

**THE BOARD OF MANAGEMENT FOR THE
QUEEN STREET WEST
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2012**

**QUEEN STREET WEST
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the Queen Street West Business Improvement Area, which comprise the statement of financial position as at December 31, 2012 and the statements of operations and cash flows 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 of Queen Street West Business Improvement Area as at December 31, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.


Toronto, Ontario
September 23, 2013


Chartered Accountant
Licensed Public Accountant

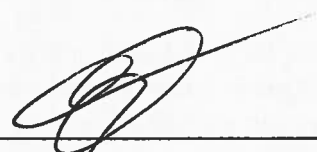
**THE BOARD OF MANAGEMENT FOR THE
 QUEEN STREET WEST BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2012**

	2012	2011
	\$	\$
FINANCIAL ASSETS		
Cash and short-term investments	299,889	205,542
Accounts receivable		
City of Toronto – special charges (Note 3)	5,171	7,242
Other	6,467	10,324
	<u>311,527</u>	<u>223,108</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	5,820	4,381
Other	13,889	8,112
	<u>19,709</u>	<u>12,493</u>
NET FINANCIAL ASSETS	291,818	210,615
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	10,470	16,658
	<u>302,288</u>	<u>227,273</u>
ACCUMULATED SURPLUS	302,288	227,273

Approved on behalf of the Board of Management:



 Chair



 Treasurer

**THE BOARD OF MANAGEMENT FOR THE
 QUEEN STREET WEST BUSINESS IMPROVEMENT AREA
 STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012 \$ Budget (Note 7)	2012 \$ Actual	2011 \$ Actual
REVENUE			
City of Toronto – special charges	219,259	219,474	195,865
Interest and other	26,000	275	6,337
	<u>245,259</u>	<u>219,749</u>	<u>202,202</u>
EXPENSES			
Administration	60,989	57,222	61,326
Promotion and advertising	85,013	20,303	32,098
Maintenance	22,412	19,117	18,484
Amortization	-	6,188	6,188
Capital – Tangible	38,000	-	-
– Intangible	27,000	27,773	-
Provision for uncollected special charges (Note 3)	11,845	14,131	10,189
	<u>245,259</u>	<u>144,734</u>	<u>128,285</u>
SURPLUS FOR THE YEAR	-	75,015	73,917
OPERATING SURPLUS, BEGINNING OF YEAR	<u>227,273</u>	<u>227,273</u>	<u>153,356</u>
OPERATING SURPLUS, END OF YEAR	<u>227,273</u>	<u>302,288</u>	<u>227,273</u>

**THE BOARD OF MANAGEMENT FOR THE
 QUEEN STREET WEST BUSINESS IMPROVEMENT AREA
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012 \$	2011 \$
Increase (decrease) in cash and short-term investments		
Cash flows from operating transactions		
Surplus (deficit) for the year	75,015	73,917
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	6,188	6,188
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	2,071	336
Accounts receivable – other	3,857	(5,300)
Accounts payable - City of Toronto	1,439	(5,856)
Accounts payable – other	5,777	5,381
Cash Provided By Operations	94,347	74,666
Capital Transactions		
Purchase of tangible capital assets	-	(4,380)
Cash and short-term investments, Beginning Of Year	205,542	135,256
Cash and short-term investments, End Of Year	299,889	205,542
Cash and short-term investments consist of:		
TD Canada Trust – Business chequing account	51,830	133,339
TD Canada Trust – Short-term investments	248,059	72,203
	299,889	205,542

**THE BOARD OF MANAGEMENT FOR THE
QUEEN STREET WEST BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

1. ESTABLISHMENT AND OPERATIONS

The Queen Street West 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 expenses 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:

Bike Racks	5 years
Street Furniture	5 years
Computer Equipment	3 years
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
 QUEEN STREET WEST BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2012**

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:

	2012 \$	2011 \$
Total special charges outstanding	44,371	34,442
Less: allowance for uncollected special charges	(39,200)	(27,200)
Special charges receivable	<u>5,171</u>	<u>7,242</u>

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

	2012 \$	2011 \$
Special charges written-off	2,131	1,489
Provision for losses on assessment appeals	12,000	8,700
	<u>14,131</u>	<u>10,189</u>

**THE BOARD OF MANAGEMENT FOR THE
 QUEEN STREET WEST BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2012**

4. TANGIBLE CAPITAL ASSETS

	2012		
	Cost	Accumulated Amortization	Net book Value
Banners	4,380	2,920	1,460
Bike Racks	11,365	6,819	4,546
Street Furniture	11,160	6,696	4,464
Computer Equipment	669	669	-
	<u>27,574</u>	<u>17,104</u>	<u>10,470</u>

	2011		
	Cost	Accumulated Amortization	Net book Value
Banners	4,380	1,460	2,920
Bike Racks	11,365	4,546	6,819
Street Furniture	11,160	4,464	6,696
Computer Equipment	669	446	223
	<u>27,574</u>	<u>10,916</u>	<u>16,658</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 cash and short-term investments, accounts receivable, due from City of Toronto, accounts payable and accrued liabilities reflected in the statement of financial position approximate their respective fair value, due to the relatively short term nature of the instruments.

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.

