

Appendix Z:

**THE BOARD OF MANAGEMENT FOR THE  
UPTOWN YONGE  
BUSINESS IMPROVEMENT AREA**

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

# UPTOWN YONGE 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 Uptown Yonge Business Improvement Area**

I have audited the accompanying financial statements of Uptown Yonge 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.



Chartered Accountant  
Licensed Public Accountant

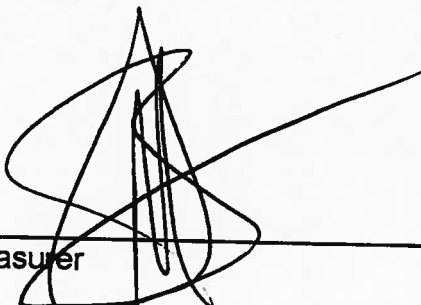
Toronto, Ontario  
May 27, 2012

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

	2011 \$	2010 \$
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments	165,079	206,085
Accounts receivable		
City of Toronto – special charges (Note 3)	11,741	2,423
Other	6,427	772
	<u>183,247</u>	<u>209,280</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
City of Toronto	-	14,434
Other	7,694	40,010
	<u>7,694</u>	<u>54,444</u>
<b>NET FINANCIAL ASSETS</b>	175,553	154,836
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	98,873	140,160
	<u>274,426</u>	<u>294,996</u>
<b>ACCUMULATED SURPLUS</b>	<u>274,426</u>	<u>294,996</u>

Approved on behalf of the Board of Management:

  
 \_\_\_\_\_  
 Chair

  
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 Treasurer

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

	<b>2011 \$ Budget (Note 7)</b>	<b>2011 \$ Actual</b>	<b>2010 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	115,360	115,378	115,772
Fund raising and other	400	829	370
	<u>115,760</u>	<u>116,207</u>	<u>116,142</u>
<b>EXPENSES</b>			
Administration	39,010	39,457	35,930
Promotion and advertising	51,300	40,243	4,220
Maintenance and Improvements	6,000	17,139	13,173
Capital / amortization	11,500	41,287	41,287
Provision for (recovery of) uncollected special charges (Note 3)	7,950	(1,349)	7,664
	<u>115,760</u>	<u>136,777</u>	<u>102,274</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	-	(20,570)	13,868
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u>294,996</u>	<u>294,996</u>	<u>281,128</u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>294,996</u>	<u>274,426</u>	<u>294,996</u>

**THE BOARD OF MANAGEMENT FOR THE  
 UPTOWN YONGE 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	(20,570)	13,868
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	41,287	41,287
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(9,318)	60,836
Accounts receivable - other	(5,655)	(480)
Accounts payable - City of Toronto	(14,434)	(133,092)
Accounts payable - other	(32,316)	13,534
<b>Cash Provided By (Used In) Operations</b>	(41,006)	(4,047)
<b>Capital Transactions</b>		
Purchase of tangible capital assets	-	(40,010)
<b>Cash and short-term investments, Beginning Of Year</b>	206,085	250,142
<b>Cash and short-term investments, End Of Year</b>	165,079	206,085

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

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**1. ESTABLISHMENT AND OPERATIONS**

The Uptown Yonge 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) For fiscal years beginning on or after January 1, 2011, tangible capital assets are recorded at cost. Amortization is calculated on straight-line basis over the estimated useful lives of the assets as follows:
  - Street Lights 5 years
  - Benches 5 years
  - Planters 5 years
  - Flags and Banners 3 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  
UPTOWN YONGE 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 net of an allowance for uncollected amounts. The special charges receivable from the City of Toronto are comprised of:

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Total special charges outstanding	24,741	17,623
Less: allowance for uncollected special charges	<u>(13,000)</u>	<u>(15,200)</u>
Special charges receivable	<u>11,741</u>	<u>2,423</u>

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

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Special charges written-off	851	2,464
Change in provision for losses on assessment appeals	<u>(2,200)</u>	<u>5,200</u>
	<u>(1,349)</u>	<u>7,664</u>



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

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**4. CAPITAL ASSETS**

	<b>2011</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net book Value</b>
Street Lights	121,816	48,726	73,090
Banners	37,491	24,995	12,496
Benches	19,545	7,818	11,727
Planters	2,600	1,040	1,560
	<b>181,452</b>	<b>82,579</b>	<b>98,873</b>

	<b>2010</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net book Value</b>
Street Lights	121,816	24,363	97,453
Banners	37,491	12,500	24,991
Benches	19,545	3,909	15,636
Planters	2,600	520	2,080
	<b>181,452</b>	<b>41,292</b>	<b>140,160</b>

**5. 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.

**6. 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.

**7. 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.

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

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**8. COMPARATIVE FIGURES**

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