

**THE BOARD OF MANAGEMENT FOR
THE BEACH BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2020**

THE BEACH BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2020

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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 Beach Business Improvement Area

Opinion

I have audited the financial statements of The Beach Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2020, 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, 2020 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 generally accepted 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 Board 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.

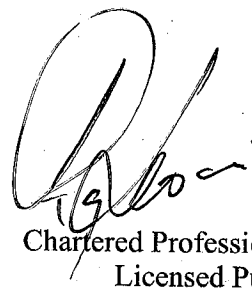
Auditor's Responsibilities for the Audit of the Financial Statements

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 generally accepted 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 Board 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 28, 2021



Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR
THE BEACH BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

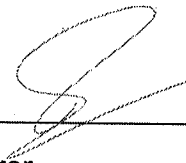
	2020 \$	2019 \$
FINANCIAL ASSETS		
Cash	147,194	132,016
Short term investments (Note 3)	25,010	25,005
Accounts receivable		
City of Toronto – special charges (Note 4)	16,461	24,330
Other	15,237	14,611
	203,902	195,962
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	31,891	20,372
Other	26,182	7,713
	58,073	28,085
NET FINANCIAL ASSETS	145,829	167,877
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	38,536	35,856
ACCUMULATED SURPLUS	184,365	203,733

Approved on behalf of the Board of Management:

Marg Gillespie

Marg Gillespie (Oct 14, 2021 11:39 EDT)

Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR
THE BEACH BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020 \$ Budget (Note 9)	2020 \$ Actual	2019 \$ Actual
REVENUE			
City of Toronto – special charges	312,847	312,847	292,488
Grants	4,000	17,500	-
Fund raising and other	12,500	5,815	44,951
	<u>329,347</u>	<u>336,162</u>	<u>337,439</u>
EXPENSES			
Administration	103,776	114,079	98,422
Promotion and advertising	131,100	98,506	122,846
Maintenance	75,726	105,120	94,450
Capital (Note 8)	44,000	-	-
Amortization	-	29,210	43,343
Provision for uncollected special charges (Note 4)	28,441	8,615	3,166
	<u>383,043</u>	<u>355,530</u>	<u>362,227</u>
SURPLUS (DEFICIT) FOR THE YEAR	(53,696)	(19,368)	(24,788)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	203,733	203,733	228,521
ACCUMULATED SURPLUS, END OF YEAR	150,037	184,365	203,733

**THE BOARD OF MANAGEMENT FOR
THE BEACH BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
	\$	\$
Surplus (deficit) for the year	(19,368)	(24,788)
Acquisition of tangible capital assets	(31,890)	(2,768)
Amortization of tangible capital assets	<u>29,210</u>	<u>43,343</u>
	(22,048)	15,787
Balance - Beginning of year		
	<u>167,877</u>	<u>152,090</u>
Balance - End of year	<u><u>145,829</u></u>	<u><u>167,877</u></u>

**THE BOARD OF MANAGEMENT FOR
THE BEACH BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020 \$	2019 \$
Cash flows from operating transactions		
Surplus (deficit) for the year	(19,368)	(24,788)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	29,210	43,343
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	7,869	(5,746)
Accounts receivable – other	(626)	(14,611)
Accounts payable – City of Toronto	11,519	20,372
Accounts payable – other	18,469	668
Cash Provided By Operations	47,073	19,238
Capital Transactions		
Purchase of tangible capital assets	(31,890)	(2,768)
(Increase) decrease in short-term investments	(5)	(4)
Cash, Beginning Of Year	132,016	115,550
Cash, End Of Year	147,194	132,016

**THE BOARD OF MANAGEMENT FOR
THE BEACH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. ESTABLISHMENT AND OPERATIONS

The Beach 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 Furniture	5 years	Office Equipment	5 years
Kew Park	5 years	Wayfinding Totems	5 years
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.

**THE BOARD OF MANAGEMENT FOR
THE BEACH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 the Scotiabank Investment Account.

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:

	2020 \$	2019 \$
Total special charges outstanding	24,561	34,030
Less: allowance for uncollected special charges	(8,100)	(9,700)
Special charges receivable	<u>16,461</u>	<u>24,330</u>

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

	2020 \$	2019 \$
Special charges written-off	10,215	9,466
Provision for losses on assessment appeals	(1,600)	(6,300)
	<u>8,615</u>	<u>3,166</u>

**THE BOARD OF MANAGEMENT FOR
THE BEACH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2020**

5. CAPITAL ASSETS

	Kew Park	Street Furniture	2020 Banners	Street Furniture	Wayfinding Totems	Total
Cost						
Beginning	142,346	1,850	18,837	17,771	20,372	201,176
Additions					31,890	31,890
Disposals						
Ending	142,346	1,850	18,837	17,771	52,262	233,066
Accumulated Amortization						
Beginning	127,960	1,232	18,837	13,219	4,072	165,320
Amortization	14,386	618	-	3,554	10,652	29,210
Disposals						
Ending	142,346	1,850	18,837	16,773	14,724	194,530
Net Book Value	-	-	-	998	37,538	38,536
	Kew Park	Office Equipment	2019 Banners	Street Furniture	Wayfinding Totems	Total
Cost						
Beginning	159,950	1,850	18,837	17,771		198,408
Additions	-	-	-	-	20,372	20,372
HST rebate	(17,604)	-	-	-		(17,604)
Ending	142,346	1,850	18,837	17,771	20,372	201,176
Accumulated Amortization						
Beginning	95,970	616	15,726	9,665	-	121,977
Amortization	31,990	616	3,111	3,554	4,072	43,343
Disposals	-	-	-	-		
Ending	127,960	1,232	18,837	13,219	4,072	165,320
Net Book Value	14,386	618	-	4,552	16,300	35,856

**THE BOARD OF MANAGEMENT FOR
THE BEACH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 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. COMMITMENT

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 \$124,266 was outstanding as at December 31, 2020