,259	1,922
Provision for losses on assessment appeals	5,000	2,900
	<u>17,259</u>	<u>4,822</u>

THE BOARD OF MANAGEMENT FOR THE
THE BEACH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2017

4. CAPITAL ASSETS

	2017			
	Kew Park	Street Furniture	Banners	Total
Cost				
Beginning	159,950	12,786	9,502	182,238
Additions	-	4,985	9,335	14,320
Disposals	-	-	-	-
Ending	159,950	17,771	18,837	196,558
Accumulated Amortization				
Beginning	31,990	2,557	9,502	44,049
Amortization	31,990	3,554	3,112	38,656
Disposals	-	-	-	-
Ending	63,980	6,111	12,614	82,705
Net Book Value	95,970	11,660	6,223	113,853

	2016			
	Kew Park	Street Furniture	Banners	Total
Cost				
Beginning	-	-	9,502	9,502
Additions	159,950	12,786	-	172,736
Disposals	-	-	-	-
Ending	159,950	12,786	9,502	182,238
Accumulated Amortization				
Beginning	-	-	8,382	8,382
Amortization	31,990	2,557	1,120	35,667
Disposals	-	-	-	-
Ending	31,990	2,557	9,502	44,049
Net Book Value	127,960	10,229	-	138,189

**THE BOARD OF MANAGEMENT FOR THE
THE BEACH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2017**

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, 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. 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.

8. BUDGET

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

