

**Appendix E:**

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

**Financial Statements  
For the Year Ended December 31, 2014**

**BLOOR YORKVILLE  
BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2014**

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**RAFIQ DOSANI**, B.Comm. CPA, CA.  
CHARTERED ACCOUNTANT

90 Risebrough Avenue  
Toronto, Ontario M2M 2E3  
Telephone: (416) 221 - 4095  
Fax: (416) 221 - 4160

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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, 2014 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 the related notes which comprises 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 accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB) 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 Bloor Yorkville Business Improvement Area as at December 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB).

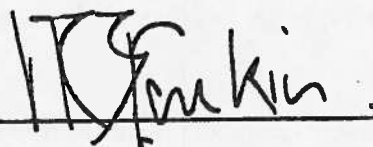
Toronto, Ontario  
April 29, 2015

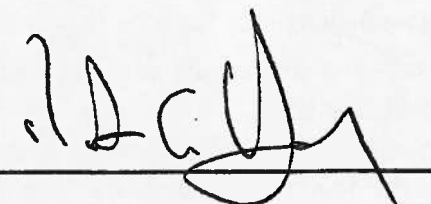
  
Chartered Professional Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2014**

	2014 \$	2013 \$
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments	446,621	616,167
Accounts receivable		
City of Toronto (Note 4)	167,255	93,762
Other	93,580	64,426
	<u>707,456</u>	<u>774,355</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
City of Toronto	8,465	271,228
Other	291,614	190,040
	<u>300,079</u>	<u>461,265</u>
<b>NET FINANCIAL ASSETS</b>	407,377	313,087
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 5)	120,000	223,208
<b>ACCUMULATED SURPLUS</b>	<u>527,377</u>	<u>536,295</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, 2014**

	<b>2014 \$ Budget (Note 11)</b>	<b>2014 \$ Actual</b>	<b>2013 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	2,494,896	2,494,896	2,215,979
Interest and Other	1,000	5,924	3,971
Festival and miscellaneous	40,000	64,024	59,358
	<u>2,535,896</u>	<u>2,564,844</u>	<u>2,279,308</u>
<b>EXPENSES</b>			
Administration	554,340	500,063	525,810
Communication and member relations	57,050	39,456	60,155
Design, improvements and maintenance	1,041,000	933,730	939,238
Capital (Note 9)	73,500	-	119,292
Amortization	-	103,208	89,557
Promotion and marketing	511,556	572,349	519,265
Contributions (Note 3)	250,000	250,000	250,000
Provision for uncollected special charges (Note 4)	248,450	174,956	295,432
	<u>2,735,896</u>	<u>2,573,762</u>	<u>2,798,749</u>
<b>(DEFICIT) FOR THE YEAR</b>	<b>(200,000)</b>	<b>(8,918)</b>	<b>(519,441)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>529</b>	<b>536,295</b>	<b>1,055,736</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>424,823</b>	<b>527,377</b>	<b>536,295</b>

**THE BOARD OF MANAGEMENT FOR THE  
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
(Deficit) for the year	(8,918)	(519,441)
Acquisition of tangible capital assets	-	(179,495)
Amortization of tangible capital assets	<u>103,208</u>	<u>89,557</u>
	94,290	(609,379)
Balance - Beginning of year	313,087	922,466
Balance - End of year	<u>407,377</u>	<u>313,087</u>

**THE BOARD OF MANAGEMENT FOR THE  
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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	2014 \$	2013 \$
<b>Cash flows from operating transactions</b>		
(Deficit) for the year	(8,918)	(519,441)
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	103,208	89,557
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(73,493)	166,709
Accounts receivable – other	(29,154)	(4,385)
Accounts payable - City of Toronto	(262,763)	240,444
Accounts payable – other	101,574	37,767
	<hr/>	<hr/>
<b>Cash Provided By (Used In) Operations</b>	(169,546)	10,651
<b>Capital Transactions</b>		
Purchase of tangible capital assets	-	(179,495)
<b>Cash and short-term investments, Beginning Of Year</b>	616,167	785,011
	<hr/>	<hr/>
<b>Cash and short-term investments, End Of Year</b>	446,621	616,167
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**THE BOARD OF MANAGEMENT FOR THE  
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**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 Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB), the most significant of which are as follows:

**Revenue recognition:**

The BIA receives special charges from its members which are levied and collected by the City of Toronto. It also receives cash donations and sponsorships from corporate and private donors and grants from local, provincial and federal governments for events and festivals. Revenue is being recorded upon the signing of contracts and when collection can be reasonably ascertained.

**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:

Benches	5 years	Street Furniture	5 years
Lighting	5 years	Office Furniture	5 years
Computers	3 years		

**Contributed services:**

Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

**Financial instruments:**

Financial instruments are recorded at the approximated fair value.



**THE BOARD OF MANAGEMENT FOR THE  
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Use of estimates:**

The preparation of these financial statements in accordance with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include determining the useful lives of tangible capital assets for amortization, the allowance for uncollectible levies and accounts receivable and contingent liabilities. Actual results could differ from management's best estimates, as additional information becomes available in the future.

**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:

	2014 \$	2013 \$
Total special charges outstanding	966,655	879,362
Less: allowance for uncollected special charges	(799,400)	(785,600)
Special charges receivable	<u>167,255</u>	<u>93,762</u>

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

	2014 \$	2013 \$
Special charges written-off	161,156	393,732
Change in provision for assessment appeals	13,800	(98,300)
	<u>174,956</u>	<u>295,432</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, 2014**

**5. TANGIBLE CAPITAL ASSETS**

	2014					Total
	Benches	Street Furniture	Lighting	Office Furniture	Computers	
<b>Cost</b>						
Beginning	46,526	6,668	447,005	18,269	20,634	539,102
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Ending</b>	<b>46,526</b>	<b>6,668</b>	<b>447,005</b>	<b>18,269</b>	<b>20,634</b>	<b>539,102</b>
<b>Accumulated Amortization</b>						
Beginning	29,910	4,000	259,463	7,394	15,127	315,894
Amortization	9,312	1,334	83,401	3,654	5,507	103,208
Disposals	-	-	-	-	-	-
<b>Ending</b>	<b>39,222</b>	<b>5,334</b>	<b>342,864</b>	<b>11,048</b>	<b>20,634</b>	<b>419,102</b>
<b>Net Book Value</b>	<b>7,304</b>	<b>1,334</b>	<b>104,141</b>	<b>7,221</b>	<b>-</b>	<b>120,000</b>

	2013					Total
	Benches	Street Furniture	Lighting	Office Furniture	Computers	
<b>Cost</b>						
Beginning	46,526	6,668	287,460	6,579	12,374	359,607
Additions	-	-	159,545	11,690	8,260	179,495
Disposals	-	-	-	-	-	-
<b>Ending</b>	<b>46,526</b>	<b>6,668</b>	<b>447,005</b>	<b>18,269</b>	<b>20,634</b>	<b>539,102</b>
<b>Accumulated Amortization</b>						
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	-	-	-	-	-	-
<b>Ending</b>	<b>29,910</b>	<b>4,000</b>	<b>259,463</b>	<b>7,394</b>	<b>15,127</b>	<b>315,894</b>
<b>Net Book Value</b>	<b>16,616</b>	<b>2,668</b>	<b>187,542</b>	<b>10,875</b>	<b>5,507</b>	<b>223,208</b>

**THE BOARD OF MANAGEMENT FOR THE  
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**6. 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.

**7. COMMITMENTS**

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

	\$
2015	101,238
2016	97,997
2017	96,917
2018	88,841
	<u>384,993</u>

**8. 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.

**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.

**THE BOARD OF MANAGEMENT FOR THE  
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**10. 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 \$19,285 (2013 - \$nil) was outstanding as at December 31, 2014.

**11. BUDGET**

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