

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE
BUSINESS IMPROVEMENT AREA**

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

BLOOR YORKVILLE 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 Bloor Yorkville Business Improvement Area

I have audited the accompanying financial statements of Bloor Yorkville 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.

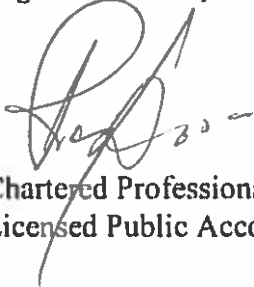
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Bloor Yorkville 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).

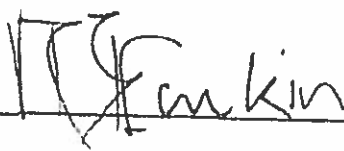
Toronto, Ontario
April 25, 2018


Chartered Professional Accountant
Licensed Public Accountant


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

	2017 \$	2016 \$
FINANCIAL ASSETS		
CURRENT		
Cash	105,293	185,985
Short-term investments (Note 3)	1,279,136	623,897
Accounts receivable		
City of Toronto (Note 4)	-	394,787
Other	114,592	71,467
Current portion of long-term receivable	-	94,644
	<u>1,499,021</u>	<u>1,370,780</u>
LONG-TERM RECEIVABLE		
Amount to be recovered in the future	-	777,425
	<u>1,499,021</u>	<u>2,148,205</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities		
City of Toronto (Note 4)	18,771	-
Other	62,431	23,338
Current portion of long-term loan payable	-	94,644
	<u>81,202</u>	<u>117,982</u>
LONG-TERM PAYABLE		
Loan payable (Note 5)	-	777,425
	<u>81,202</u>	<u>895,407</u>
NET FINANCIAL ASSETS	1,417,819	1,252,798
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 6)	75,228	111,457
ACCUMULATED SURPLUS	<u>1,493,047</u>	<u>1,364,255</u>

Approved on behalf of the Board of Management:



 Chair



 Treasurer

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 \$ Budget (Note 12)	2017 \$ Actual	2016 \$ Actual
REVENUE			
City of Toronto – special charges	3,421,619	3,434,139	3,020,049
Interest and Other	3,000	4,874	275
Festival and miscellaneous	40,000	62,393	61,372
	<u>3,464,619</u>	<u>3,501,406</u>	<u>3,081,696</u>
EXPENSES			
Administration	563,900	585,377	558,721
Communication and member relations	34,800	30,194	22,776
Design, improvements and maintenance Capital (Note 7)	1,308,000	1,093,937	1,083,402
Capital cost share loan (Note 5)	950,000	-	-
Capital contributions (Note 8)	130,000	300,337	129,527
Amortization	250,000	250,000	250,000
Promotion and marketing	-	36,229	83,312
Provision for (recovery of) uncollected special charges (Note 4)	675,450	607,520	560,850
	42,469	469,020	(63,927)
	<u>3,954,619</u>	<u>3,372,614</u>	<u>2,624,661</u>
SURPLUS (DEFICIT) FOR THE YEAR	(490,000)	128,792	457,035
ACCUMULATED SURPLUS, BEGINNING OF YEAR	907,220	1,364,255	907,220
ACCUMULATED SURPLUS, END OF YEAR	<u>592,134</u>	<u>1,493,047</u>	<u>1,364,255</u>

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Surplus for the year	128,792	457,035
Acquisition of tangible capital assets	-	(42,160)
Amortization of tangible capital assets	<u>36,229</u>	<u>83,312</u>
	165,021	498,187
Balance - Beginning of year	1,252,798	754,611
Balance - End of year	<u><u>1,417,819</u></u>	<u><u>1,252,798</u></u>

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

	2017 \$	2016 \$
Cash flows from operating transactions		
Surplus for the year	128,792	457,035
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	36,229	83,312
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	394,787	(264,186)
Accounts receivable – other	(43,125)	5,675
Accounts payable - City of Toronto	18,771	-
Accounts payable – other	39,093	(400,747)
Cash Provided By (Used In) Operations	<u>574,547</u>	<u>(118,911)</u>
Financing Activities		
Payment of loan (Note 5)	(872,069)	(91,004)
Capital contribution	872,069	91,004
	<u>-</u>	<u>-</u>
Investing Activities		
Purchase of tangible capital assets	-	(42,160)
(Increase) decrease in short-term investment	(655,239)	106
	<u>(655,239)</u>	<u>(42,054)</u>
Cash, Beginning Of Year	<u>185,985</u>	<u>346,950</u>
Cash, End Of Year	<u>105,293</u>	<u>185,985</u>

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

1. ESTABLISHMENT AND OPERATIONS

The Bloor Yorkville 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:

Benches	5 years	Street Furniture	5 years
Lighting	5 years	Office Furniture	5 years
Computers	3 years	Planters	5 years
Lampposts	5 years	Holiday Decorations	5 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
BLOOR YORKVILLE 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. SHORT-TERM INVESTMENTS

Short-term investments consist of cash in a Tangerine High Interest Savings account, cash in a BMO Nestbitt Burns Investment account and a cashable GIC maturing in 2018 with BMO Nestbitt Burns which bears interest at the rate of 0.85% per annum.

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 (payable to) the City of Toronto are comprised of:

	2017	2016
	\$	\$
Total special charges outstanding	729,629	875,887
Less: allowance for uncollected special charges	(748,400)	(481,100)
Special charges receivable (payable)	<u>(18,771)</u>	<u>394,787</u>

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

	2017	2016
	\$	\$
Special charges written-off	201,720	294,873
Change in provision for assessment appeals	267,300	(358,800)
	<u>469,020</u>	<u>(63,927)</u>

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

5. LOAN PAYABLE

During the year the remaining balance of the Loan outstanding was paid off from the Section 37 contribution amounting to \$500,000 and funds from the BIA amounting to \$300,337 with interest savings amounting to \$71,732 due to early payment.

6. TANGIBLE CAPITAL ASSETS

2017

	Benches	Holiday Décor	Lighting	Office Furniture	Computers	Lamp- posts	Total
Cost							
Beginning	55,616	71,855	-	18,269	23,259	115,170	284,169
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Ending	55,616	71,855	-	18,269	23,259	115,170	284,169
Accumulated Amortization							
Beginning	48,344	22,653	-	16,138	21,509	64,068	172,712
Amortization	1,818	14,371	-	2,131	875	17,034	36,229
Disposals	-	-	-	-	-	-	-
Ending	50,162	37,024	-	18,269	22,384	81,102	208,941
Net Book Value	5,454	34,831	-	-	875	34,068	75,228

2016

	Benches	Holiday Décor	Lighting	Office Furniture	Computers	Lamp- posts	Total
Cost							
Beginning	46,526	41,410	447,005	18,269	20,634	115,170	689,014
Additions	9,090	30,445	-	-	2,625	-	42,160
Disposals	-	-	-	-	-	-	-
Ending	55,616	71,855	447,005	18,269	23,259	115,170	731,174
Accumulated Amortization							
Beginning	46,526	8,282	400,336	13,593	20,634	47,034	536,405
Amortization	1,818	14,371	46,669	2,545	875	17,034	83,312
Disposals	-	-	-	-	-	-	-
Ending	48,344	22,653	447,005	16,138	21,509	64,068	619,717
Net Book Value	7,272	49,202	-	2,131	1,750	51,102	111,457

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

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. CAPITAL CONTRIBUTION

BIA agreed to contribute \$250,000 annually, commencing 2007 and ending in 2026 to a maximum of \$5,000,000, to the Bloor Street Transformation Project.

9. 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.

10. COMMITMENTS

The Board is committed to minimum annual operating payments for office space and equipment as follows:

	\$
2018	105,588
2019	5,216
2020	2,608
	<u>113,412</u>

11. 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.

12. BUDGET

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