

Appendix E:

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

**Financial Statements
For the Year Ended December 31, 2011**

BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2011

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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 Business Improvement Area

I have audited the accompanying financial statements of Bloor Yorkville Business Improvement Area, which comprise the statement of financial position as at December 31, 2011 and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

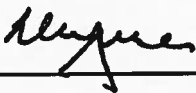
Toronto, Ontario
May 18, 2012


Chartered Accountant
Licensed Public Accountant

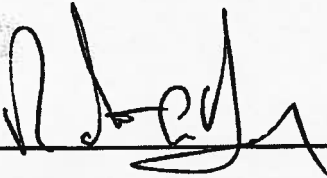
**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011**

	2011 \$	2010 \$
FINANCIAL ASSETS		
Cash and short-term investments	855,052	841,222
Accounts receivable		
City of Toronto – special charges (Note 4)	48,540	105,560
– other	154,158	-
Other	66,205	56,284
	<u>1,123,955</u>	<u>1,003,066</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	28,530	27,702
Deferred Revenue (Note 6)	-	13,650
Other	54,322	37,463
	<u>82,852</u>	<u>78,815</u>
NET FINANCIAL ASSETS	1,041,103	924,251
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	190,740	100,640
	<u>1,231,843</u>	<u>1,024,891</u>
ACCUMULATED SURPLUS	<u>1,231,843</u>	<u>1,024,891</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
 BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
 STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011 \$ Budget (Note 10)	2011 \$ Actual	2010 \$ Actual
REVENUE			
City of Toronto – special charges	1,814,943	1,814,943	1,736,256
Interest and Other	10,000	10,280	26,608
Festival and miscellaneous	43,000	69,595	70,772
	<u>1,867,943</u>	<u>1,894,818</u>	<u>1,833,586</u>
EXPENSES			
Administration	494,400	478,168	469,433
Communication and member relations	50,000	53,332	32,044
Design, improvements and maintenance	452,000	169,033	310,190
Capital / amortization	50,000	71,682	62,767
Promotion and marketing	531,500	501,199	521,493
Contributions (Note 3)	250,000	250,000	250,000
Provision for uncollected special charges (Note 4)	119,900	164,452	113,571
	<u>1,947,800</u>	<u>1,687,866</u>	<u>1,756,498</u>
SURPLUS (DEFICIT) FOR THE YEAR	(79,857)	206,952	74,088
OPERATING SURPLUS, BEGINNING OF YEAR	1,024,891	1,024,891	950,803
OPERATING SURPLUS, END OF YEAR	<u>945,034</u>	<u>1,231,843</u>	<u>1,024,891</u>

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011	2010
	\$	\$
Increase (decrease) in cash and short-term investments		
Cash flows from operating transactions		
Surplus for the year	206,952	74,088
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	71,682	62,767
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto – special charges	57,020	90,067
Accounts receivable - City of Toronto – other	(154,158)	-
Accounts receivable – other	(9,921)	(25,553)
Accounts payable - City of Toronto	828	(50,204)
Deferred Revenue	(13,650)	5,650
Accounts payable – other	16,859	11,843
Cash Provided By Operations	175,612	168,658
Capital Transactions		
Purchase of tangible capital assets	(161,782)	(49,873)
Cash, Beginning Of Year	841,222	722,437
Cash, End Of Year	855,052	841,222

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 expenses 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 & Banners	3 years
Computers	3 years
Street & Christmas Lights	5 years
Benches	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.

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2011**

3. CONTRIBUTION

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

4. 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:

	2011 \$	2010 \$
Total special charges outstanding	1,100,240	1,066,760
Less: allowance for uncollected special charges	(1,051,700)	(961,200)
Special charges receivable	<u>48,540</u>	<u>105,560</u>

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

	2011 \$	2010 \$
Special charges written-off	73,952	14,571
Change in provision for assessment appeals	90,500	99,000
	<u>164,452</u>	<u>113,571</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, 2011**

5. TANGIBLE CAPITAL ASSETS

	2011		
	Cost	Accumulated Amortization	Net book Value
Office Furniture	6,579	2,425	4,154
Benches	94,789	59,563	35,226
Street Furniture	6,668	1,333	5,335
Lighting	269,278	135,319	133,959
Lampposts	82,000	76,000	6,000
Computers	18,624	12,558	6,066
	477,938	287,198	190,740

	2010		
	Cost	Accumulated Amortization	Net book Value
Office Furniture	5,546	1,110	4,436
Holiday Trees	30,000	30,000	-
Benches	58,243	50,259	7,984
Lighting	157,566	87,047	70,519
Lampposts	82,000	69,500	12,500
Computers	12,801	7,600	5,201
	346,156	245,516	100,640

6. DEFERRED REVENUE

Deferred revenue consists of revenue for the 2011 Festival. It will be recognized as revenue in 2011 when the Festival will be hosted.

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2011**

7. COMMITMENTS

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

	\$
2012	127,000
2013	117,000
2014	5,000
2015	<u>5,000</u>
	<u>254,000</u>

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

10. BUDGET

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.

11. COMPARATIVE FIGURES

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