

**THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2006**

**BLOOR-YORKVILLE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2006

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AUDITOR'S REPORT


To the Council of the Corporation of the City of Toronto and the
Board of Management for the Bloor-Yorkville Village Business Improvement Area

I have audited the statement of financial position of the Board of Management for the Bloor-Yorkville Business Improvement Area as at December 31, 2006 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2006 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.


Toronto, Ontario
May 26, 2007


Chartered Accountant
Licensed Public Accountant


**THE BOARD OF MANAGEMENT FOR THE
 BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2006**

	2006	2005
	\$	\$
ASSETS		
Current		
Cash and short-term investments	885,921	603,050
Accounts receivable		
City of Toronto – special charges (note 3)	88,068	96,877
Other	73,023	75,648
Deferred expenses (note 4)	23,000	-
Other assets	4,397	3,485
	<u>1,074,409</u>	<u>779,060</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	113,634	47,013
Deferred revenue (note 5)	49,000	25,000
Other	43,615	34,588
	<u>206,249</u>	<u>106,601</u>
ACCUMULATED SURPLUS		
Operating (note 6)	<u>868,160</u>	<u>672,459</u>
	<u>1,074,409</u>	<u>779,060</u>

Approved on behalf of the Board of Management:



 Chair



 Treasurer

**THE BOARD OF MANAGEMENT FOR THE
 BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
 STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS
 FOR THE YEAR ENDED DECEMBER 31, 2006**

	2006 \$ Budget	2006 \$ Actual	2005 \$ Actual
REVENUE			
City of Toronto - special charges	1,490,100	1,506,596	1,446,968
Sante – sponsorships and revenue (note 7)	-	477,148	587,789
Interest	15,000	35,064	18,369
Municipal grants	-	4,600	11,190
Other	-	134,133	6,717
	<u>1,505,100</u>	<u>2,157,541</u>	<u>2,071,033</u>
EXPENDITURE			
Administration	380,380	361,606	354,642
Communication and member relations	53,000	50,538	53,942
Design and capital improvements	1,040,500	585,669	531,298
Promotion and marketing	328,000	171,074	199,323
Sante – marketing and events costs (note 7)	-	697,213	795,758
Provision for uncollectable levies (note 3)	70,465	95,740	35,833
	<u>1,872,345</u>	<u>1,961,840</u>	<u>1,970,796</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(367,245)	195,701	100,237
OPERATING SURPLUS, BEGINNING OF YEAR	<u>672,459</u>	<u>672,459</u>	<u>572,222</u>
OPERATING SURPLUS, END OF YEAR	<u>305,214</u>	<u>868,160</u>	<u>672,459</u>

**THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2006**

	2006	2005
	\$	\$
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess of revenue over expenditure for the year	195,701	100,237
Increase (decrease) resulting from changes in		
Accounts receivable		
City of Toronto - special charges	8,809	(181,878)
Other	2,625	(7,314)
Deferred expenses	(23,000)	-
Other assets	(912)	(479)
Accounts payable and accrued liabilities		
City of Toronto	66,621	12,556
Deferred revenue	24,000	25,000
Other	9,027	(86,262)
CASH PROVIDED BY (USED IN) OPERATIONS	282,871	(138,140)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	603,050	741,190
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	885,921	603,050

**THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

1. ESTABLISHMENT AND OPERATIONS

The Bloor-Yorkville 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 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:

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

**THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2006**

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.

Annually the Municipal Property Assessment Corporation sends a Property Assessment Notice to all taxpayers based the market value of the property determined by its staff members. The taxpayers are entitled to appeal the assessment if they believe their assessment is overstated. Municipal taxes including BIA levies are based on the assessment of the property. Consequently any reduction in assessment, based on successful appeal, would result in a reduction in the BIA levy already collected. The City is obliged to refund the excess BIA levy to the BIA members and recover that amount from the BIA. Each year the City calculates potential loss for pending appeals based on past experience and advises the BIAs to make appropriate provision in their financial statements. In order to ensure that the BIA financial statements are fairly presented, it is imperative to make appropriate provision for any potential loss.

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:

	2006	2005
	\$	\$
Total special charges outstanding	994,168	963,077
Less: allowance for uncollected special charges	<u>(906,100)</u>	<u>(866,200)</u>
Special charges receivable (payable)	<u>88,068</u>	<u>96,877</u>

The provision for uncollected levies reported on the Statement of Revenue, Expenditure and Operating Surplus is comprised of:

	2006	2005
	\$	\$
Special charges written-off	55,840	29,133
Increase in allowance for uncollected special charges	<u>39,900</u>	<u>6,700</u>
	<u>95,740</u>	<u>35,833</u>

**THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2006**

4. DEFERRED EXPENSES

Deferred expenses consist of payments for the 2007 Sante Festival. These will be recognized as expenses in 2007 when the Festival occurs.

5. DEFERRED REVENUE

Deferred revenue consists of revenue for the 2007 Sante Festival. It will be recognized as revenue in 2007 when the Festival will be hosted.

6. COMMITMENTS

(a) 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 \$ 26,400 was outstanding as at December 31, 2006.

(b) The Board is committed to minimum annual operating payments for office space and equipment as follows:

	\$
2007	135,000
2008	104,000
2009	104,000
2010	101,000
2011	97,000
Thereafter	<u>187,000</u>
	<u>728,000</u>

**THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2006**

7. SANTE

Sante-the Bloor-Yorkville Wine Festival was established in 1998, to create an annual event to attract world class and domestic wineries to Bloor-Yorkville and to educate our consumers about the wonderful world of wine. Until 2004 this festival was operated and managed by a partnership, which included involvement and a predetermined financial contribution from the Bloor-Yorkville BIA.

During 2005 the Bloor-Yorkville Business Improvement Area assumed ownership of the Sante Wine Festival. Since 2005, the BIA has been managing and operating the Sante Wine Festival annually. Both Santé and the BIA are not for profit organizations, which strive to create interesting events and attractive streetscapes to draw people to Bloor-Yorkville. Santé is a five day festival made up of various events including educational seminars, tasting events and food and wine pairings with opportunities to meet wine makers and learn more about their products and the process of creating them. Santé attracts nearly 10,000 wine enthusiasts each year, with over 80 wineries represented.

It is the intent of the BIA to operate the Festival to be a break-even event. In case of a deficit, the BIA is committed to contribute funds to offset the deficit and it has allocated an amount to cover any projected deficit in its annual budget. If there is any surplus, it will be applied towards next year's festival.

8. 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.