

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

**Financial Statements
For the Year Ended December 31, 2010**

BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2010

CONTENTS

	<u>Page</u>
Auditor's report	3
Financial statements	
Statement of financial position	4
Statement of revenue, expenditure and operating surplus	5
Statement of changes in financial position	6
Notes to financial statements	7 - 10

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.

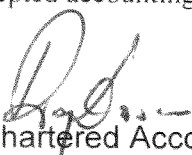
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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

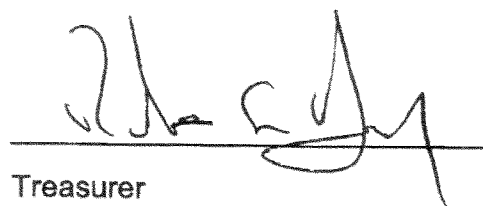
**THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010**

	2010 \$	2009 \$
ASSETS		
Current		
Cash and short-term investments	841,222	722,437
Accounts receivable		
City of Toronto – special charges (note 4)	105,560	195,627
Other	56,284	30,731
	<u>1,003,066</u>	<u>948,795</u>
Capital assets, net (note 5)	100,640	113,534
	<u>1,103,706</u>	<u>1,062,329</u>
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
	<u>78,815</u>	<u>111,526</u>
ACCUMULATED SURPLUS		
Restricted	100,640	113,534
Unrestricted	924,251	837,269
	<u>1,024,891</u>	<u>950,803</u>
	<u>1,103,706</u>	<u>1,062,329</u>

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

	2010 \$ Budget (Note 11)	2010 \$ Actual	2009 \$ Actual
REVENUE			
City of Toronto - special charges	1,727,099	1,736,256	1,673,625
Interest and Other	56,000	26,608	68,594
Festival and miscellaneous	-	70,722	38,010
	<u>1,783,099</u>	<u>1,833,586</u>	<u>1,780,229</u>
EXPENDITURE			
Administration	503,160	469,433	457,557
Communication and member relations	-	32,044	55,563
Design, improvements and maintenance	172,500	310,190	469,735
Capital / amortization	350,000	62,767	60,090
Promotion and marketing	553,300	521,493	523,996
Contribution (Note 3)	250,000	250,000	250,000
Provision for (recovery of) uncollectable levies (note 4)	25,847	113,571	(11,116)
	<u>1,854,807</u>	<u>1,759,498</u>	<u>1,805,825</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(71,708)	74,088	(25,596)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>950,803</u>	<u>950,803</u>	<u>976,399</u>
OPERATING SURPLUS, END OF YEAR	<u>879,095</u>	<u>1,024,891</u>	<u>950,803</u>

**THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010	2009
	\$	\$
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess (deficiency) of revenue over expenditure for the year	74,088	(25,596)
Add: non-cash item Amortization of capital assets	62,767	60,090
Increase (decrease) resulting from changes in		
Accounts receivable		
City of Toronto - special charges	90,067	89,586
Other	(25,553)	(5,428)
Deferred expenses	-	14,618
Accounts payable and accrued liabilities		
City of Toronto	(50,204)	19,377
Deferred revenue	5,650	8,000
Other	11,843	6,697
CASH PROVIDED BY (USED IN) OPERATIONS	168,658	167,344
INVESTMENT ACTIVITY		
Purchase of capital assets	(49,873)	(40,200)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	722,437	595,293
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	841,222	722,437

**THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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:

Flags and 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
 FOR THE YEAR ENDED DECEMBER 31, 2010

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:

	2010 \$	2009 \$
Total special charges outstanding	1,066,760	1,057,827
Less: allowance for uncollected special charges	(961,200)	(862,200)
Special charges receivable	<u>105,560</u>	<u>195,627</u>

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

	2010 \$	2009 \$
Special charges written-off	14,571	88,684
Change in allowance for uncollected special charges	99,000	(99,800)
	<u>113,571</u>	<u>(11,116)</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, 2010

5. CAPITAL ASSETS

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

	2009		
	Cost	Accumulated Amortization	Net book Value
Holiday Trees	30,000	24,000	6,000
Benches	48,263	38,611	9,652
Lighting	129,770	58,505	71,265
Lampposts	82,000	58,300	23,700
Computers	6,250	3,333	2,917
	<u>296,283</u>	<u>182,749</u>	<u>113,534</u>

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.

THE BOARD OF MANAGEMENT FOR THE
BLOOR-YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2010

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

\$

2011	113,000
2012	113,000
2013	<u>104,000</u>
	<u>330,000</u>

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.