

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

**Financial Statements
For the Year Ended December 31, 2013**

**BLOOR ANNEX
BUSINESS IMPROVEMENT AREA
DECEMBER 31, 2013**

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INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Bloor Annex Business Improvement Area

I have audited the accompanying financial statements of Bloor Annex Business Improvement Area, which comprise the statement of financial position as at December 31, 2013 and the statement of operations and accumulated surplus, statement of changes in net financial assets and statement of 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, 2013 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 5, 2014


Chartered Accountant
Licensed Public Accountant


**THE BOARD OF MANAGEMENT FOR THE
BLOOR ANNEX BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013	2012
	\$	\$
FINANCIAL ASSETS		
Cash and short-term investments	142,544	114,442
Accounts receivable		
City of Toronto – special charges (Note 3)	7,055	6,878
Other	2,906	2,815
	<u>152,505</u>	<u>124,135</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	13,151	11,259
Other	1,200	5,218
	<u>14,351</u>	<u>16,477</u>
NET FINANCIAL ASSETS	138,154	107,658
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	19,920	17,855
ACCUMULATED SURPLUS	<u>158,074</u>	<u>125,513</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
 BLOOR ANNEX BUSINESS IMPROVEMENT AREA
 STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 \$ Budget (Note 8)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	119,159	119,159	117,303
Interest and other	-	1,103	719
	<u>119,159</u>	<u>120,262</u>	<u>118,022</u>
EXPENSES			
Administration	29,255	26,817	34,235
Promotion and advertising	27,540	26,178	27,467
Maintenance	23,408	20,843	29,458
Capital (Note 7)	36,000	-	-
Amortization	-	11,085	9,162
Provision for uncollected special charges (Note 3)	2,956	2,778	4,145
	<u>119,159</u>	<u>87,701</u>	<u>104,467</u>
SURPLUS FOR THE YEAR	-	32,561	13,555
OPERATING SURPLUS, BEGINNING OF YEAR	<u>125,513</u>	<u>125,513</u>	<u>111,958</u>
OPERATING SURPLUS, END OF YEAR	<u>125,513</u>	<u>158,074</u>	<u>125,513</u>

**THE BOARD OF MANAGEMENT FOR THE
 BLOOR ANNEX BUSINESS IMPROVEMENT AREA
 STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u> \$	<u>2012</u> \$
Surplus for the year	32,561	13,555
Acquisition of tangible capital assets	(13,150)	(5,231)
Amortization of tangible capital assets	<u>11,085</u>	<u>9,162</u>
	30,496	17,486
Balance - Beginning of year	107,658	90,172
Balance - End of year	<u><u>138,154</u></u>	<u><u>107,658</u></u>

**THE BOARD OF MANAGEMENT FOR THE
BLOOR ANNEX BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
	\$	\$
Cash flows from operating activities		
Surplus for the year	32,561	13,555
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	11,085	9,162
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(177)	434
Accounts receivable – other	(91)	374
Accounts payable - City of Toronto	1,892	10,793
Accounts payable – other	(4,018)	1,001
Cash Provided By Operations	41,252	35,319
Investing Activities		
Purchase of tangible capital assets	(13,150)	(5,231)
Cash and short-term investments, Beginning Of Year	114,442	84,354
Cash and short-term investments, End Of Year	142,544	114,442

**THE BOARD OF MANAGEMENT FOR THE
BLOOR ANNEX BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

1. ESTABLISHMENT AND OPERATIONS

The Bloor Annex 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 and banners	3 years
Street & Christmas lights	5 years
Street furniture	5 years
Pole Wraps	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 ANNEX BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

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:

	2013 \$	2012 \$
Total special charges outstanding	19,355	18,378
Less: allowance for uncollected special charges	<u>(12,300)</u>	<u>(11,500)</u>
Special charges receivable	<u>7,055</u>	<u>6,878</u>

The provision for uncollected levies reported on the Statement of Operations and Accumulated Surplus comprises of:

	2013 \$	2012 \$
Special charges written-off	1,978	1,945
Change in allowance for uncollected special charges	<u>800</u>	<u>2,200</u>
	<u>2,778</u>	<u>4,145</u>

**THE BOARD OF MANAGEMENT FOR THE
BLOOR ANNEX BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

4. TANGIBLE CAPITAL ASSETS

	2013			
	Lights	Pole Wraps	Banners	Total
Cost				
Beginning	25,517	11,968	4,056	41,541
Additions	13,150	-	-	13,150
Disposals	-	-	-	-
Ending	38,667	11,968	4,056	54,691
Accumulated Amortization				
Beginning	15,123	6,424	2,139	23,686
Amortization	7,733	2,394	958	11,085
Disposals	-	-	-	-
Ending	22,856	8,818	3,097	34,771
Net Book Value	15,811	3,150	959	19,920

	2012			
	Lights	Pole Wraps	Banners	Total
Cost				
Beginning	25,051	10,078	1,181	36,310
Additions	466	1,890	2,875	5,231
Disposals	-	-	-	-
Ending	25,517	11,968	4,056	41,541
Accumulated Amortization				
Beginning	9,707	4,030	787	14,524
Amortization	5,416	2,394	1,352	9,162
Disposals	-	-	-	-
Ending	15,123	6,424	2,139	23,686
Net Book Value	10,394	5,544	1,917	17,855

**THE BOARD OF MANAGEMENT FOR THE
BLOOR ANNEX BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

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. CAPITAL EXPENSES

In order to finance major capital expenses the BIA annually budgets certain amounts and accumulates them as operating surplus. Once adequate funds have accumulated, the BIA undertakes cost-shared capital improvement projects with the City. For this reason the actual expenses in a given year could significantly differ from the amount budgeted for the year. Any excess actual capital expenses are financed out of the accumulated surplus.

8. 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.

