Appendix F:

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

Financial Statements
For the Year Ended December 31, 2010
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</thead>
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<td>Financial statements</td>
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<td>Statement of financial position</td>
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<td>Statement of revenue, expenditure and operating surplus</td>
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<tr>
<td>Statement of changes in financial position</td>
</tr>
<tr>
<td>Notes to financial statements</td>
</tr>
</tbody>
</table>
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, 2010 and the statements of revenue, expenditure and operating surplus and changes in financial position 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, 2010 and its results of financial activities and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
April 26, 2011

Chartered Accountant
Licensed Public Accountant
### The Board of Management for the Bloor-Yorkville Business Improvement Area

#### Statement of Financial Position

**As at December 31, 2010**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short-term investments</td>
<td>841,222</td>
<td>722,437</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Toronto – special charges (note 4)</td>
<td>105,560</td>
<td>195,627</td>
</tr>
<tr>
<td>Other</td>
<td>56,284</td>
<td>30,731</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,003,066</td>
<td>948,795</td>
</tr>
<tr>
<td><strong>Capital assets, net (note 5)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100,640</td>
<td>113,534</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,103,706</td>
<td>1,062,329</td>
</tr>
</tbody>
</table>

| **Liabilities** |        |        |
| **Current**     |        |        |
| Accounts payable and accrued liabilities |        |        |
| City of Toronto | 27,702  | 77,906 |
| Deferred revenue (note 6) | 13,650  | 8,000  |
| Other            | 37,463  | 25,620 |
| **Total**        | 78,815  | 111,526 |

| **Accumulated Surplus** |        |        |
| **Restricted**         | 100,640 | 113,534 |
| **Unrestricted**       | 924,251 | 837,269 |
| **Total**              | 1,024,891 | 950,803 |

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>1,103,706</td>
<td>1,062,329</td>
</tr>
</tbody>
</table>

Approved on behalf of the Board of Management:

Chair

Treasurer
THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>2010 Budget (Note 11)</th>
<th>2010 Actual</th>
<th>2009 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Toronto - special charges</td>
<td>1,727,099</td>
<td>1,736,256</td>
<td>1,673,625</td>
</tr>
<tr>
<td>Interest and Other</td>
<td>56,000</td>
<td>26,608</td>
<td>68,594</td>
</tr>
<tr>
<td>Festival and miscellaneous</td>
<td>-</td>
<td>70,722</td>
<td>38,010</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td>1,783,099</td>
<td>1,833,586</td>
<td>1,780,229</td>
</tr>
<tr>
<td><strong>EXPENDITURE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>503,160</td>
<td>469,433</td>
<td>457,557</td>
</tr>
<tr>
<td>Communication and member relations</td>
<td>-</td>
<td>32,044</td>
<td>55,563</td>
</tr>
<tr>
<td>Design, improvements and maintenance</td>
<td>172,500</td>
<td>310,190</td>
<td>469,735</td>
</tr>
<tr>
<td>Capital / amortization</td>
<td>350,000</td>
<td>62,767</td>
<td>60,090</td>
</tr>
<tr>
<td>Promotion and marketing</td>
<td>553,300</td>
<td>521,493</td>
<td>523,996</td>
</tr>
<tr>
<td>Contribution (Note 3)</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Provision for (recovery of) uncollectable levies (note 4)</td>
<td>25,847</td>
<td>113,571</td>
<td>(11,116)</td>
</tr>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR</strong></td>
<td>1,854,807</td>
<td>1,759,498</td>
<td>1,805,825</td>
</tr>
<tr>
<td><strong>OPERATING SURPLUS, BEGINNING OF YEAR</strong></td>
<td>950,803</td>
<td>950,803</td>
<td>976,399</td>
</tr>
<tr>
<td><strong>OPERATING SURPLUS, END OF YEAR</strong></td>
<td>879,095</td>
<td>1,024,891</td>
<td>950,803</td>
</tr>
</tbody>
</table>
THE BOARD OF MANAGEMENT FOR THE  
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Cash Provided by (Used in) Operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess (deficiency) of revenue over expenditure for the year</td>
<td>74,088</td>
<td>(25,596)</td>
</tr>
<tr>
<td>Add: non-cash item Amortization of capital assets</td>
<td>62,767</td>
<td>60,090</td>
</tr>
<tr>
<td>Increase (decrease) resulting from changes in Accounts receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Toronto - special charges</td>
<td>90,067</td>
<td>89,586</td>
</tr>
<tr>
<td>Other</td>
<td>(25,553)</td>
<td>(5,428)</td>
</tr>
<tr>
<td>Deferred expenses</td>
<td>-</td>
<td>14,618</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Toronto</td>
<td>(50,204)</td>
<td>19,377</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>5,650</td>
<td>8,000</td>
</tr>
<tr>
<td>Other</td>
<td>11,843</td>
<td>6,697</td>
</tr>
<tr>
<td><strong>Cash Provided by (Used in) Operations</strong></td>
<td>168,658</td>
<td>167,344</td>
</tr>
<tr>
<td><strong>Investment Activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(49,873)</td>
<td>(40,200)</td>
</tr>
<tr>
<td><strong>Cash and Short-Term Investments, Beginning of Year</strong></td>
<td>722,437</td>
<td>595,293</td>
</tr>
<tr>
<td><strong>Cash and Short-Term Investments, End of Year</strong></td>
<td>841,222</td>
<td>722,437</td>
</tr>
</tbody>
</table>
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 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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flags and banners</td>
<td>3 years</td>
</tr>
<tr>
<td>Computers</td>
<td>3 years</td>
</tr>
<tr>
<td>Street &amp; Christmas lights</td>
<td>5 years</td>
</tr>
<tr>
<td>Benches</td>
<td>5 years</td>
</tr>
<tr>
<td>Street furniture</td>
<td>5 years</td>
</tr>
<tr>
<td>Planters</td>
<td>5 years</td>
</tr>
</tbody>
</table>

(c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.
3. Contribution

BIA agreed to contribute $250,000 annually, commencing 2007 and ending in 2026 to a maximum amount 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:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total special charges</td>
<td>1,066,760</td>
<td>1,057,827</td>
</tr>
<tr>
<td>Less: allowance for uncollected special charges</td>
<td>(961,200)</td>
<td>(862,200)</td>
</tr>
<tr>
<td>Special charges receivable</td>
<td>105,560</td>
<td>195,627</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special charges written-off</td>
<td>14,571</td>
<td>88,684</td>
</tr>
<tr>
<td>Change in allowance for uncollected special charges</td>
<td>99,000</td>
<td>(99,800)</td>
</tr>
<tr>
<td></td>
<td>113,571</td>
<td>(11,116)</td>
</tr>
</tbody>
</table>
5. CAPITAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th></th>
<th>2009</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated</td>
<td>Cost</td>
<td>Accumulated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amortization</td>
<td></td>
<td>Amortization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Net book Value</td>
<td></td>
<td>Net book Value</td>
</tr>
<tr>
<td>Office Furniture</td>
<td>5,546</td>
<td>1,110</td>
<td>4,436</td>
<td></td>
</tr>
<tr>
<td>Holiday Trees</td>
<td>30,000</td>
<td>30,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Benches</td>
<td>58,243</td>
<td>50,259</td>
<td>7,984</td>
<td></td>
</tr>
<tr>
<td>Lighting</td>
<td>157,566</td>
<td>87,047</td>
<td>70,519</td>
<td></td>
</tr>
<tr>
<td>Lampposts</td>
<td>82,000</td>
<td>69,500</td>
<td>12,500</td>
<td></td>
</tr>
<tr>
<td>Computers</td>
<td>12,801</td>
<td>7,600</td>
<td>5,201</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>346,156</strong></td>
<td><strong>245,516</strong></td>
<td><strong>100,640</strong></td>
<td></td>
</tr>
</tbody>
</table>

6. DEFERRED REVENUE

Deferred revenue consists of revenue for the 2011 Festival. It will be recognized as revenue in 2011 when the Festival will be hosted.

7. COMMITMENTS

(a) 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 $ Nil (2009 - $ 17,000) was outstanding as at December 31, 2010.
(b) The Board is committed to minimum annual operating payments for office space and equipment as follows:

$  

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>113,000</td>
</tr>
<tr>
<td>2012</td>
<td>113,000</td>
</tr>
<tr>
<td>2013</td>
<td>104,000</td>
</tr>
<tr>
<td></td>
<td>330,000</td>
</tr>
</tbody>
</table>

9. 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.

10. FINANCIAL INSTRUMENTS

The financial instruments recognized in the statement of financial position consist of cash and short-term investments, accounts receivable, other assets, accounts payable and accrued liabilities and deferred revenue. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

11. BUDGET

Budget figures are provided for comparative purpose only and have not been subject to audit procedures. Accordingly, I do not express any opinion regarding the budget figures.