

**THE BOARD OF MANAGEMENT FOR THE  
BLOOR STREET  
BUSINESS IMPROVEMENT AREA**

**Financial Statements  
For the Year Ended December 31, 2008**

# **BLOOR STREET BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2008**

## **CONTENTS**

	<u>Page</u>
Auditor's report	3
Financial statements	
Statement of financial position	4
Statement of revenue, expenditure and operating surplus	5
Statement of changes in financial position	6
Notes to financial statements	7 -9

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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 Street Business Improvement Area**

I have audited the statement of financial position of the Board of Management for the Bloor Street Business Improvement Area as at December 31, 2008 and the statements of capital operations 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 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, 2008 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  
March 18, 2009

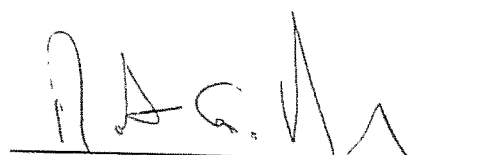
  
Chartered Accountant  
Licensed Public Accountant

THE BOARD OF MANAGEMENT FOR THE  
BLOOR STREET BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2008

	2008 \$	2007 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments	1,189,662	1,135,249
Accounts receivable		
City of Toronto – special charges (Note 3)	41,552	-
Other	17,194	22,939
	<u>1,248,408</u>	<u>1,158,188</u>
<b>Long-term receivable</b>		
Amount to be recovered in the future (Note 4)	11,975,000	-
	<u>13,223,408</u>	<u>1,158,188</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		
City of Toronto – special charges (Note 3)	-	91,482
Other	28,283	63,057
	<u>28,283</u>	<u>154,539</u>
<b>Long-term</b>		
Loan payable (Note 4)	11,975,000	-
<b>Capital fund balance</b>		
	<u>1,220,125</u>	<u>1,003,649</u>
	<u>13,223,408</u>	<u>1,158,188</u>

Approved on behalf of the Board of Management:

  
Chair

  
Treasurer

THE BOARD OF MANAGEMENT FOR THE  
 BLOOR STREET BUSINESS IMPROVEMENT AREA  
 STATEMENT OF CAPITAL OPERATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 \$ Budget	2008 \$ Actual	2007 \$ Actual
<b>REVENUE</b>			
City of Toronto – special charges	1,650,000	1,650,000	1,651,998
Donations and sponsorships	-	500,000	-
Interest	-	39,321	22,670
	<u>1,650,000</u>	<u>2,189,321</u>	<u>1,674,668</u>
<b>EXPENDITURE</b>			
Capital	1,369,706	1,825,586	427,509
Provision for uncollected special charges (Note 3)	280,294	147,259	243,510
	<u>1,650,000</u>	<u>1,972,845</u>	<u>671,019</u>
<b>NET INCREASE IN CAPITAL FUND BALANCE FOR THE YEAR</b>	-	216,476	1,003,649
<b>CAPITAL FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,003,649</u>	<u>1,003,649</u>	-
<b>CAPITAL FUND BALANCE, END OF YEAR</b>	<u>1,003,649</u>	<u>1,220,125</u>	<u>1,003,649</u>

THE BOARD OF MANAGEMENT FOR THE  
**BLOOR STREET BUSINESS IMPROVEMENT AREA**  
**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	2008 \$	2007 \$
<b>CASH PROVIDED BY OPERATIONS</b>		
Net increase in capital fund balance for the year	216,476	1,003,649
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(41,552)	-
Accounts receivable - other	5,745	(22,939)
Accounts payable - City of Toronto	(91,482)	91,482
Accounts payable - other	(34,774)	63,057
<b>CASH PROVIDED BY OPERATIONS</b>	<u>54,413</u>	<u>1,135,249</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds of loan	13,375,000	-
Payment of loan	(1,400,000)	-
Amount to be recovered in future	(11,975,000)	-
Net increase in cash and short-term investments	<u>-</u>	<u>-</u>
	54,413	1,135,249
<b>CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR</b>	<u>1,135,249</u>	<u>-</u>
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<u>1,189,662</u>	<u>1,135,249</u>

**THE BOARD OF MANAGEMENT FOR THE  
BLOOR STREET BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**1. ESTABLISHMENT AND OPERATIONS**

The Bloor Street Business Improvement Area (BIA) has been created solely for the purpose of implementing the Bloor Street Transformation Project and to pay all costs associated with the project.

The project budget is \$25 million, with the City providing financing to a maximum of \$20 million and contributing a further \$5 million to the Bloor Street Transformation Reserve Fund which was established to accumulate funds acquired by the City through Section 37 contributions made in connection with area developments.

In addition, the Bloor-Yorkville BIA has committed for an annual contribution of \$250,000.00 for a 20-year period towards the cost of the project.

The City would recover all costs, including interest, over a 20-year period by way of a BIA levy on benefiting Bloor Street property owners. Property owners in this new BIA would continue to be part of the Bloor-Yorkville BIA and pay their portion of the Bloor-Yorkville BIA levy, as well as the annual charge owing to the City for the project. Maintenance costs will be assumed by the Bloor-Yorkville BIA.

The Bloor Street BIA would exist solely to implement the project and could be dissolved following payment of all costs to the City.

**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 STREET BUSINESS IMPROVEMENT AREA  
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
 FOR THE YEAR ENDED DECEMBER 31, 2008

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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/payable net of an allowance for uncollected amounts. The special charges receivable from (payable to) the City of Toronto are comprised of:

	2008 \$	2007 \$
Total special charges outstanding	422,552	152,218
Less: allowance for uncollected special charges	(381,000)	(243,700)
Special charges receivable (payable)	<u>41,552</u>	<u>(91,482)</u>

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

	2008 \$	2007 \$
Special charges written-off (recovered)	9,959	(190)
Provision for losses on assessment appeals	137,300	243,700
	<u>147,259</u>	<u>243,510</u>

THE BOARD OF MANAGEMENT FOR THE  
BLOOR STREET BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2008

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4. AMOUNT TO BE RECOVERED IN THE FUTURE  
LOAN PAYABLE

In order to finance the cost of the Bloor Street Transformation Project, the BIA signed an agreement with the City to obtain a loan amounting to \$13,375,000. The BIA made an initial payment of \$1,400,000 during the year. The remaining balance amounting to \$11,975,000, to bear interest at the rate of five percent (5%) per annum and repayable, commencing December 2009, in 20 annual installments of \$990,892 each consisting of principal and interest. The loan will mature in 2027.

In addition, the developers have provided contributions amounting to \$2,125,000 for this project. The City maintains this amount in a reserve fund to be applied towards the cost of this project.

5. 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.