

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

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

# HARBORD STREET BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2009

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CHARTERED ACCOUNTANT

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## AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the  
Board of Management for Harbord Street Business Improvement Area


I have audited the statement of financial position of the Board of Management for Harbord Street Business Improvement Area as at December 31, 2009 and the statements of revenue, expenditure and operating surplus 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 and 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.

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.

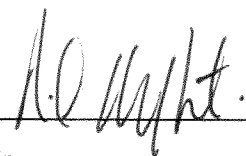
Toronto, Ontario  
May 2, 2010

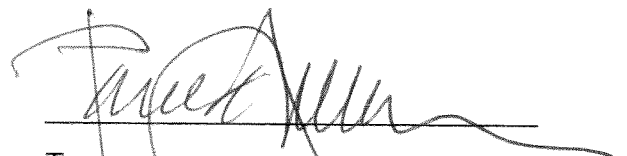
  
Chartered Accountant  
Licensed Public Accountant

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

	2009 \$	2008 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments	13,414	18,837
Accounts receivable		
City of Toronto - special charges (Note 3)	988	1,071
Other	798	2,940
	15,200	22,848
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		
City of Toronto	-	-
Other	3,566	1,300
	3,566	1,300
<b>ACCUMULATED SURPLUS</b>		
Operating	11,634	21,548
	15,200	22,848

Approved on behalf of the Board of Management:

  
\_\_\_\_\_  
Chair

  
\_\_\_\_\_  
Treasurer

**THE BOARD OF MANAGEMENT FOR  
HARBORD STREET BUSINESS IMPROVEMENT AREA  
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>2009 \$ Budget (Unaudited)</b>	<b>2009 \$ Actual</b>	<b>2008 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	15,500	15,500	13,048
Interest and Other	-	147	268
	15,500	15,647	13,316
<b>EXPENDITURE</b>			
Administration	2,045	2,000	2,470
Promotion and advertising	9,750	8,539	9,968
Maintenance	8,973	14,703	10,417
Capital	400	-	-
Provision for uncollected levies (Note 3)	235	319	100
	21,403	25,561	22,955
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	(5,903)	(9,914)	(9,639)
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	21,548	21,548	31,187
<b>OPERATING SURPLUS, END OF YEAR</b>	15,645	11,634	21,548

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

	2009 \$	2008 \$
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>		
(Deficiency) Excess of revenue over expenditure for the year	(9,914)	(9,639)
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto- Special Charges	83	(436)
Accounts receivable – other	2,142	84
Accounts payable and accrued liabilities – City of Toronto	-	-
Accounts payable and accrued liabilities – other	2,266	-
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>	<b>(5,423)</b>	<b>(9,991)</b>
<b>CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR</b>	<b>18,837</b>	<b>28,828</b>
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<b>13,414</b>	<b>18,837</b>

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

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**1. ESTABLISHMENT AND OPERATIONS**

Harbord Street 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 expenditures 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
Planters	5 years
- (c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

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

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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:

	2009 \$	2008 \$
Total special charges outstanding	1,188	1,571
Less: allowance for uncollected special charges	(200)	(500)
Special charges receivable	<u>988</u>	<u>1,071</u>

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

	2009 \$	2008 \$
Special charges written-off	619	-
Changes in allowance for uncollected special charges	(300)	100
	<u>319</u>	<u>100</u>

**4. 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.

**5. 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.