

**DOWNTOWN YONGE BUSINESS  
IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA**  
**DECEMBER 31, 2008**

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## **AUDITORS' REPORT**

To the Council of the Corporation of the City of Toronto and the  
Board of Management for the Downtown Yonge Business Improvement Area

We have audited the statement of financial position for the Downtown Yonge Business Improvement Area as at December 31, 2008 and the statements of revenue, expenditures and operating surplus and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. 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 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 our 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 its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada  
February 25, 2009

*Rosenswig McRae Thorpe LLP*

Chartered Accountants  
Licensed Public Accountants

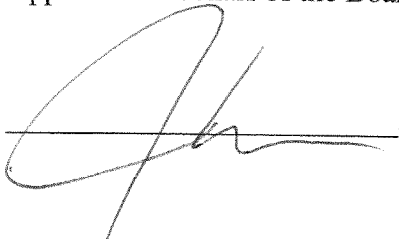
# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

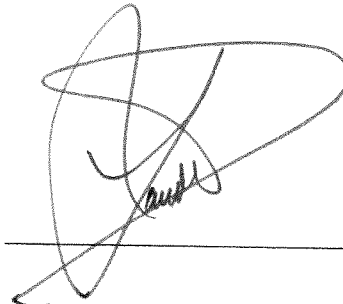
## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and short-term investments (Note 3)	\$ 842,931	\$ 688,364
Accounts receivable		
City of Toronto - special charges (Note 4)	122,614	169,940
Other	116,095	89,308
Other assets	<u>19,953</u>	<u>9,499</u>
	<u>\$ 1,101,593</u>	<u>\$ 957,111</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto - other	\$ 480,588	\$ 349,251
Other	<u>182,187</u>	<u>63,943</u>
	<u>662,775</u>	<u>413,194</u>
ACCUMULATED SURPLUS		
Operating surplus	<u>438,818</u>	<u>543,917</u>
	<u>\$ 1,101,593</u>	<u>\$ 957,111</u>

Approved on behalf of the Board of Management:

 , Chair

 , Treasurer

# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

## STATEMENT OF REVENUE, EXPENDITURES AND OPERATING SURPLUS

YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>		<u>2007</u>
	Actual	Budget (Note 8)	Actual
Revenue			
City of Toronto - special charges	\$ 2,117,490	2,112,845	\$ 2,106,543
Advertising and sponsorships	30,741	71,500	30,228
Other income	24,682	400	2,573
Interest earned	26,047	18,000	23,758
Municipal grant	9,601	-	1,910
Federal grant	-	-	2,676
	<u>2,208,561</u>	<u>2,202,745</u>	<u>2,167,688</u>
Expenditures			
Streetscape improvement - cost share	481,682	390,450	351,296
Marketing	456,636	442,511	393,271
Administration	403,279	396,804	345,539
Streetscape improvement - non-cost share	382,787	288,013	255,635
Clean streets program	225,870	256,417	231,985
Provision for levies in appeals	165,740	192,077	131,055
Member services	134,978	104,551	134,607
Safe streets program	39,642	190,647	88,695
Social improvement program	23,046	19,583	19,628
	<u>2,313,660</u>	<u>2,281,053</u>	<u>1,951,711</u>
(Deficit) excess of revenue over expenditures for the year	(105,099)	<u>(78,308)</u>	215,977
Operating surplus, beginning of year	<u>543,917</u>		<u>327,940</u>
Operating surplus, end of year	<u>\$ 438,818</u>		<u>\$ 543,917</u>

# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

## STATEMENT OF CASH FLOWS

DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
Cash from operating activities		
(Deficit) excess of revenue over expenditures for the year	\$ (105,099)	\$ 215,977
Changes in non-cash working capital:		
Accounts receivable		
Decrease (increase) in City of Toronto - special charges	47,326	(142,749)
Increase in other	(26,787)	(37,032)
Decrease (increase) in other assets	(10,454)	4,157
Accounts payable and accrued liabilities		
Increase (decrease) in City of Toronto - other	131,337	(232,661)
Increase (decrease) in other	<u>118,244</u>	<u>(44,155)</u>
Net cash from (used in) operating activities	154,567	(236,463)
Cash and short-term investments, beginning of year	<u>688,364</u>	<u>924,827</u>
Cash and short-term investments, end of year	<u>\$ 842,931</u>	<u>\$ 688,364</u>

# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

### 1. Establishment of operations

The Downtown Yonge Business Improvement Area was designated as a business improvement area by By-Law 27-2001 enacted on February 1, 2001. The appointment of members to a Board of Management ("Board") to manage and control the Business Improvement Area ("BIA") was approved by Council of the City of Toronto on June 28, 2001.

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, through property tax billings, based on an annual operating budget prepared by the Board and approved by Council as required by 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 the Canadian generally accepted accounting principles for local governments as prescribed by the Canadian 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.

### 3. Cash and short-term investments

	<u>2008</u>	<u>2007</u>
Cash	\$ 116,488	\$ 122,842
Short-term investments	<u>726,443</u>	<u>565,522</u>
	<u>\$ 842,931</u>	<u>\$ 688,364</u>

The investments are considered held for trading and consist of amounts invested in term deposits on account at a Canadian Deposit Insurance approved financial institution. The rate of returns being realized on the investments range from 1.65% to 3.45%.

# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

### 4. City of Toronto - special charges

Special charges levied by the City of Toronto ("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:

	<u>2008</u>	<u>2007</u>
Total special charges outstanding	\$ 1,434,614	\$ 1,309,940
Less: Allowance for special charges in appeals	<u>(1,312,000)</u>	<u>(1,140,000)</u>
Special charges receivable	\$ <u>122,614</u>	\$ <u>169,940</u>

### 5. Contractual commitments

- a) The Board, in co-operation with the City, agrees to annual cost-shared capital improvement projects on publicly owned property. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. As at December 31, 2008 the BIA had no such commitment outstanding relating to their 2008 capital improvement projects.
- b) The Board has contractual commitments to minimum annual operating payments for office space, equipment, and other contractual obligations as follows:

2009	\$ 60,282
2010	60,282
2011	60,282
2012	<u>467</u>
	\$ <u>181,313</u>

### 6. 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.



# **DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

7. Financial instruments - fair value

The BIA's financial instruments recognized in the statement of financial position consist of cash and short-term investments, accounts receivable, other assets and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

8. 2008 Budget

The 2008 budget figures on the statement of revenue, expenditures and operating surplus are presented for information purposes only and are not commented on by the opinion of Rosenswig McRae Thorpe LLP dated February 25, 2009.

9. Comparative figures

Certain comparative figures have been reclassified to conform with the current year presentation.