

**Appendix AL:**

**THE BOARD OF MANAGEMENT FOR THE  
UPPER VILLAGE  
BUSINESS IMPROVEMENT AREA**

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

**UPPER 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 Upper Village Business Improvement Area

I have audited the accompanying financial statements of Upper 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  
June 27, 2011

  
Chartered Accountant  
Licensed Public Accountant

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

	2010 \$	2009 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash	23,292	45,916
Accounts receivable		
City of Toronto - special charges (Note 3)	4,582	1,426
Other	2,146	3,702
	30,020	51,044
<b>Capital Assets, net (note 4)</b>	9,102	5,396
	39,122	56,440
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		
City of Toronto	970	-
Other	1,810	1,095
Deferred revenue	-	6,064
	2,780	7,159
<b>ACCUMULATED SURPLUS</b>		
Restricted	9,102	5,396
Unrestricted	27,240	43,885
	36,342	49,281
	39,122	56,440

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
UPPER VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010 \$ Budget (Note 7)	2010 \$ Actual	2009 \$ Actual
<b>REVENUE</b>			
City of Toronto – special charges	64,475	64,582	56,150
Interest and other	-	13,836	800
	64,475	78,418	56,950
<b>EXPENDITURE</b>			
Administration	23,532	9,458	4,514
Promotion and advertising	30,500	35,764	18,183
Maintenance	29,800	34,322	36,828
Capital / amortization	-	9,441	5,396
Provision for uncollected special charges (Note 3)	5,420	2,372	1,791
	89,252	91,357	66,712
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	(24,777)	(12,939)	(9,762)
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	49,281	49,281	59,043
	49,281	49,281	59,043
<b>OPERATING SURPLUS, END OF YEAR</b>	24,504	36,342	49,281

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

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	2010 \$	2009 \$
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Excess (deficiency) of revenue over expenditure for the year	(12,939)	(9,762)
Add: Non-cash item Amortization of capital assets	9,441	5,396
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(3,156)	1,803
Accounts receivable – other	1,556	2,330
Accounts payable – other	715	(5,239)
Accounts payable – City of Toronto	970	-
Deferred Revenue	(6,064)	-
	<hr/>	<hr/>
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>	(9,477)	(5,472)
<b>INVESTING ACTIVITY</b>		
PURCHASE OF CAPITAL ASSETS	(13,147)	-
<b>CASH, BEGINNING OF YEAR</b>	45,916	51,388
	<hr/>	<hr/>
<b>CASH, END OF YEAR</b>	<u>23,292</u>	<u>45,916</u>

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

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**1. ESTABLISHMENT AND OPERATIONS**

The Upper Village Business Improvement Area (BIA), formerly known as Upper Village (Toronto) Business Improvement Area, 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:

Street & Christmas lights	5 years
Planters	5 years
Street Signs	5 years
Flags & Banners	3 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  
UPPER VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONTD  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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**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 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	9,182	4,126
Less: allowance for uncollected special charges	<u>(4,600)</u>	<u>(2,700)</u>
Special charges receivable	<u>4,582</u>	<u>1,426</u>

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

	2010 \$	2009 \$
Special charges written-off	472	91
Change in allowance for uncollected special charges	<u>1,900</u>	<u>1,700</u>
	<u>2,372</u>	<u>1,791</u>



THE BOARD OF MANAGEMENT FOR THE  
 UPPER VILLAGE BUSINESS IMPROVEMENT AREA  
 NOTES TO THE FINANCIAL STATEMENTS, CONTD  
 FOR THE YEAR ENDED DECEMBER 31, 2010

4. CAPITAL ASSETS

	2010		
	Cost	Accumulated Amortization	Net book Value
Lights	15,744	15,744	-
Planters	11,235	11,235	-
Street Signs	2,530	506	2,024
Flags & Banners	10,617	3,539	7,078
	<u>40,126</u>	<u>31,024</u>	<u>9,102</u>

  

	2009		
	Cost	Accumulated Amortization	Net book Value
Lights	15,744	12,595	3,149
Planters	11,235	8,988	2,247
	<u>26,979</u>	<u>21,583</u>	<u>5,396</u>

5. 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.

6. FINANCIAL INSTRUMENTS

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

7. 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.