

**THE BOARD OF MANAGEMENT FOR THE
WEXFORD BUSINESS IMPROVEMENT AREA**

FINANCIAL STATEMENTS

PERIOD ENDING DECEMBER 31, 2005

James D. Peros

Chartered Accountant

AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Wexford Business Improvement Area

I have audited the statement of financial position of **WEXFORD BUSINESS IMPROVEMENT AREA** as at December 31, 2005 and the statements of revenue, expenditure and surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the Board derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. As a consequence, my verification of these revenues was limited to the amounts recorded in the records of the Board and I was not able to determine whether any adjustments might be necessary to revenue, deficit and assets.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2005 and the results of its operations and the changes in its financial position for the period then ended in accordance with Canadian generally accepted accounting principles.



James D. Peros
Chartered Accountant

Toronto, Ontario
April 27, 2006



WEXFORD BUSINESS IMPROVEMENT AREA

Statement of Financial Position

As at December 31, 2005

	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>		
Current		
Cash	\$ 14,837	\$ 9,985
Accounts receivable		
City of Toronto – special charges (note 3)	9,123	177
Sponsors – Taste of Lawrence	0	3,000
Deposits	321	0
	<u>24,281</u>	<u>13,162</u>

<u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	<u>4,879</u>	<u>32,960</u>
Net Assets	<u>\$ 19,402</u>	<u>\$ (19,798)</u>

<u>ACCUMULATED SURPLUS</u>		
Operating surplus (deficit)	<u>\$ 19,402</u>	<u>\$ (19,798)</u>

Approved on Behalf of the Board of Management:

Director 

Director _____

See attached notes to the Financial Statement

WEXFORD BUSINESS IMPROVEMENT AREAStatement of Revenue, Expenditure and Surplus
For the Year Ended December 31, 2005

	Budget (Unaudited) (Note 6)	2005 Actual (Note 6)	2004 Actual
Revenue			
City of Toronto – special charges	\$ 183,205	\$ 183,674	\$ 103,675
Taste of Lawrence (TOL)	0	50,739	23,414
City of Toronto – Mural grant	0	4,300	0
	<u>183,205</u>	<u>238,713</u>	<u>127,089</u>
Expenditures			
Promotional Events			
Taste of Lawrence	65,000	135,068	65,046
Other event (Points of Origin Murals)	0	5,627	0
Christmas	10,000	1,542	0
Canada Day	10,000	0	0
Other promotion and advertising	4,000	0	0
Administration	21,000	23,040	10,050
Provision for uncollected special charges	16,550	8,000	9,248
Rent	10,200	7,560	7,656
Donation - Scarborough General Hospital	0	6,100	3,500
Tabia fees	1,800	3,664	2,074
Office and general	3,400	2,178	2,669
Professional fees	1,800	2,140	2,140
Provision for uncollected vendor fees (TOL)	0	2,000	0
Telephone and internet	900	1,780	1,203
Bank charges	300	327	274
Insurance	650	309	309
Write-offs – special charges	0	178	0
Advertising and marketing			
Radio / TV / newspapers	10,000	0	0
Advertising – other	5,000	0	0
Newsletter	5,000	0	0
AGM expenses	500	0	0
Capital expenditure			
Streetscape	15,000	0	0
Office equipment	2,000	0	1,855
Christmas decorations	0	0	40,863
	<u>\$ 183,205</u>	<u>199,513</u>	<u>146,887</u>
Surplus (deficit) of Revenues over Expenditure for the Year		39,200	(19,798)
Deficit, Beginning of Year		19,798	0
Surplus (deficit), End of Year		<u>\$ 19,402</u>	<u>\$ (19,798)</u>

See attached notes to the Financial Statements.

WEXFORD BUSINESS IMPROVEMENT AREAStatement of Changes in Financial Position
For the Year Ended December 31, 2005

	<u>2005</u>	<u>2004</u>
Cash (Used in) Provided by Operations		
Surplus (deficit) of expenditures over revenue	\$ 39,200	\$ (19,798)
Increase (decrease) resulting from changes in:		
Accounts receivable	(5,946)	3,177
Deposits	(321)	0
Accounts payable and accrued liabilities	(28,081)	32,960
Cash Provided by Operations	4,852	29,783
Cash, Beginning of Year	<u>9,985</u>	<u>0</u>
Cash, End of Year	<u><u>\$ 14,837</u></u>	<u><u>\$ 9,985</u></u>

See attached notes to the Financial Statements

WEXFORD BUSINESS IMPROVEMENT AREA

Notes to the Financial Statements

December 31, 2005

1. ESTABLISHMENT AND OPERATIONS

The Wexford 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 on May 20, 2004. The general street boundaries for the Wexford BIA are Lawrence Avenue East, from Victoria Park Avenue to Birchmount Road, 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 expenditures are charged to operations in the year of acquisition.
- (c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

WEXFORD BUSINESS IMPROVEMENT AREA

Notes to the Financial Statements

December 31, 2005

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:

	2005	2004
Total special charges outstanding	\$ 23,923	\$ 6,977
Less: allowance for uncollected special charges	14,800	6,800
Special charges receivable	<u>\$ 9,123</u>	<u>\$ 177</u>

The provision for uncollected levies reported on the Statement of Revenue, Expenditures and Deficit comprises:

Special charges written-off	\$ 177	\$ 2,448
Allowance for uncollected special charges	14,800	6,800
	<u>\$ 14,977</u>	<u>\$ 9,248</u>

4. RELATED PARTY TRANSACTIONS

During the year the BIA leased an office on a monthly basis from an entity controlled by the Chairman of the Board totalling \$5,955 (2004 = \$7,656). The BIA no longer leases space from this person.

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.

WEXFORD BUSINESS IMPROVEMENT AREA

Notes to the Financial Statements

December 31, 2005**6. BUDGET**

The budgeted figures as presented for comparison purposes are unaudited and are those as adopted by the Board of Management on September 13, 2005 and approved by general membership at the Annual General Meeting on October 5, 2005 for the year ended December 31, 2005.

7. COMMITMENTS

The Board, in co-operation with the City, has implemented a cost-shared capital improvement project on publicly owned property. The project is long-term in nature and is usually completed subsequent to the year of Council's approval. The Board is committed to a capital improvement project of which the Board's share of \$13,094 was outstanding as at December 31, 2005.