

**THE BOARD OF MANAGEMENT FOR THE
YORK- EGLINTON
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2021**

YORK- EGLINTON BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2021

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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 YORK- EGLINTON Business Improvement Area

Opinion

I have audited the financial statements of YORK- EGLINTON Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2021, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2021 and its financial performance and its 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).

Basis for Opinion

I conducted my audit in accordance with Canadian auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the BIA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the BIA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BIA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the BIA's financial reporting process.

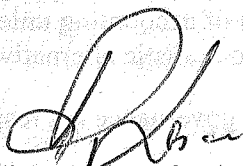
Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BIA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the BIA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

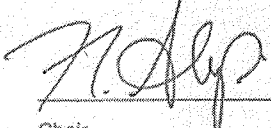
Toronto, Ontario
January 31, 2023


Chartered Professional Accountant
Licensed Public Accountant


THE BOARD OF MANAGEMENT FOR THE
 YORK-EGLINTON BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
CURRENT		
Cash	807,025	869,166
Short-term investment (Note 3)	4,022	-
Accounts receivable		
City of Toronto (Note 4)	8,833	2,741
Other	65,926	54,004
	<u>885,806</u>	<u>925,911</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities		
City of Toronto	-	19,354
Other	4,937	2,650
	<u>4,937</u>	<u>22,004</u>
NET FINANCIAL ASSETS	880,869	903,907
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	15,438	15,484
ACCUMULATED SURPLUS	<u>896,307</u>	<u>919,391</u>

Approved on behalf of the Board of Management:



 Chair



 Treasurer

THE BOARD OF MANAGEMENT FOR THE
 YORK- EGLINTON BUSINESS IMPROVEMENT AREA
 STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 \$ Budget (Note 8)	2021 \$ Actual	2020 \$ Actual
REVENUE			
City of Toronto – special charges	117,092	117,091	237,536
Grants and other revenue	50,637	36,417	59,109
	<u>167,729</u>	<u>153,508</u>	<u>296,645</u>
EXPENSES			
Administration	173,572	104,965	115,628
Promotion and Marketing	57,000	36,369	9,997
Maintenance	60,000	29,862	5,622
Capital (Note 6)	85,000	-	407
Amortization	-	4,826	5,148
Provision for (recovery of) uncollected special charges (Note 4)	6,657	570	1,536
	<u>382,229</u>	<u>176,592</u>	<u>138,338</u>
SURPLUS (DEFICIT) FOR THE YEAR	(214,500)	(23,084)	158,307
ACCUMULATED SURPLUS, BEGINNING OF YEAR	919,391	919,391	761,084
ACCUMULATED SURPLUS, END OF YEAR	<u>704,891</u>	<u>896,307</u>	<u>919,391</u>

**THE BOARD OF MANAGEMENT FOR THE
YORK- EGLINTON BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u> \$	<u>2020</u> \$
Surplus (deficit) for the year	(23,084)	158,307
Acquisition of tangible capital assets	(4,780)	(19,354)
Amortization of tangible capital assets	4,826	5,148
	(23,038)	144,101
Balance - Beginning of year	903,907	759,806
Balance - End of year	<u>880,869</u>	<u>903,907</u>

THE BOARD OF MANAGEMENT FOR THE
YORK- EGLINTON BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 \$	2020 \$
Cash flows from operating transactions		
Surplus (deficit) for the year	(23,084)	158,307
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	4,826	5,148
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	(6,092)	(2,741)
Accounts receivable – Other	(11,922)	(4,473)
Accounts payable – City of Toronto	(19,354)	11,071
Accounts payable - Other	2,287	(4,384)
Cash Provided By (Used in) Operations	(53,339)	162,928
Investing Activities		
Purchase of tangible capital assets	(4,780)	(19,354)
Short-term investment	(4,022)	-
Cash, Beginning Of Year	869,166	725,592
Cash, End Of Year	807,025	869,166

**THE BOARD OF MANAGEMENT FOR THE
YORK- EGLINTON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

1. ESTABLISHMENT AND OPERATIONS

The YORK- EGLINTON 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:

Street signage	5 years	Light Poles	5 years
Flags and banners	3 years	Computer	3 years
Streetscape	5 years	Lighting	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
YORK- EGLINTON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 INVESTMENT

Short-term investment consists of a GIC invested with the TD Canada Trust. It bears interest at the rate of 1.00 percent and will be maturing 1 2022.

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:

	2021	2020
	\$	\$
Total special charges outstanding	9,033	25,841
Less: allowance for uncollected special charges	(200)	(23,100)
Special charges receivable	<u>8,833</u>	<u>2,741</u>

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

	2021	2020
	\$	\$
Special charges written-off	23,470	736
Change in provision for assessment appeals	(22,900)	800
	<u>570</u>	<u>1,536</u>

THE BOARD OF MANAGEMENT FOR THE
YORK- EGLINTON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2021

5. TANGIBLE CAPITAL ASSETS

	2021			
	Light Poles	Computer	Lighting	Total
Cost				
Beginning	19,354	3,833	11,800	34,987
Additions	-	-	4,780	4,780
Disposals	-	-	-	-
Ending	19,354	3,833	16,580	39,767
Accumulated Amortization				
Beginning	3,870	3,833	11,800	19,503
Amortization	3,870	-	956	4,826
Disposals	-	-	-	-
Ending	7,740	3,833	12,756	24,329
Net Book Value	11,614	-	3,824	15,438
	2020			
	Light Poles	Computer	Lighting	Total
Cost				
Beginning	-	3,833	11,800	15,633
Additions	19,354	-	-	19,354
Disposals	-	-	-	-
Ending	19,354	3,833	11,800	34,987
Accumulated Amortization				
Beginning	-	2,555	11,800	13,555
Amortization	3,870	1,278	-	5,148
Disposals	-	-	-	-
Ending	3,870	3,833	11,800	19,503
Net Book Value	15,484	-	-	15,484

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January 31, 2023

Mr. Nick Alampi, Chair
York Eglinton Business Improvement Area
1704 Eglinton Avenue
Toronto, Ontario M6E 2H5

Dear Mr. Alampi:

**MANAGEMENT LETTER
YEAR ENDED DECEMBER 31, 2021**

The audit of the financial statements of the York Eglinton Business Improvement Area (BIA) for the year ended December 31, 2021 has been completed. The primary purpose of the audit was to express an opinion on the financial position of the BIA as at that date and on the results of its operations for the year then ended.

Given the test nature of my audit, you will appreciate that reliance must be placed on adequate methods of internal control as the Board's principal safeguard against irregularities which a test examination may not disclose.

This letter provides my observations and recommendations on matters arising from the 2021 audit for your consideration.

Financial Statements

Observation:

The BIA is late in complying with the City deadlines to provide audited financial statements on a timely basis.

Recommendation:

- 1. It is imperative that the BIA should provide audited financial statements to its Board for approval and a copy of audited financial statements to the City Accounting Services Division on or before the due date.**

Management Response:

Unfortunately, the BIA was without a coordinator for a number of months during 2022. Now we have employed a suitable coordinator. The BIA will be preparing draft financial statements in the early part of the 2023 and will be providing the City audited financial statements within the prescribed deadlines.

Short-term Investments

Observation:

During 2022, the BIA maintained a significant amount of funds in the current account earning no interest income.

Recommendation:

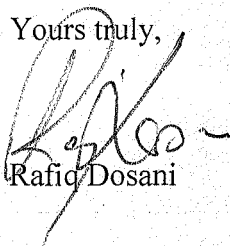
- 2. The BIA should prepare a cash flow statement and invest funds not required immediately in short-term investments to generate additional revenue.**

Management Response:

Our coordinator with the help of our Treasurer will prepare a cash flow statement and the funds earmarked for capital projects will be invested in short-term investments.

I will be available to discuss my observations and recommendations with the Board members at a mutually convenient time.

Yours truly,



Rafiq Dosani