

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

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

BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2008

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RAFIQ DOSANI, B.Comm. CFE CA
CHARTERED ACCOUNTANT

90 Risebrough Avenue
Toronto, Ontario M2M 2E3
Telephone: (416) 221 - 4095
Fax: (416) 221 - 4160

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, 2008 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, 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 6, 2009


Chartered Accountant
Licensed Public Accountant


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

	2008 \$	2007 \$
ASSETS		
Current		
Cash and short-term investments	595,293	1,063,555
Accounts receivable		
City of Toronto – special charges (note 3)	285,213	65,439
Other	-	34,719
Deferred expenses (note 4)	14,618	173,524
Other assets	25,303	19,628
	<u>920,427</u>	<u>1,356,865</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	58,529	108,285
Deferred revenue (note 5)	-	59,000
Other	18,923	79,184
	<u>77,452</u>	<u>246,469</u>
ACCUMULATED SURPLUS		
Operating (note 6)	<u>842,975</u>	<u>1,110,396</u>
	<u>920,427</u>	<u>1,356,865</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, 2008

	2008 \$ Budget	2008 \$ Actual	2007 \$ Actual
REVENUE			
City of Toronto - special charges	1,642,834	1,644,994	1,570,594
Sante – sponsorships and revenue (note 7)	450,000	494,572	501,267
Interest	30,000	33,786	41,338
Municipal grants	-	1,800	-
Festival and miscellaneous	100,000	76,183	95,053
	<u>2,222,834</u>	<u>2,251,335</u>	<u>2,208,252</u>
EXPENDITURE			
Administration	439,200	411,574	409,760
Communication and member relations	53,950	62,119	76,851
Design and capital improvements	769,000	989,242	498,628
Promotion and marketing	315,200	267,097	245,878
Sante – marketing and events costs (note 7)	750,000	793,171	568,526
Provision for (recovery of) uncollectable levies (note 3)	239,361	(4,447)	166,373
	<u>2,566,711</u>	<u>2,518,756</u>	<u>1,966,016</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(343,877)	(267,421)	242,236
OPERATING SURPLUS, BEGINNING OF YEAR	<u>1,110,396</u>	<u>1,110,396</u>	<u>868,160</u>
OPERATING SURPLUS, END OF YEAR	<u>766,519</u>	<u>842,975</u>	<u>1,110,396</u>

THE BOARD OF MANAGEMENT FOR THE
 BLOOR-YORKVILLE 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 (deficiency) of revenue over expenditure for the year	(267,421)	242,236
Increase (decrease) resulting from changes in		
Accounts receivable		
City of Toronto - special charges	(150,336)	22,629
Other	(34,719)	38,304
Deferred expenses	158,906	(150,524)
Other assets	(5,675)	(15,231)
Accounts payable and accrued liabilities		
City of Toronto	(49,756)	(5,349)
Deferred revenue	(59,000)	10,000
Other	(60,261)	35,569
CASH PROVIDED BY (USED IN) OPERATIONS	(468,262)	177,634
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	<u>1,063,555</u>	<u>885,921</u>
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	<u>595,293</u>	<u>1,063,555</u>

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

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, 2008

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:

	2008	2007
	\$	\$
Total special charges outstanding	1,247,213	1,061,139
Less: allowance for uncollected special charges	<u>(962,000)</u>	<u>(995,700)</u>
Special charges receivable (payable)	<u>285,213</u>	<u>65,439</u>

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

	2008	2007
	\$	\$
Special charges written-off	29,253	76,773
Change in allowance for uncollected special charges	<u>(33,700)</u>	<u>89,600</u>
	<u>(4,447)</u>	<u>166,373</u>

THE BOARD OF MANAGEMENT FOR THE
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NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2008

4. DEFERRED EXPENSES

Deferred expenses consist of payments for the new 2009 event. These will be recognized as expenses in 2009 when the new event occurs.

5. DEFERRED REVENUE

Year 2007 deferred revenue consisted of revenue for the 2008 Sante Festival. It was recognized as revenue in 2008 when the Festival 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 \$ 50,000 was outstanding as at December 31, 2008.

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

\$

2009	121,000
2010	119,000
2011	115,000
2012	115,000
2013	<u>115,000</u>
	<u>585,000</u>

**THE BOARD OF MANAGEMENT FOR THE
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NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2008**

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.

As a result of the rising cost, during the year, the BIA decided not to continue its sponsorship of this event. It is the intension of the BIA to focus its resources on events that have proven to draw more customers to Bloor-Yorkville.

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.

9. FINANCIAL INSTRUMENTS

The carrying values of the BIA's financial instruments approximate their values. The BIA is subject to an interest rate risk with respect to its investments, however, as these investments are short-term investments the risk is minimal.