

**THE BOARD OF MANAGEMENT FOR THE
LONG BRANCH
BUSINESS IMPROVEMENT AREA**

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

LONG BRANCH 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 Long branch Business Improvement Area

I have audited the accompanying financial statements of Long branch 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.

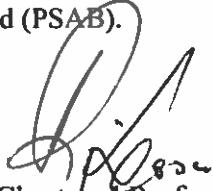
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Long Branch 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
May 2, 2018


Chartered Professional Accountant
Licensed Public Accountant

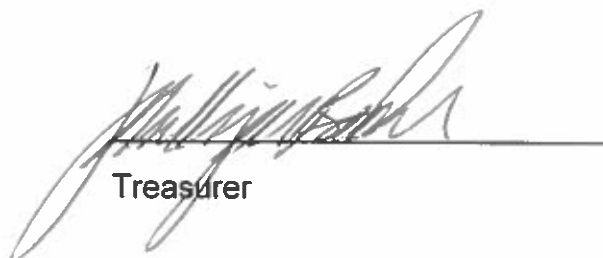
**THE BOARD OF MANAGEMENT FOR THE
LONG BRANCH BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

	2017 \$	2016 \$
FINANCIAL ASSETS		
Cash	26,129	19,636
Short-term investments (Note 3)	135,033	129,872
Accounts receivable		
City of Toronto – special charges (Note 4)	4,186	9,308
Other	10,989	5,046
	176,337	163,862
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto – Other	18,444	-
Other	12,980	4,650
	31,424	4,650
NET FINANCIAL ASSETS	144,913	159,212
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	15,556	2,307
ACCUMULATED SURPLUS	160,469	161,519

Approved on behalf of the Board of Management:



Chair



Treasurer

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

	2017 \$ Budget (Note 9)	2017 \$ Actual	2016 \$ Actual
REVENUE			
City of Toronto – special charges	75,127	75,127	63,912
Interest and other	-	5,221	9,227
	<u>75,127</u>	<u>80,348</u>	<u>73,139</u>
EXPENSES			
Administration	15,625	8,843	13,068
Promotion and advertising	27,927	20,759	18,984
Maintenance	58,000	43,904	34,973
Capital (Note 8)	10,000	-	-
Amortization	-	5,195	3,276
Provision for (recovery of) uncollected special charges (Note 4)	(2,425)	2,697	4,442
	<u>109,127</u>	<u>81,398</u>	<u>74,743</u>
(DEFICIT) FOR THE YEAR	(34,000)	(1,050)	(1,604)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	161,519	161,519	163,123
ACCUMULATED SURPLUS, END OF YEAR	127,519	160,469	161,519

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

	<u>2017</u> \$	<u>2016</u> \$
(Deficit) for the year	(1,050)	(1,604)
Acquisition of tangible capital assets	(18,444)	-
Amortization of tangible capital assets	<u>5,195</u>	<u>3,276</u>
	(14,299)	1,672
Balance - Beginning of year	159,212	157,540
Balance - End of year	<u><u>144,913</u></u>	<u><u>159,212</u></u>

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

	2017	2016
	\$	\$
Cash flows from operating activities		
(Deficit) for the year	(1,050)	(1,604)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	5,195	3,276
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	5,122	911
Accounts receivable – other	(5,943)	8,845
Accounts payable – City of Toronto	18,444	-
Accounts payable – other	8,330	(1,085)
	<hr/>	<hr/>
Cash Provided By Operations	30,098	10,343
Investing Activities		
Purchase of tangible capital assets	(18,444)	-
(Increase) decrease in short-term investments	(5,161)	1,119
Cash, Beginning Of Year	<hr/> 19,636	<hr/> 8,174
Cash, End Of Year	<hr/> <hr/> 26,129	<hr/> <hr/> 19,636

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

1. ESTABLISHMENT AND OPERATIONS

The Long branch 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:

Lights	5 years
Planters	5 years
Banner Pole	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
LONG BRANCH 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 and common shares invested with TD Direct Investing. These investments are cashable on demand and are recorded at fair market value.

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:

	2017	2016
	\$	\$
Total special charges outstanding	9,686	13,308
Less: allowance for uncollected special charges	(5,500)	(4,000)
Special charges receivable	<u>4,186</u>	<u>9,308</u>

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

	2017	2016
	\$	\$
Special charges written-off	1,197	3,442
Provision for losses on assessment appeals	1,500	1,000
	<u>2,697</u>	<u>4,442</u>

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

5. CAPITAL ASSETS

	2017			
	Banner Poles	Planters	Lights	Total
Cost				
Beginning	2,000	-	25,335	27,335
Additions	5,810	12,634	-	18,444
Disposals	-	-	-	-
Ending	7,810	12,634	25,335	45,779
Accumulated Amortization				
Beginning	800	-	24,228	25,028
Amortization	1,562	2,526	1,107	5,195
Disposals	-	-	-	-
Ending	2,362	2,526	25,335	30,223
Net Book Value	5,448	10,108	-	15,556

	2016			
	Banner Poles	Planters	Lights	Total
Cost				
Beginning	2,000	-	25,335	27,335
Additions	-	-	-	-
Disposals	-	-	-	-
Ending	2,000	-	25,335	27,335
Accumulated Amortization				
Beginning	400	-	21,352	21,752
Amortization	400	-	2,876	3,276
Disposals	-	-	-	-
Ending	800	-	24,228	25,028
Net Book Value	1,200	-	1,107	2,307

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

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 financial instruments recognized in the statement of financial position consist of cash and short-term investments, 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.

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.

10. COMMITMENTS

The Board, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property for several years. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. The Board is committed to capital improvement projects of which the Board's share of \$12,500 (2016 - \$nil) was outstanding as at December 31, 2017.

