

**THE BOARD OF MANAGEMENT FOR THE
WYCHWOOD HEIGHTS
BUSINESS IMPROVEMENT AREA**

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

WYCHWOOD HEIGHTS BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2017

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RAFIQ DOSANI, B.Comm. CPA, CA.
CHARTERED PROFESSIONAL ACCOUNTANT

90 Risebrough Avenue
Toronto, Ontario M2M 2E3
Telephone: (416) 221 - 4095
Fax: (416) 221 - 4160

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Wychwood Heights Business Improvement Area

I have audited the accompanying financial statements of Wychwood Heights 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.

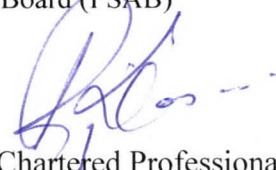
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

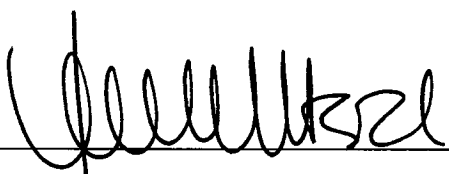
Toronto, Ontario
August 23, 2018



Chartered Professional Accountant
Licensed Public Accountant

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

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	60,724	13,611
Short-term investments (Note 3)	205,708	204,858
Accounts receivable		
City of Toronto – special charges (Note 4)	2,758	1,171
Other	6,451	8,440
	<u>275,641</u>	<u>228,080</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	33,354	33,354
Other	1,850	3,294
	<u>35,204</u>	<u>36,648</u>
NET FINANCIAL ASSETS	240,437	191,432
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	6,299	7,616
ACCUMULATED SURPLUS	<u>246,736</u>	<u>199,048</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR THE
WYCHWOOD HEIGHTS 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	77,074	77,074	75,404
Interest and other	-	1,849	480
	<u>77,074</u>	<u>78,923</u>	<u>75,884</u>
EXPENSES			
Administration	30,733	6,710	9,306
Promotion and advertising	27,000	1,213	11,881
Maintenance	39,750	14,852	27,866
Capital (Note 8)	100,000	-	9,639
Amortization	-	4,506	7,140
Provision for uncollected special charges (Note 4)	5,541	3,954	5,455
	<u>203,024</u>	<u>31,235</u>	<u>71,287</u>
SURPLUS (DEFICIT) FOR THE YEAR	(125,950)	47,688	4,597
ACCUMULATED SURPLUS, BEGINNING OF YEAR	199,048	199,048	194,451
ACCUMULATED SURPLUS, END OF YEAR	<u>73,098</u>	<u>246,736</u>	<u>199,048</u>

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

	2017	2016
	\$	\$
Surplus for the year	47,688	4,597
Acquisition of tangible capital assets	(3,189)	-
Amortization of tangible capital assets	4,506	7,140
	49,005	11,737
Balance - Beginning of year	191,432	179,695
Balance - End of year	<u>240,437</u>	<u>191,432</u>

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

	2017	2016
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	47,688	4,597
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	4,506	7,140
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(1,587)	2,928
Accounts receivable – other	1,989	(4,064)
Accounts payable - City of Toronto	-	9,639
Accounts payable – other	(1,444)	1,969
Cash Provided By (Used In) Operations	51,152	22,209
Investing Activities		
Purchase of tangible capital assets	(3,189)	-
(Increase) decrease in Short-term Investments	(850)	(150,430)
Cash, Beginning Of Year	13,611	141,832
Cash, End Of Year	60,724	13,611

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

1. ESTABLISHMENT AND OPERATIONS

The Wychwood Heights 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 & Christmas lights	5 years
Planters	5 years
Flags & 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.

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 report them at their fair market value.

**THE BOARD OF MANAGEMENT FOR THE
WYCHWOOD HEIGHTS 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 cashable guaranteed investment certificates with the TD Bank. These investments bear interest at the rate of ranging from 0.80% - 1.67% per annum and will be maturing in 2018.

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	31,958	26,271
Less: allowance for uncollected special charges	(29,200)	(25,100)
Special charges receivable	<u>2,758</u>	<u>1,171</u>

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

	2017	2016
	\$	\$
Special charges written-off (recovered)	(146)	4,255
Change in provision for losses on assessment appeals	4,100	1,200
	<u>3,954</u>	<u>5,455</u>

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

5. CAPITAL ASSETS

	2017			
	Lights	Banners	Planters	Total
Cost				
Beginning	79,619	-	-	79,618
Additions	-	-	3,189	3,189
Disposals	-	-	-	-
Ending	79,619	-	3,189	82,807
Accumulated Amortization				
Beginning	72,002	-	-	72,002
Amortization	3,869	-	637	4,506
Disposals	-	-	-	-
Ending	75,871	-	637	76,508
Net Book Value	3,747	-	2,552	6,299

	2016			
	Lights	Banners	Planters	Total
Cost				
Beginning	79,618	6,681	13,603	99,902
Additions	-	-	-	-
Disposals	-	-	-	-
Ending	79,618	6,681	13,603	99,902
Accumulated Amortization				
Beginning	68,133	5,801	11,212	85,146
Amortization	3,869	880	2,391	7,140
Disposals	-	-	-	-
Ending	72,002	6,681	13,603	92,286
Net Book Value	7,616	-	-	7,616

**THE BOARD OF MANAGEMENT FOR THE
WYCHWOOD HEIGHTS 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 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.