

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

**Financial Statements
For the Year Ended December 31, 2009**

**BLOOR STREET
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2009

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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 Bloor Street Business Improvement Area

I have audited the statement of financial position of the Board of Management for the Bloor Street Business Improvement Area as at December 31, 2009 and the statements of capital operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2009 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
April 9, 2010


Chartered Accountant
Licensed Public Accountant

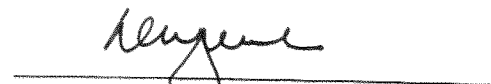
THE BOARD OF MANAGEMENT FOR THE
 BLOOR STREET BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2009

	2009 \$	2008 \$
ASSETS		
Current		
Cash and short-term investments	1,353,158	1,189,662
Accounts receivable		
City of Toronto – special charges (Note 4)	-	41,552
Other	15,321	17,194
Current portion of long-term receivable	411,728	392,121
	<u>1,780,207</u>	<u>1,640,529</u>
Long-term receivable		
Amount to be recovered in the future (Note 5)	11,171,150	11,582,879
	<u>12,951,357</u>	<u>13,223,408</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto – special charges (Note 3)	68,504	-
Other	54,899	28,283
Current portion of long-term loan payable	411,728	392,121
	<u>535,131</u>	<u>420,404</u>
Long-term		
Loan payable (Note 5)	11,171,150	11,582,879
Capital fund balance	1,245,076	1,220,125
	<u>12,951,357</u>	<u>13,223,408</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

THE BOARD OF MANAGEMENT FOR THE
 BLOOR STREET BUSINESS IMPROVEMENT AREA
 STATEMENT OF CAPITAL OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 \$ Budget	2009 \$ Actual	2008 \$ Actual
REVENUE			
City of Toronto – special charges	1,650,000	1,650,000	1,650,000
Donations and sponsorships	250,000	250,000	500,000
Interest and Other	-	10,384	39,321
	<u>1,900,000</u>	<u>1,910,384</u>	<u>2,189,321</u>
EXPENDITURE			
Administration & maintenance	10,128	8,784	-
Consultants and architects fees	550,000	447,925	425,586
Promotion & advertising	256,000	171,073	-
Debt repayment	990,872	990,872	1,400,000
Contribution BSTP Maintenance Reserve Fund (Note 6)	30,000	30,000	-
Provision for uncollected special charges (Note 4)	126,722	236,779	147,259
	<u>1,963,722</u>	<u>1,885,433</u>	<u>1,972,845</u>
NET INCREASE IN CAPITAL FUND BALANCE FOR THE YEAR	(63,722)	24,951	216,476
CAPITAL FUND BALANCE, BEGINNING OF YEAR	<u>1,220,125</u>	<u>1,220,125</u>	<u>1,003,649</u>
CAPITAL FUND BALANCE, END OF YEAR	<u>1,156,403</u>	<u>1,245,076</u>	<u>1,220,125</u>

THE BOARD OF MANAGEMENT FOR THE
 BLOOR STREET BUSINESS IMPROVEMENT AREA
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 \$	2008 \$
CASH PROVIDED BY OPERATIONS		
Net increase in capital fund balance for the year	24,951	216,476
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	110,056	(41,552)
Accounts receivable - other	1,873	5,745
Accounts payable - City of Toronto	-	(91,482)
Accounts payable - other	26,616	(34,774)
CASH PROVIDED BY OPERATIONS	163,496	54,413
FINANCING ACTIVITIES		
Proceeds of loan	-	13,375,000
Payment of loan	(392,121)	(1,400,000)
Amount to be recovered in future	392,121	(11,975,000)
	-	-
Net increase in cash and short-term investments	163,496	54,413
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	1,189,662	1,135,249
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	1,353,158	1,189,662

THE BOARD OF MANAGEMENT FOR THE
BLOOR STREET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

1. ESTABLISHMENT AND OPERATIONS

The Bloor Street Business Improvement Area (BIA) has been created solely for the purpose of allowing the City of Toronto to recover all costs associated with the Bloor Street Transformation Project. Its only purpose is to approve an annual budget to repay a loan from the City of Toronto including interest charges which will be amortized over a 20 year recovery period.

2. CHANGE IN BASIS OF PRESENTATION FOR 2009

For fiscal year commencing on January 1, 2009 the Canadian Institute of Chartered Accountants (CICA) has required that the accounting recommendations and disclosure requirements, as prescribed by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants, be adopted for use by Ontario municipalities and their local boards and agencies. As a result, the Board has implemented accounting policies as recommended. The implementation of these policies has resulted in the Board changing its method of accounting for tangible capital assets, on a retroactive basis, from expensing them when purchased to capitalizing and amortizing them over their estimated useful lives.

As the BIA has not acquired tangible assets, there is no effect on surplus or operations.

3. 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 expenditures are recorded using the accrual basis of accounting.

(b) Tangible capital assets acquisitions are recorded at cost. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Computer equipment - 3 years

Furniture and equipment - 5 years

Other capital expenditures are charged to operations in the year of acquisition.

(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 STREET BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2009

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/payable net of an allowance for uncollected amounts. The special charges receivable from (payable to) the City of Toronto are comprised of:

	2009 \$	2008 \$
Total special charges outstanding	524,295	422,552
Less: allowance for uncollected special charges	(592,800)	(381,000)
Special charges receivable (payable)	<u>(68,505)</u>	<u>41,552</u>

The provision for uncollected levies reported on the Statement of Revenue, Expenditure and Operating Surplus comprises:

	2009 \$	2008 \$
Special charges written-off (recovered)	24,979	9,959
Increase in provision for losses on assessment appeals	211,800	137,300
	<u>236,779</u>	<u>147,259</u>

THE BOARD OF MANAGEMENT FOR THE
BLOOR STREET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2009

5. AMOUNT TO BE RECOVERED IN THE FUTURE
LOAN PAYABLE

In order to finance the cost of the Bloor Street Transformation Project, the BIA signed an agreement with the City to obtain a loan amounting to \$13,375,000. The BIA made an initial payment of \$1,400,000 in 2008. The remaining balance amounting to \$11,975,000, to bear interest at the rate of five percent (5%) per annum and repayable, commencing December 2009, in 20 annual installments of \$990,892 each consisting of principal and interest. The loan will mature in 2027.

In addition, local development projects have provided contributions amounting to \$2,125,000 for this project. The City maintains this amount in a reserve fund to be applied towards the cost of this project.

6. BLOOR STREET TRANSFORMATION MAINTENANCE RESERVE FUND

BIA is required to contribute \$30,000 annually, commencing in 2009 and ending in 2027 to a maximum amount of \$540,000, to the City's Bloor Street Transformation Maintenance Reserve Fund.

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. FINANCIAL INSTRUMENTS

The carrying value of the BIA's financial instruments approximate 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.

9. COMPARATIVE FIGURES

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