

**THE BOARD OF MANAGEMENT FOR THE  
UPPER VILLAGE  
BUSINESS IMPROVEMENT AREA**

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

# UPPER VILLAGE 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 Upper Village Business Improvement Area

### ***Opinion***

I have audited the financial statements of Upper Village 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.

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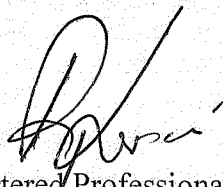
***Auditor's Responsibilities for the Audit of the Financial Statements***

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 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 BIA'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.

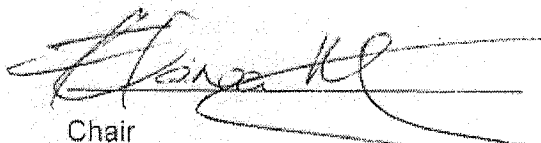
Toronto, Ontario  
August 3, 2022

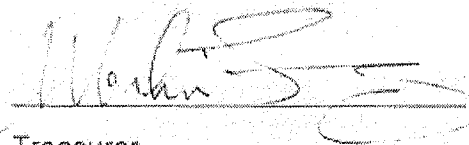
  
Chartered Professional Accountant  
Licensed Public Accountant

THE BOARD OF MANAGEMENT FOR THE  
 UPPER VILLAGE BUSINESS IMPROVEMENT AREA  
 STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2021

	2021 \$	2020 \$
<b>FINANCIAL ASSETS</b>		
Cash	46,850	61,524
Short-term Investments (Note 5)	2,506	2,500
Prepaid and deposits	-	-
Accounts receivable		
City of Toronto – special charges (Note 3)	990	2,042
Other	52,694	38,582
	<u>103,040</u>	<u>104,648</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
City of Toronto	-	12,791
Other	2,400	1,850
	<u>2,400</u>	<u>14,641</u>
<b>NET FINANCIAL ASSETS</b>	100,640	90,007
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	-	6,675
<b>ACCUMULATED SURPLUS</b>	<u>100,640</u>	<u>96,682</u>

Approved on behalf of the Board of Management:

  
 Chair

  
 Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
UPPER VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021 \$ Budget (Note 9)	2021 \$ Actual	2020 \$ Actual
<b>REVENUE</b>			
City of Toronto – special charges	111,592	111,592	112,226
Grants, sponsorships and other	15,000	51,603	57,499
	<u>126,592</u>	<u>163,195</u>	<u>169,725</u>
<b>EXPENSES</b>			
Administration	18,812	24,414	21,178
Promotion and advertising	35,000	38,500	14,960
Maintenance	69,500	85,312	77,247
Capital (Note 8)	-	-	-
Amortization	-	6,675	10,164
Provision for (recovery of) uncollected special charges (Note 3)	3,280	4,336	9,167
	<u>126,592</u>	<u>159,237</u>	<u>132,716</u>
<b>SURPLUS FOR THE YEAR</b>	-	3,958	37,009
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>96,682</u>	<u>96,682</u>	<u>59,673</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>96,682</u>	<u>100,640</u>	<u>96,682</u>

**THE BOARD OF MANAGEMENT FOR THE  
 UPPER VILLAGE BUSINESS IMPROVEMENT AREA  
 STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

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	2021 \$	2020 \$
Surplus for the year	3,958	37,009
Acquisition of tangible capital assets	-	(12,791)
Amortization of tangible capital assets	6,675	10,164
	<u>10,633</u>	<u>34,382</u>
Balance - Beginning of year	90,007	55,625
Balance - End of year	<u>100,640</u>	<u>90,007</u>

THE BOARD OF MANAGEMENT FOR THE  
 UPPER VILLAGE BUSINESS IMPROVEMENT AREA  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 \$	2020 \$
<b>Cash flows from operating activities</b>		
Surplus for the year	3,958	37,009
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	6,675	10,164
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	1,052	8,149
Accounts receivable – other	(14,112)	(9,159)
Accounts payable - City of Toronto	(12,791)	12,791
Accounts payable – other	550	(2,195)
Prepaid and deposits	-	4,873
<b>Cash Provided by (Used In) Operations</b>	(14,668)	61,632
<b>Investing Activities</b>		
Purchase of tangible capital assets	-	(12,791)
Increase in short term investments	(6)	(2,500)
<b>Cash, Beginning Of Year</b>	61,524	15,183
<b>Cash, End Of Year</b>	46,850	61,524



**THE BOARD OF MANAGEMENT FOR THE  
UPPER VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**1. ESTABLISHMENT AND OPERATIONS**

The Upper Village 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	Benches	5 years
Planters	5 years	Hanging Baskets	5 years
Flags & Banners	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  
 UPPER VILLAGE 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. 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	1,390	7,841
Less: allowance for uncollected special charges	(400)	(5,800)
Special charges receivable	<u>990</u>	<u>2,041</u>

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

	2021	2020
	\$	\$
Special charges written-off	9,736	4,667
Change in Provision for losses on assessment appeals	(5,400)	4,500
	<u>4,336</u>	<u>9,167</u>

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

4. TANGIBLE CAPITAL ASSETS

	Banners	Benches	Hanging baskets	Planters	Total
<b>Cost</b>					
Beginning	15,911	10,900	11,050	50,820	88,681
Additions					
Disposals					
<b>Ending</b>	<b>15,911</b>	<b>10,900</b>	<b>11,050</b>	<b>50,820</b>	<b>88,681</b>
<b>Accumulated Amortization</b>					
Beginning	15,911	10,900	11,050	44,145	82,006
Amortization				6,675	6,675
Disposals					
<b>Ending</b>	<b>15,911</b>	<b>10,900</b>	<b>11,050</b>	<b>50,820</b>	<b>88,681</b>
<b>Net Book Value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Banners	Benches	Hanging baskets	Planters	Total
<b>Cost</b>					
Beginning	15,911	10,900	11,050	38,029	75,890
Additions	-	-	-	12,791	12,791
Disposals	-	-	-	-	-
<b>Ending</b>	<b>15,911</b>	<b>10,900</b>	<b>11,050</b>	<b>50,820</b>	<b>88,681</b>
<b>Accumulated Amortization</b>					
Beginning	15,911	10,900	11,050	33,981	71,842
Amortization	-	-	-	10,164	10,164
Disposals	-	-	-	-	-
<b>Ending</b>	<b>15,911</b>	<b>10,900</b>	<b>11,050</b>	<b>44,145</b>	<b>82,006</b>
<b>Net Book Value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,675</b>	<b>6,675</b>

**THE BOARD OF MANAGEMENT FOR THE  
UPPER VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**5. SHORT-TERM INVESTMENT**

Short-term investment consists of deposits in a high interest savings account.

**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, 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 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.

**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 \$1,476 (2021 - \$458) was outstanding as at December 31, 2021.