

**THE BOARD OF MANAGEMENT FOR THE  
FOREST HILL VILLAGE  
BUSINESS IMPROVEMENT AREA**

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

# **FOREST HILL VILLAGE BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2011**

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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 Forest Hill Village Business Improvement Area**

I have audited the accompanying financial statements of the Forest Hill Village 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.

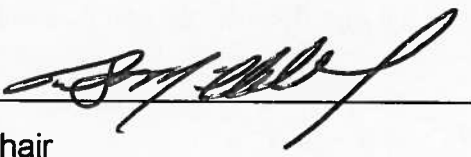
Toronto, Ontario  
April 27, 2012


  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
FOREST HILL VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2011**

	2011 \$	2010 \$
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments	310,039	325,003
Accounts receivable		
City of Toronto – special charges (Note 3)	7,798	-
Other	8,260	1,888
	<u>326,097</u>	<u>326,891</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
City of Toronto – special charges (Note 3)	-	4,817
City of Toronto	167,902	15,265
Other	4,632	2,042
	<u>172,534</u>	<u>22,124</u>
<b>NET FINANCIAL ASSETS</b>	<u>153,563</u>	<u>304,767</u>
<b>ACCUMULATED SURPLUS</b>	<u>153,563</u>	<u>304,767</u>

Approved on behalf of the Board of Management:

  
Chair

  
Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
FOREST HILL VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF OPERATIONS  
For the Year Ended December 31, 2011**

	<b>2011 \$ Budget (Note 6)</b>	<b>2011 \$ Actual</b>	<b>2010 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	192,006	192,006	194,959
Interest and other revenue	-	3,405	1,210
	<u>192,006</u>	<u>195,411</u>	<u>196,169</u>
<b>EXPENSES</b>			
Administration	68,025	31,398	32,597
Promotion	38,800	10,120	12,912
Maintenance	29,500	44,441	16,236
Capital	200,000	247,763	-
Provision for uncollected special charges (note 3)	25,508	12,893	22,545
	<u>361,833</u>	<u>346,615</u>	<u>84,290</u>
<b>SURPLUS (DEFICT) FOR THE YEAR</b>	(169,827)	(151,204)	111,879
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u>304,767</u>	<u>304,767</u>	<u>192,888</u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>134,940</u>	<u>153,563</u>	<u>304,767</u>

**THE BOARD OF MANAGEMENT FOR THE  
FOREST HILL VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Increase (decrease) in cash and short-term investments		
<b>Cash flows from operating transactions</b>		
Surplus (Deficit) for the year	(151,204)	111,879
<b>Non-cash changes to operations</b>		
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(7,798)	-
Accounts receivable – other	(6,372)	(161)
Accounts payable - City of Toronto	147,820	580
Accounts payable – other	2,590	(9,195)
<b>Cash Provided By (Used In) Operations</b>	<b>(14,964)</b>	<b>103,103</b>
<b>Cash and short-term investments, Beginning Of Year</b>	<b>325,003</b>	<b>221,900</b>
<b>Cash and short-term investments, End Of Year</b>	<b>310,039</b>	<b>325,003</b>

**THE BOARD OF MANAGEMENT FOR THE  
FOREST HILL VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**1. ESTABLISHMENT AND OPERATIONS**

The Forest Hill Village 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:

Computers	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.

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

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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/ (payable) from the City of Toronto are comprised of:

	2011 \$	2010 \$
Total special charges outstanding	60,798	37,383
Less: allowance for uncollected special charges	<u>(53,000)</u>	<u>(42,200)</u>
Special charges receivable/(payable)	<u>7,798</u>	<u>(4,817)</u>

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

	2011 \$	2010 \$
Special charges written-off	2,093	2,645
Change in allowance for uncollected special charges	<u>10,800</u>	<u>19,900</u>
	<u>12,893</u>	<u>22,545</u>



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

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**4. 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.

**5. FINANCIAL INSTRUMENTS**

The financial instruments recognized in the statement of financial position consist of cash and short-term investments, accounts receivable, 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.

**6. 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.

**7. COMMITMENTS**

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 \$6,050 (2010 - \$nil) was outstanding as at December 31, 2011.

**8. COMPARATIVE FIGURES**

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

