

Financial statements of

**Oshawa Central Business District  
Improvement Area**

December 31, 2015

# Oshawa Central Business District Improvement Area

December 31, 2015

## Table of contents

Independent Auditor's Report .....	1-2
Statement of financial position .....	3
Statement of operations .....	4
Statement of change in net financial assets .....	5
Statement of cash flows .....	6
Notes to the financial statements .....	7-8
Schedule of expenses .....	9



Deloitte LLP  
400 Applewood Crescent  
Suite 500  
Vaughan ON L4K 0C3  
Canada

Tel: 416-601-6150  
Fax: 416-601-6151  
[www.deloitte.ca](http://www.deloitte.ca)

## **Independent Auditor's Report**

To the Board of Management, Members of Council,  
Inhabitants and Ratepayers of  
the Corporation of the City of Oshawa

We have audited the accompanying financial statements of the Oshawa Central Business District Improvement Area, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, change in net financial assets and cash flows for the year then ended, and 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 public sector accounting standards, 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion the financial statements present fairly, in all material respects, the financial position of the Oshawa Central Business District Improvement Area as at December 31, 2015, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
July 27, 2016

# Oshawa Central Business District Improvement Area

Statement of financial position  
as at December 31, 2015

	2015	2014
	\$	\$
<b>Financial assets</b>		
Cash	68,389	56,933
Accounts receivable	20,754	10,384
	<b>89,143</b>	<b>67,317</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	15,929	11,298
<b>Net financial assets</b>	<b>73,214</b>	<b>56,019</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 2)	848	1,272
Prepaid expenses	1,378	4,404
	<b>2,226</b>	<b>5,676</b>
<b>Accumulated surplus (Note 3)</b>	<b>75,440</b>	<b>61,695</b>

Approved by the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

The accompanying notes to the financial statements are an integral part of this financial statement.

# Oshawa Central Business District Improvement Area

Statement of operations  
year ended December 31, 2015

		2015	2014
	Budget	Actual	Actual
	\$	\$	\$
<b>Revenue</b>			
Taxation	143,100	143,100	143,100
Summer student subsidy	-	1,980	2,640
Miscellaneous	-	-	110
	<b>143,100</b>	<b>145,080</b>	<b>145,850</b>
<b>Expenses</b>			
Administration (schedule)	57,600	56,278	54,834
Beautification (schedule)	56,500	28,347	24,559
Promotion (schedule)	70,700	45,048	43,171
Membership liaison (schedule)	2,750	1,662	2,855
	<b>187,550</b>	<b>131,335</b>	<b>125,419</b>
Annual (deficit) surplus	(44,450)	13,745	20,431
Accumulated surplus, beginning of year	61,695	61,695	41,264
<b>Accumulated surplus, end of year</b>	<b>17,245</b>	<b>75,440</b>	<b>61,695</b>

The accompanying notes to the financial statements are an integral part of this financial statement.

# Oshawa Central Business District Improvement Area

Statement of change in net financial assets  
year ended December 31, 2015

		2015	2014
	Budget	Actual	Actual
	\$	\$	\$
Annual (deficit) surplus	(44,450)	13,745	20,431
Amortization	-	424	-
Change in prepaid expenses		3,026	(4,003)
Change in capital assets	-	-	(1,272)
Change in financial assets	(44,450)	17,195	15,156
Net financial assets, beginning of year	56,019	56,019	40,863
<b>Net financial assets, end of year</b>	<b>11,569</b>	<b>73,214</b>	<b>56,019</b>

The accompanying notes to the financial statements are an integral part of this financial statement.

# Oshawa Central Business District Improvement Area

Statement of cash flows  
year ended December 31, 2015

	2015	2014
	\$	\$
<b>Operating activities</b>		
Annual (deficit) surplus	13,745	20,431
Item not involving cash		
Amortization	424	-
Changes in non-cash operating items		
(Increase) decrease in accounts receivable	(10,370)	8,760
Increase (decrease) in accounts payable and accrued liabilities	4,631	(3,387)
Decrease (increase) in prepaid expenses	3,026	(4,003)
	<b>11,456</b>	<b>21,802</b>
<b>Capital activity</b>		
Acquisition of capital assets	-	(1,272)
Increase in cash	11,456	20,530
Cash, beginning of year	56,933	36,404
<b>Cash, end of year</b>	<b>68,389</b>	<b>56,933</b>

The accompanying notes to the financial statements are an integral part of this financial statement.



# Oshawa Central Business District Improvement Area

Notes to the financial statements  
December 31, 2015

---

The Board of Management for the Oshawa Central Business District Improvement Area (the "Board") was created by a City Council by-law. It is responsible for the promotion of the area as a business and shopping area, including the improvement, beautification and maintenance of the City properties over and above that provided by the municipality at large.

## 1. Summary of significant accounting policies

The financial statements of the Board are representations of management prepared in accordance with accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA").

The focus of PSAB financial statements is on the financial position of the Board and the changes thereto. The Statement of Financial Position includes the assets and liabilities of the Board. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations.

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Accumulated surplus represents the difference between assets and liabilities of the Board. This provides information about the Board's overall future revenue requirements and its ability to finance operations and meet its obligations.

### a) *Tangible capital assets*

Tangible capital assets are recorded at cost. The cost, less residual value of the tangible capital assets are amortized on the straight-line basis over their estimated useful lives as follows:

Computer hardware and software	3-5 years
Furniture and fixtures	3 years

### b) *Revenue recognition*

Taxation revenue is recorded when earned and is based on a special assessment. Businesses in the Business District Improvement Area Summer Student Subsidy is recorded when the subsidy is authorized and all required conditions are met.

### c) *Use of estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

# Oshawa Central Business District Improvement Area

Notes to the financial statements

December 31, 2015

## 2. Tangible capital assets

			2015	2014
	Computer hardware and software	Furniture and fixtures	Total	Total
	\$	\$	\$	\$
<b>Cost</b>				
Balance, beginning of year	2,921	734	2,383	2,383
Additions	-	-	-	1,272
Balance, end of year	2,921	734	3,655	3,655
<b>Accumulated amortization</b>				
Balance, beginning of year	1,649	734	1,588	1,588
Amortization expense	424	-	-	-
Balance, end of year	2,073	734	2,807	2,383
Net book value, end of year	848	-	848	1,272

## 3. Accumulated surplus

Accumulated surplus consists of the following:

	2015	2014
	\$	\$
Current fund	74,592	60,423
Invested in capital assets	848	1,272
	75,440	61,695

# Oshawa Central Business District Improvement Area

Schedule of expenses  
year ended December 31, 2015

		2015	2014
	Budget	Actual	Actual
	\$	\$	\$
<b>Administration</b>			
Salaries and benefits	40,000	38,715	41,071
Rent and occupancy cost	3,600	3,180	3,343
Miscellaneous	300	49	53
Photocopying, stationery and supplies	1,500	3,011	1,179
Insurance	1,900	1,681	1,657
Professional fees	4,600	6,252	4,704
Telephone and facsimile	1,200	1,344	1,296
Training and travel	500	339	429
Postage	1,000	668	452
Board meeting expenses	600	208	271
Professional memberships	400	-	380
Computer equipment	2,000	407	-
Computer equipment amortization	-	424	-
	<b>57,600</b>	<b>56,278</b>	<b>54,835</b>
<b>Beautification</b>			
Christmas lights and promotion	20,000	142	1,082
Graffiti removal	6,000	3,053	-
Banners installation/removal	3,000	2,118	202
New banners	12,500	5,938	8,916
Beautification	15,000	17,096	14,359
	<b>56,500</b>	<b>28,347</b>	<b>24,559</b>
<b>Promotion</b>			
Ambassador team	1,000	(1,168)	229
UOIT	-	1,250	-
Bikes on bond	6,000	6,217	6,594
Advertising	-	964	76
Website	500	250	509
Kars on king	13,000	10,352	4,253
Festival	-	-	-
Christmas promotion	-	-	-
New events	8,000	3,919	(293)
Sidewalk sale	-	-	(131)
Show and shine	2,000	672	16
Communities with brooms	200	200	100
Media campaign	40,000	22,392	31,818
	<b>70,700</b>	<b>45,048</b>	<b>43,171</b>
<b>Membership liaison</b>			
Newsletters	1,500	929	1,649
Members' meetings and seminars	750	545	742
Annual general meeting	500	188	464
	<b>2,750</b>	<b>1,662</b>	<b>2,855</b>

The accompanying notes to the financial statements are an integral part of this financial statement.