

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

**FINANCIAL STATEMENTS**

**PERIOD ENDING DECEMBER 31, 2006**

# 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, 2006 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, 2006 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.



Toronto, Ontario  
October 10, 2007

James D. Peros  
Chartered Accountant  
Licensed Public Accountant

**WEXFORD BUSINESS IMPROVEMENT AREA**

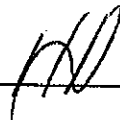
## Statement of Financial Position

As at December 31, 2006

	<u>2006</u>	<u>2005</u>
<b><u>ASSETS</u></b>		
Current		
Cash	\$ 71,999	\$ 14,837
Accounts receivable		
City of Toronto – special charges (note 3)	19,764	9,123
GST recoverable	13,794	8,062
Deposits	321	321
	<u>105,878</u>	<u>32,343</u>
<b><u>LIABILITIES</u></b>		
Current		
Accounts payable and accrued liabilities	<u>28,919</u>	<u>4,879</u>
Net Assets	<u>\$ 76,959</u>	<u>\$ 27,464</u>
<b><u>ACCUMULATED SURPLUS</u></b>		
Operating surplus	<u>\$ 76,959</u>	<u>\$ 27,464</u>

Approved on Behalf of the Board of Management:

Director



Director



See attached notes to the Financial Statement

**WEXFORD BUSINESS IMPROVEMENT AREA**  
 Statement of Changes in Financial Position  
For the Year Ended December 31, 2006

	<u>2006</u>	<u>2005</u>
<b>Cash (Used in) Provided by Operations</b>		
Surplus of expenditures over revenue	\$ 49,495	\$ 43,730
Increase (decrease) resulting from changes in:		
Accounts receivable	10,641	( 5,946)
GST recoverable	5,732	4,530
Deposits	0	( 321)
Accounts payable and accrued liabilities	<u>24,040</u>	<u>( 28,081)</u>
<b>Cash Provided by Operations</b>	57,162	4,852
<b>Cash, Beginning of Year</b>	<u>14,837</u>	<u>9,985</u>
<b>Cash, End of Year</b>	<u>\$ 71,999</u>	<u>\$ 14,837</u>

See attached notes to the Financial Statements

**WEXFORD BUSINESS IMPROVEMENT AREA**

## Statement of Revenue, Expenditure and Surplus

For the Year Ended December 31, 2006

	Budget (Unaudited) (Note 6)	2006 Actual (Note 6)	2005 Actual
<b>Revenue</b>			
City of Toronto – special charges	\$ 183,210	\$ 183,432	\$ 183,674
City of Toronto – grants	2,800	4,790	0
City of Toronto – appeals, provision surplus	9,295	4,400	0
GST recovery	4,500	5,732	4,530
Enbridge Gas funding	0	2,000	0
Taste of Lawrence (TOL)	56,300	47,571	50,739
City of Toronto – Mural grant	0	0	4,300
	<u>256,105</u>	<u>247,925</u>	<u>243,243</u>
<b>Expenditures</b>			
Promotional Events			
Taste of Lawrence	132,300	124,833	135,068
Other event (Points of Origin Murals)	0	0	5,627
Christmas	10,000	1,618	1,542
Other promotion and advertising	4,500	1,300	0
Administration	24,000	29,240	23,040
Provision for uncollected special charges	16,655	0	8,000
Rent	4,000	3,437	7,560
Donation - Scarborough General Hospital	0	8,037	6,100
Donation - Skateboard Park	0	5,000	0
Table fees	3,600	3,664	3,664
Office and general	4,100	2,637	2,178
Professional fees	3,000	3,690	2,140
Provision for uncollected vendor fees (TOL)	0	0	2,000
Telephone and internet	900	1,789	1,780
Bank charges	400	285	327
Insurance	650	340	309
Write-offs – special charges	0	1,309	178
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	25,000	0	0
Banners	1,500	5,050	0
Maintenance			
Christmas decorations / storage	2,500	6,201	0
Other	2,500	0	0
	<u>\$ 256,105</u>	<u>198,430</u>	<u>199,513</u>
Surplus of Revenues over Expenditure for the Year		49,495	43,730
Surplus (Deficit), Beginning of Year		<u>27,464</u>	<u>( 16,266 )</u>
Surplus, End of Year		<u>\$ 76,959</u>	<u>\$ 27,464</u>

See attached notes to the Financial Statements.

## **WEXFORD BUSINESS IMPROVEMENT AREA**

Notes to the Financial Statements

December 31, 2006

### **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, 2006

### 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:

	2006	2005
Total special charges outstanding	\$ 30,164	\$ 23,923
Less: allowance for uncollected special charges	10,400	14,800
Special charges receivable	\$ 19,764	\$ 9,123

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

Special charges written-off	\$ 1,309	\$ 177
Allowance for uncollected special charges	10,400	14,800
	\$ 11,709	\$ 14,977

### 4. RELATED PARTY TRANSACTIONS

In the prior year, the BIA leased an office on a monthly basis from an entity controlled by the former Chairman of the Board totalling 2005 = \$5,955. 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, 2006

### 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, 2006.

### 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 \$19,949 was outstanding as at December 31, 2006.

The Board has engaged Frank Greco and Associates to provide consulting services for the coordination of the Taste of Lawrence festival in 2007. The remaining commitment for this service is approximately \$26,500.

The Board has engaged Shear Display to install, dismantle and store Christmas decorations and other banners. The remaining commitment for this service is approximately \$6,202.

The Board has signed a lease for office space for a term of 1 year commencing January 1, 2007 for an annual rate of \$3,816, inclusive.

### 8. PRIOR PERIOD ERROR

The financial statements for the 2005 comparative data has been restated to reflect the unrecorded GST recoverable. The GST recoverable during 2004 was \$3,532 and for 2005 \$4,530. The Net Assets for 2005 was changed from \$19,402 to \$27,464. The Operating Surplus for 2005 was changed from \$19,402 to \$27,464. The Surplus of Revenues over Expenditures for the Year for 2005 was changed from \$39,200 to \$43,730. The Surplus, Beginning of Year for 2005 was changed from \$19,798 to \$16,266.