

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

**Financial Statements
For the Year Ended December 31, 2009**

**BLOOR-YORKVILLE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2009

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 - 11

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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, 2009 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, 2009 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures. Accordingly, I do not express any opinion regarding the budget figures.

Toronto, Ontario
April 23, 2010

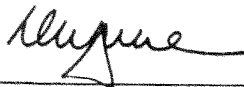


Chartered Accountant
Licensed Public Accountant

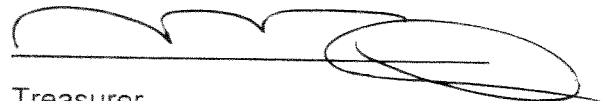
THE BOARD OF MANAGEMENT FOR THE
 BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2009

	2009 \$	2008 \$
ASSETS		
Current		
Cash and short-term investments	722,437	595,293
Accounts receivable		
City of Toronto – special charges (note 5)	195,627	285,213
Other	30,731	25,303
Deferred expenses	-	14,618
	<u>948,795</u>	<u>920,427</u>
Capital assets, net (note 6)	<u>113,534</u>	<u>133,424</u>
	<u>1,062,329</u>	<u>1,053,851</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	77,906	58,529
Deferred revenue (note 7)	8,000	-
Other	25,620	18,923
	<u>111,526</u>	<u>77,452</u>
ACCUMULATED SURPLUS		
Restricted	113,534	133,424
Unrestricted	837,269	842,975
	<u>950,803</u>	<u>976,399</u>
	<u>1,062,329</u>	<u>1,053,851</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, 2009

	2009 \$ Budget (Unaudited)	2009 \$ Actual	2008 \$ Actual
REVENUE			
City of Toronto - special charges	1,648,220	1,673,625	1,644,994
Sante – sponsorships and revenue (note 9)	-	-	494,572
Interest and Other	15,000	68,594	33,786
Municipal grants	-	-	1,800
Festival and miscellaneous	50,000	38,010	76,183
	<u>1,713,220</u>	<u>1,780,229</u>	<u>2,251,335</u>
EXPENDITURE			
Administration	463,860	457,557	407,824
Communication and member relations	55,100	55,563	62,119
Design, improvements and maintenance	474,900	469,735	645,090
Capital	100,000	-	-
Promotion and marketing	483,500	523,996	267,097
Contribution (Note 4)	250,000	250,000	250,000
Sante – marketing and events costs (note 9)	-	-	793,171
Amortization of capital assets	-	60,090	51,717
Provision for (recovery of) uncollectable levies (note 5)	(114,140)	(11,116)	(4,447)
	<u>1,713,220</u>	<u>1,805,825</u>	<u>2,472,571</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	(25,596)	(221,236)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>976,399</u>	<u>976,399</u>	<u>1,197,635</u>
OPERATING SURPLUS, END OF YEAR	<u>976,399</u>	<u>950,803</u>	<u>976,399</u>

THE BOARD OF MANAGEMENT FOR THE
 BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 \$	2008 \$
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess (deficiency) of revenue over expenditure for the year	(25,596)	(221,236)
Add: non-cash item Amortization of capital assets	60,090	51,717
Increase (decrease) resulting from changes in		
Accounts receivable		
City of Toronto - special charges	89,586	(150,336)
Other	(5,428)	(40,394)
Deferred expenses	14,618	158,906
Accounts payable and accrued liabilities		
City of Toronto	19,377	(49,756)
Deferred revenue	8,000	(59,000)
Other	6,697	(60,261)
CASH PROVIDED BY (USED IN) OPERATIONS	(167,344)	(370,360)
INVESTING ACTIVITY		
Purchase of capital assets	(40,200)	(97,902)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	595,293	1,063,555
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	722,437	595,293

THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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. CHANGE IN BASIS OF PRESENTATION FOR 2009

For fiscal year commencing on January 1, 2009 the Canadian Institute of Chartered Accountants (CICA) has required that the accounting recommendations and disclosure requirements, as prescribed by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants, be adopted for use by Ontario municipalities and their local boards and agencies. As a result, the Board has implemented accounting policies as recommended. The implementation of these policies has resulted in the Board changing its method of accounting for capital assets, on a retroactive basis, from expensing them when purchased to capitalizing and amortizing them over their estimated useful lives.

The effect of these changes has been to increase capital assets and surplus by \$113,534, as at December 31, 2009 (2008 – increase \$133,424), and increase expenses by \$19,890 for the year ended December 31, 2009 (2008 – decrease expenses by \$46,185). In addition, the opening 2008 comparative figures have been adjusted to reflect the retroactive application of the recommendations, resulting in an increase in surplus by \$87,239.

THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

3. 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 assets

Purchased capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Flags and banners	3 years
Street & Christmas lights	5 years
Street furniture	5 years
Planters	5 years

(c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

4. CONTRIBUTION

BIA agreed to contribute \$250,000 annually, commencing 2007 and ending in 2026 to a maximum amount of \$5,000,000, to the Bloor Street Transformation Project.

THE BOARD OF MANAGEMENT FOR THE
 BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2009

5. 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:

	2009 \$	2008 \$
Total special charges outstanding	1,057,827	1,247,213
Less: allowance for uncollected special charges	(862,200)	(962,000)
Special charges receivable	<u>195,627</u>	<u>285,213</u>

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

	2009 \$	2008 \$
Special charges written-off	88,684	29,253
Change in allowance for uncollected special charges	(99,800)	(33,700)
	<u>11,116</u>	<u>(4,447)</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, 2009

6. CAPITAL ASSETS

	2009		2008	
	Cost	Accumulated Amortization	Net book Value	Net book value
Holiday Trees	30,000	24,000	6,000	12,000
Benches	48,263	38,611	9,652	19,305
Lighting	129,770	58,505	71,265	59,519
Lampposts	82,000	58,300	23,700	40,100
Computers	6,250	3,333	2,917	2,500
	<u>296,283</u>	<u>182,749</u>	<u>113,534</u>	<u>133,424</u>

7. DEFERRED REVENUE

Deferred revenue consists of revenue for the 2010 Festival. It will be recognized as revenue in 2010 when the Festival will be hosted.

8. 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 \$ 17,000 (2008 - \$ 50,000) was outstanding as at December 31, 2009.

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

\$

2010	119,000
2011	115,000
2012	115,000
2013	<u>115,000</u>
	<u>464,000</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, 2009

9. **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 2008 the BIA decided not to continue this event in the future. It is the intension of the BIA to focus its resources on events that have proven to draw more customers to Bloor-Yorkville.

10. **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.

11. **FINANCIAL INSTRUMENTS**

The 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.

12. **COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to current year's presentation.