

SECTION E: Creating a Business Plan and Budget

- Sample: BIA Business Plan Table of Contents
- Sample: Annual General Meeting (AGM) Notice, (including simplified budget)
- Sample: Detailed BIA Budget Forms
- Sample: Budget Approval Schedule
- Samples: Financial Statements
- BIA Audit Requirements
- GST Rebates

SAMPLE: BIA Business Plan Table of Contents

1.0 Business Development Objectives

- 1.1 Description and background of BIA
- 1.2 Major objectives and initiatives
- 1.3 BIA analysis - strengths, weaknesses, opportunities and threats

2.0 Market Analysis

- 2.1 Market research and analysis
- 2.2 Retail sales analysis
- 2.3 BIA outlook

3.0 BIA Program of Activities

- 3.1 Promotion and advertising
- 3.2 Public relations
- 3.3 Streetscaping
- 3.4 Commercial research
- 3.5 Training - seminars and conferences
- 3.6 Festivals and events
- 3.7 Administration

4.0 Organization Plan

- 4.1 Structure of BIA
- 4.2 Organization chart
- 4.3 Outside resources

5.0 Financial Plan

- 5.1 Funding requirements
- 5.2 Current and future funding requirements - capital, operating and maintenance
- 5.3 Sources of funding

6.0 Overall Schedule

- 6.1 Realistic schedule showing timing of major events
- 6.2 Impact of schedule changes on plan

7.0 Critical Risks and Problems

Appendix 1 - Historical Financial Data

Existing Commitments

Financial Statements for three years

Capital Expenditure Budget for past year

Operating Expenditure Budget for past year

Appendix 2 – Acknowledgements

SAMPLE: AGM Notice to Members

The Annual General Meeting notice is typically mailed on one page and printed double-sided with the meeting coordinates on the front and the proposed budget on the flip side.

NAME

Business Improvement Area (BIA)

As a member of the NAME BIA, you are invited to attend the
Annual General Meeting:

Tuesday, September 22, 2009, 7:00 p.m.

MAIN STREET RESTAURANT, 1234 MAIN STREET

Agenda

1. Call to Order and Introductions
2. Declaration of Conflict of Interest
3. Attendance / Roll Call (Quorum of the Board must exist to legally conduct business)
4. Approval of Minutes of 2008 Annual General Meeting
5. Treasurer's Report/Work Undertaken in 2008
6. Auditor's 2007 Report and Appointment of Auditor for 2009
7. Officers' Reports:
 - Festivals /Events
 - Marketing
 - Streetscaping
 - Others
8. Proposed Program and Budget for 2010 (see over)
9. New Business
10. Announcements
11. Adjournment

The purpose of this meeting is to decide on the BIA budget for 2010 (see over) and general program. This program is paid for by a special levy charged to you as well as other commercial/industrial property owners and businesses in the BIA. The best way to participate in the decisions which your BIA is making on your behalf is to get involved.

Please forward a copy of this notice to your commercial/industrial tenants.

For more information, call Mary Jones, (BIA Chair or BIA Co-ordinator) at 416-123-4567.

(Name)
Business Improvement Area

	2009 Council Approved	Proposed 2010 Budget
Administration	\$ 2,400	\$ 15,588
Capital	\$ 27,500	\$ 27,500
Maintenance	\$ 26,000	\$ 14,000
Promotion & Advertising	\$ 53,500	\$ 52,300
Total Expenses	\$109,400	\$109,388

A detailed line-by-line budget will be available at the Annual General Meeting. To receive an advance copy please contact us by phone at 416-123-4567 or by e-mail at mainstreetbia@thebia.ca.

SAMPLE: BIA Budget Form

Contact the BIA Office at 416 392-1291.



Business Improvement Areas 2009 Annual General Meeting & 2010 Budget Approval Process

Responsible	Action	Deadline
BIA Board of Management	Forward 2010 Capital Cost-Sharing Request to City BIA Office*	August 4, 2009
BIA Board of Management	Forward AGM Notice & Proposed Budget to City BIA Office: Forward 2009 Annual General Meeting notice (including proposed 2010 simplified budget) indicating date, time and location to the City BIA Office for mailing (15 days prior to meeting date)*	September 10, 2009
City BIA Office	Mail AGM notice: Including the proposed 2010 budget to commercial/industrial property owners (minimum of ten business days notice required)	September 16, 2009
BIA Board of Management	Distribute AGM notice: Including the proposed 2010 budget to business operators & board members including Councillors (minimum of ten business days notice required)	September 16, 2009
BIA Membership	Annual General Meeting: Approve proposed 2010 budget	October 1, 2009
BIA Board of Management	Forward Approved Budget Forms to City BIA Office**	October 2, 2009 ***
City Econ. Dev. Committee	Approve 2010 BIA Budget	November 12, 2009
City Council	Adopt 2010 BIA Operating & Capital Cost-Sharing Budgets	Nov. 30 & Dec. 1, 2009
City Finance	Forward 50 Percent Levy Advance to BIA	Early 2010

* Attention: City of Toronto, Economic Development, BIA Office

77 Elizabeth Street, Toronto, ON M5G 1P4, Fax: 416-392-1380

** A copy of your BIA's 2008 Audited Financial Statements must accompany your approved budget forms. Without it, the Financial Planning Division will not recommend approval of your 2010 budget.

***Budgets received after October 1, 2009, will be reported to Council in 2010, and will result in BIAs receiving their levy advance at a later date.

SAMPLE: Financial Statement

The Board of Management for the (NAME) Business Improvement Area:

Year ended December 31, 2008

	2008	2007
	\$	\$
Assets		
Current		
Cash and short-term investments	30,000	15,000
Accounts receivable		
City of Toronto – special charges (note 3)	44,000	28,000
Other receivables – trade	1,000	2,000
	<hr/> 75,000	<hr/> 45,000
Liabilities		
Current		
Accounts payable and accrued liabilities		
City of Toronto	20,000	14,000
Other trade payables	5,000	1,000
	<hr/> 25,000	<hr/> 15,000
Accumulated Surplus		
Operating surplus	<hr/> 50,000	<hr/> 30,000
	<hr/> 75,000	<hr/> 45,000

Approved on behalf of the Board of Management:

Chair

Treasurer

THE BOARD OF MANAGEMENT FOR THE
(SAMPLE) BUSINESS IMPROVEMENT AREA
Statement of Revenue, Expenditure and Operating Surplus
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
	\$	\$
Revenue		
City of Toronto – Special Charges	105,000	100,000
Donations and sponsorship	-	2,000
Municipal grants	3,000	2,000
Other revenue	2,000	1,000
	110,000	105,000
Expenditure		
Administration	7,000	8,000
Promotion and advertising	35,000	36,000
Capital and maintenance	45,000	35,000
Provision for uncollected levies	3,000	1,000
	90,000	80,000
Excess of revenue over expenditure for the year	20,000	25,000
Operating surplus, beginning of year	30,000	5,000
Operating surplus, end of year	50,000	30,000

THE BOARD OF MANAGEMENT FOR THE
(SAMPLE) BUSINESS IMPROVEMENT AREA
Statement of Changes in Financial Position
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 \$	2007 \$
Cash Provided by (Used In) Operations		
Excess of revenue over expenditure for the year	20,000	25,000
Increase (decrease) resulting from changes in Accounts receivable - City of Toronto	(16,000)	5,000
Accounts receivable – other	1,000	1,000
Accounts payable and accrued liabilities – City	6,000	(20,000)
Accounts payable and accrued liabilities – other	4,000	(1,000)
Cash Provided by Operations	15,000	10,000
Cash and short-term investments, beginning of year	15,000	5,000
Cash and short-term investments, end of year	30,000	15,000

THE BOARD OF MANAGEMENT FOR THE
(SAMPLE) BUSINESS IMPROVEMENT AREA
Notes to the Financial Statements
FOR THE YEAR ENDED DECEMBER 31, 2008

1.0 Establishment and Operations

The (Sample) 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 the Municipal Act, as amended.

2.0 Significant Accounting Policies

These financial statements are the representation of management and have been prepared in accordance with generally accepted accounting principles for local governments as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA), the most significant of which are as follows:

- Revenues and expenditures are recorded using the accrual basis of accounting.
- Capital expenditures are charged to operations in the year of acquisition.
- Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

3.0 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:

	2008 \$	2007 \$
Total special charges outstanding	48,000	29,000
Less: allowance for uncollected special charges	(4,000)	(1,000)
Special charges receivable	<u>44,000</u>	<u>28,000</u>

4.0 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 \$ 20,000 is outstanding as at December 31, 2008.

5.0 Insurance

The Board is required to deposit with the City 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.

BIA Audit Requirements

1. General Principals

- The statements should be prepared on the basis of generally accepted accounting principals for local governments as prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.
- Revenues and expenditures should be recorded using the accrual basis of accounting.
- Fixed asset expenditures should be recorded as an operating expenditure in the year of acquisition.

2. Requirements

- signed audit report
- balance sheet
- statement of revenue, expenditure and operating surplus
- statement of changes in financial position

Notes to the financial statements - Notes to the financial statements should be consistent with those of previous years and should include:

- description of the purpose of the BIA
- significant accounting policies
- details of outstanding special charges
- details of components of the expenditure for special charges
- insurance requirements
- outstanding commitments with respect to the capital streetscape program.

3. Submission Deadline

- Audited financial statements are due each year by March 14.

To assist your BIA in the preparation of your annual Financial Statements, the City of Toronto's Accounting Services will mail a list of transactions that took place between your BIA and the City

The City of Toronto's Audit Committee has requested that BIAs provide their Audited Financial Statements no later than April 30 annually. BIAs that do not submit their Audited Financial Statements by June 30 will not receive their third levy instalment until the Audited Financial Statements are provided.

4. Board of Management Meetings & Monthly Treasurer's Reports

BIA Board of Management monthly meeting agendas must include a Treasurer's Report containing, but not limited to, the following information:

- levies received from the City to date
- expenditures incurred to date not cost shared by the City (note that the City's Capital Cost Share billing is approximated every 6 months)
- report on actual expenditures incurred to date compared to the approved budget projection.

Each Board should determine the level of detail required for reporting on the above.

GST Rebates

The procedure to file a GST rebate claim is as follows:

- Your BIA completes and submits the [consent forms](#) and submits it to:
- Alex So, Senior Financial Analyst, City of Toronto, Accounting Services, Financial Reporting, Tel: 416 392-6821 or at aso@toronto.ca

- Once BIA consent form have been received the City of Toronto applies for municipal status for your BIA.
- The Canada Revenue Agency (CRA) approves the municipal status for the BIAs.
- Once approved, the BIA must register with the local office by calling 1-800-959-5525 with the full name, e.g., “The Board of Management for the Main Street Business Improvement Area”
- Once registered, the BIA will file a claim (100% rebate for invoices dated on or after February 1, 2004) to the Summerside Office, using Form GST66E available at <http://www.cra-arc.gc.ca/E/pbg/gf/gst66/gst66-08e.pdf>

For more information, contact Alex So at:

Phone: 416-392-6821

E-mail: aso@toronto.ca