

Appendix Q:

**THE BOARD OF MANAGEMENT FOR THE
FOREST HILL VILLAGE
BUSINESS IMPROVEMENT AREA**

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

**FOREST HILL VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2010

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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 Forest Hill Village Business Improvement Area

I have audited the accompanying financial statements of the Forest Hill Village 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
May 13, 2011


Chartered Accountant
Licensed Public Accountant

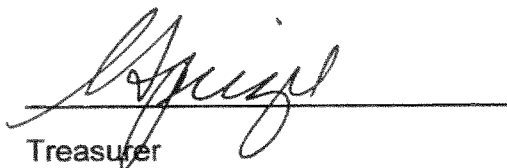
**THE BOARD OF MANAGEMENT FOR THE
FOREST HILL VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010**

	2010 \$	2009 \$
ASSETS		
Current		
Cash and short-term investments	325,003	221,900
Accounts receivable		
Other	1,888	1,727
	<u>326,891</u>	<u>223,627</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto- special charges (Note 3)	4,817	7,956
City of Toronto- other	15,265	11,546
Other	2,042	11,237
	<u>22,124</u>	<u>30,739</u>
ACCUMULATED SURPLUS		
Operating (Note 4)	<u>304,767</u>	<u>192,888</u>
	<u>326,891</u>	<u>223,627</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

THE BOARD OF MANAGEMENT FOR THE
 FOREST HILL VILLAGE BUSINESS IMPROVEMENT AREA
 STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS
 For the Year Ended December 31, 2010

	2010 \$ Budget (Note 6)	2010 \$ Actual	2009 \$ Actual
REVENUE			
City of Toronto – special charges	194,959	194,959	170,783
Interest and other revenue	-	1,210	3,796
	194,959	196,169	174,579
EXPENDITURE			
Administration	58,775	32,597	30,900
Promotion	40,500	12,912	6,672
Maintenance	29,000	16,236	36,556
Capital	191,000	-	-
Provision for uncollected special charges (note 3)	25,684	22,545	23,482
	344,959	84,290	97,610
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(150,000)	111,879	76,969
OPERATING SURPLUS, BEGINNING OF YEAR	192,888	192,888	115,919
OPERATING SURPLUS, END OF YEAR	42,888	304,767	192,888

THE BOARD OF MANAGEMENT FOR THE
 FOREST HILL VILLAGE 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 of revenue over expenditure for the year	111,879	76,969
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	-	17,713
Accounts receivable - Other	(161)	13,794
Accounts payable – City of Toronto	580	18,456
Accounts payable and accrued liabilities - other	(9,195)	7,962
CASH PROVIDED BY OPERATIONS	103,103	134,894
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	221,900	87,006
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	<u>325,003</u>	<u>221,900</u>

**THE BOARD OF MANAGEMENT FOR THE
FOREST HILL VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

1. ESTABLISHMENT AND OPERATIONS

The Forest Hill Village 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:

Computers	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.

THE BOARD OF MANAGEMENT FOR THE
 FOREST HILL VILLAGE BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2010

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

	2010	2009
	\$	\$
Total special charges outstanding	37,383	14,344
Less: allowance for uncollected special charges	<u>(42,200)</u>	<u>(22,300)</u>
Special charges receivable/(payable)	<u>(4,817)</u>	<u>(7,956)</u>

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

	2010	2009
	\$	\$
Special charges written-off	2,645	1,182
Change in allowance for uncollected special charges	<u>19,900</u>	<u>22,300</u>
	<u>22,545</u>	<u>23,482</u>

**THE BOARD OF MANAGEMENT FOR THE
FOREST HILL VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

6. BUDGET

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.