

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

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

**BLOOR YORKVILLE
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 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, 2013 and the statements of operations, changes in net assets 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, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

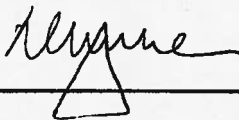
Toronto, Ontario
March 15, 2014


Chartered Accountant
Licensed Public Accountant

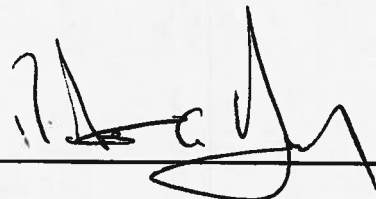
**THE BOARD OF MANAGEMENT FOR THE
 BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2013**

	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash and short-term investments	616,167	785,011
Accounts receivable		
City of Toronto – special charges (Note 4)	93,762	260,471
Other	64,426	60,041
	<u>774,355</u>	<u>1,105,523</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	271,228	30,784
Other	190,040	152,273
	<u>461,268</u>	<u>183,057</u>
NET FINANCIAL ASSETS	313,087	922,466
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	223,208	133,270
ACCUMULATED SURPLUS	<u>536,295</u>	<u>1,055,736</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, 2013**

	2013 \$ Budget (Note 11)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	2,215,204	2,215,979	2,015,532
Interest and Other	8,000	3,971	9,502
Festival and miscellaneous	40,000	59,358	71,488
	<u>2,263,204</u>	<u>2,279,308</u>	<u>2,096,522</u>
EXPENSES			
Administration	518,800	525,810	498,491
Communication and member relations	40,400	60,155	36,363
Design, improvements and maintenance Capital (Note 9)	990,000	939,238	880,399
Amortization	187,500	119,292	-
Promotion and marketing	-	89,557	73,570
Contributions (Note 3)	548,556	519,265	515,570
Provision for uncollected special charges (Note 4)	250,000	250,000	250,000
	127,948	295,432	(43,749)
	<u>2,663,204</u>	<u>2,798,749</u>	<u>2,210,644</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>(400,000)</u>	<u>(519,441)</u>	<u>(114,122)</u>
OPERATING SURPLUS, BEGINNING OF YEAR			
As previously reported	1,055,736	1,055,736	1,231,843
Prior period adjustment (Note 6)	-	-	(61,985)
As restated	<u>1,055,736</u>	<u>1,055,736</u>	<u>1,169,858</u>
OPERATING SURPLUS, END OF YEAR	<u>717,721</u>	<u>536,295</u>	<u>1,055,736</u>

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

	2013	2012
	\$	\$
Surplus (deficit) for the year	(519,441)	(114,122)
Acquisition of tangible capital assets	(179,495)	(16,100)
Amortization of tangible capital assets	89,557	73,570
	(609,379)	(56,652)
Balance - Beginning of year	922,466	979,118
Balance - End of year	<u>313,087</u>	<u>922,466</u>

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

	2013	2012
	\$	\$
Cash flows from operating transactions		
Surplus (deficit) for the year	(519,441)	(114,122)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	89,557	73,570
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto – special charges	166,709	(211,931)
Accounts receivable - City of Toronto – other	-	154,158
Accounts receivable – other	(4,385)	6,164
Accounts payable - City of Toronto	240,444	2,254
Accounts payable – other	37,767	35,966
Cash Provided By (Used In) Operations	10,651	(53,941)
Capital Transactions		
Purchase of tangible capital assets	(179,495)	(16,100)
Cash and short-term investments, Beginning Of Year	785,011	855,052
Cash and short-term investments, End Of Year	616,167	785,011

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

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, 2013**

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:

	2013 \$	2012 \$
Total special charges outstanding	879,362	1,144,371
Less: allowance for uncollected special charges	(785,600)	(883,900)
Special charges receivable	<u>93,762</u>	<u>260,471</u>

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

	2013 \$	2012 \$
Special charges written-off	393,732	124,051
Change in provision for assessment appeals	(98,300)	(167,800)
	<u>295,432</u>	<u>(43,749)</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, 2013**

5. TANGIBLE CAPITAL ASSETS

	2013					Total
	Benches	Street Furniture	Lighting	Office Furniture	Computers	
Cost						
Beginning	46,526	6,668	287,460	6,579	12,374	359,607
Additions	-	-	159,545	11,690	8,260	179,495
Disposals	-	-	-	-	-	-
Ending	46,526	6,668	447,005	18,269	20,634	539,102
Accumulated Amortization						
Beginning	20,605	2,666	188,893	3,740	10,433	226,337
Amortization	9,305	1,334	70,570	3,654	4,694	89,557
Disposals	-	-	-	-	-	-
Ending	29,910	4,000	259,463	7,394	15,127	315,894
Net Book Value	16,616	2,668	187,542	10,875	5,507	223,208

	2012					Total
	Benches	Street Furniture	Lighting	Office Furniture	Computers	
Cost						
Beginning	46,526	6,668	271,360	6,579	12,374	343,507
Additions	-	-	16,100	-	-	16,100
Disposals	-	-	-	-	-	-
Ending	46,526	6,668	287,460	6,579	12,374	359,607
Accumulated Amortization						
Beginning	11,300	1,333	131,401	2,425	6,308	152,767
Amortization	9,305	1,333	57,492	1,315	4,125	73,570
Disposals	-	-	-	-	-	-
Ending	20,605	2,666	188,893	3,740	10,433	226,337
Net Book Value	25,921	4,002	98,567	2,839	1,941	133,270

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

6. PRIOR PERIOD ADJUSTMENT

The Bloor-Yorkville BIA's employees' annual salaries were lower than the \$400,000 limit allowed by Ontario Ministry of Finance to exempt small and medium sized organizations from paying the Employee Health Tax (EHT) premium. For this reason the BIA did not pay the EHT premium. However, during the 2012 audit, our auditor informed the Board that this exemption does not apply to municipalities. The BIA is a Board of the City, accordingly does not qualify for the \$400,000 exemption. The Board, in order to comply with the Provincial Guidelines, directed the Executive Director to file a voluntary disclosure and request the Ministry to extend the exemption to the Bloor-Yorkville BIA because the BIA operates in a similar fashion to other not-for-profit organizations. However, the ministry did not allow the exemption and assessed EHT premiums from 1998 to 2012 at \$61,985. As a result, the BIA's prior years' accumulated surplus decreased by \$61,985 and accounts payable-other increased by a similar amount. The assessed premium was paid to the Ministry in the early part of 2014.

7. 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.

8. COMMITMENTS

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

	\$
2014	101,799
2015	101,799
2016	98,137
2017	96,916
2018	<u>88,840</u>
	<u>487,491</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, 2013**

9. 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.

10. 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.

11. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures.