

DUNDAS WEST BUSINESS IMPROVEMENT AREA

(a non-profit organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

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AUDITORS' REPORT

We have audited the statement of financial position of Dundas West Business Improvement Area as at December 31, 2007 and the statements of changes in net assets and operations for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

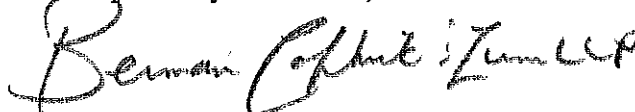
We conducted our audit with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts 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.

As the previous year's financial statements were not audited, we were not able to verify the opening balances. Since opening balances enter into the determination of the results of operations, we were unable to determine whether adjustments to excess of revenues over expenses and opening net assets might be necessary.

In our opinion, except for the effect of adjustments, if any, which might be determined to be necessary had we been able to examine opening balances as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario.
July 2, 2008.

Respectfully submitted,



CHARTERED ACCOUNTANTS.
Licensed Public Accountants.

DUNDAS WEST BUSINESS IMPROVEMENT AREA

(a non-profit organization)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2007

ASSETS

Current

Cash and GIC	\$ 62,934
Accounts receivable - City of Toronto (note 4)	5,501
Grants receivable - City of Toronto	12,000
Sundry receivable	<u>1,770</u>
	\$ <u>82,205</u>

LIABILITIES

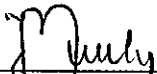
Current

Accounts payable and accrued liabilities	\$ 4,756
Due to the City of Toronto	<u>2,422</u>
	<u>7,178</u>

NET ASSETS

Reserve for capital expenditures	75,000
Unrestricted net assets	<u>27</u>
	<u>75,027</u>
	\$ <u>82,205</u>

Approved on behalf of the Board:

 Director

 Director

The accompanying notes form an integral part of these financial statements.

DUNDAS WEST BUSINESS IMPROVEMENT AREA

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STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2007

	Reserve for capital expenditures	Unrestricted	Total
BALANCE - Beginning of year	\$ -	\$ 949	\$ 949
- Excess of revenues over expenses	-	74,078	74,078
- Transfer to reserve	<u>75,000</u>	<u>(75,000)</u>	<u> </u>
BALANCE - End of year	\$ <u>75,000</u>	\$ <u>27</u>	\$ <u>75,027</u>

The accompanying notes form an integral part of these financial statements.

DUNDAS WEST BUSINESS IMPROVEMENT AREA

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STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2007

	Budget 2007	Actual 2007
REVENUE		
City of Toronto		
- Special charges	\$ 96,591	\$ 97,260
- Research Grant		6,000
- Mural Grant		5,000
- Capital Matching		2,422
- Community Festivals Grant		1,000
Interest earned		1,020
Events (net)	<u>1,200</u>	<u>860</u>
	<u>97,791</u>	<u>113,562</u>
EXPENSES		
Program expenses	700	27,963
Capital and maintenance	79,000	5,966
Administration	9,310	1,577
Provision for uncollected special charges (note 4)	<u>8,781</u>	<u>3,978</u>
	<u>97,791</u>	<u>39,484</u>
EXCESS OF RECEIPTS OVER EXPENSES	\$ <u>-</u>	\$ <u>74,078</u>

The accompanying notes form an integral part of these financial statements.

DUNDAS WEST BUSINESS IMPROVEMENT AREA

(a non-profit organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007

1. PURPOSE OF THE ORGANIZATION

The Dundas 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. The company is incorporated Federally as a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

2. 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.

3. CAPITAL AND MAINTENANCE

In order to finance major capital expenses, the BIA annually budgets certain amounts and accumulates them as a reserve for capital expenditures. Once adequate funds have accumulated, the BIA undertakes cost-shared capital improvement projects with the City. For this reason the actual expenses in a given year could significantly differ from the amount budgeted for the year. The excess actual expenses are financed out of the reserve for capital expenditures.

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DUNDAS WEST BUSINESS IMPROVEMENT AREA

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007

...Continued

4. 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:

Total special charges outstanding	\$ 9,301
Deduct - allowance for uncollected special charges	<u>(3,800)</u>
Special charges receivable	\$ <u>5,501</u>

The provision for uncollected levies reported on the statements of operations and changes in net assets comprises:

Special charges written-off	\$ 178
Changes in allowance for uncollected special charges	<u>3,800</u>
	\$ <u>3,978</u>

5. COMMITMENTS

The Board, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property in the past year. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. The Board is committed to capital improvement projects of which the Board's share of \$2,422 was outstanding as at December 31, 2007.

6. 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 to 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.

7. STATEMENT OF CASH FLOWS

A statement of cash flows has not been provided as it would not provide any additional meaningful information.