

**THE BOARD OF MANAGEMENT FOR THE
OLD CABBAGETOWN
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2008**

OLD CABBAGETOWN BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2008

CONTENTS

	<u>Page</u>
Auditor's report	3
Financial statements	
Statement of financial position	4
Statement of revenue, expenditure and operating surplus	5
Statement of changes in financial position	6
Notes to financial statements	7 -9

RAFIQ DOSANI, B.Comm CFE CA
CHARTERED ACCOUNTANT

90 Risebrough Avenue
Toronto, Ontario M2M 2E3
Telephone: (416) 221 - 4095
Fax: (416) 221 - 4160

AUDITOR'S REPORT


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

I have audited the statement of financial position of the Board of Management for the Old Cabbagetown Business Improvement Area as at December 31, 2008 and the statements of revenue, expenditure and operating 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 my opinion, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2008 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
March 27, 2009



Chartered Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
OLD CABBAGETOWN BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2008**


	2008	2007
	\$	\$
ASSETS		
Current		
Cash and short-term investments	54,079	55,505
Accounts receivable		
City of Toronto - special charges (Note 3)	11,936	11,654
Other	16,127	8,753
	<u>82,142</u>	<u>75,912</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto - special charges (Note 3)		-
City of Toronto - other	985	28,375
Other	21,129	4,055
	<u>22,114</u>	<u>32,430</u>
ACCUMULATED SURPLUS		
Operating (Note 4)	<u>60,028</u>	<u>43,482</u>
	<u>82,142</u>	<u>75,912</u>

Approved on behalf of the Board of Management:

Chair


Paul Dineen

Treasurer


Robert McEnaney

**THE BOARD OF MANAGEMENT FOR THE
OLD CABBAGETOWN BUSINESS IMPROVEMENT AREA
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	2008 \$ Budget	2008 \$ Actual	2007 \$ Actual
REVENUE			
City of Toronto – special charges	202,880	202,880	195,048
Festival and sponsorship	21,100	30,104	17,395
Grants	12,250	9,744	6,254
Interest	1,000	1,368	3,720
Other	-	2,364	4,751
	<u>237,230</u>	<u>246,460</u>	<u>227,168</u>
EXPENDITURE			
Administration	98,300	99,802	100,665
Cabbagetown festival	65,000	64,380	51,780
Promotion and advertising	26,800	21,551	19,883
Capital and maintenance	43,000	37,332	11,002
Provision for uncollected levies (Note 3)	7,130	6,849	6,201
	<u>240,230</u>	<u>229,914</u>	<u>189,531</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(3,000)	16,546	37,637
OPERATING SURPLUS, BEGINNING OF YEAR	<u>43,482</u>	<u>43,482</u>	<u>5,845</u>
OPERATING SURPLUS, END OF YEAR	<u>40,482</u>	<u>60,028</u>	<u>43,482</u>

**THE BOARD OF MANAGEMENT FOR THE
OLD CABBAGETOWN BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2008**

	2008	2007
	\$	\$
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess (deficiency) of revenue over expenditure for the year	16,546	37,637
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	(282)	(10,254)
Accounts receivable – other	(7,374)	4,633
Accounts payable – City of Toronto	(27,390)	(107,094)
Accounts payable – other	17,074	(767)
CASH PROVIDED BY (USED IN) OPERATIONS	(1,426)	(75,845)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	55,505	131,350
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	54,079	55,505

**THE BOARD OF MANAGEMENT FOR THE
OLD CABBAGETOWN BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

1. ESTABLISHMENT AND OPERATIONS

The Old Cabbagetown 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 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.

THE BOARD OF MANAGEMENT FOR THE
OLD CABBAGETOWN BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2008

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 (payable to) the City of Toronto are comprised of:

	2008 \$	2007 \$
Total special charges outstanding	26,536	22,954
Less: allowance for uncollected special charges	(14,600)	(11,300)
Special charges receivable (payable)	<u>11,936</u>	<u>11,654</u>

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

	2008 \$	2007 \$
Special charges written-off	3,549	1,901
Change in allowance for uncollected special charges	3,300	4,300
	<u>6,849</u>	<u>6,201</u>

**THE BOARD OF MANAGEMENT FOR THE
OLD CABBAGETOWN BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2008**

4. COMMITMENTS

The Board, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property for several years. 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 improvements projects of which the Board's share of \$19,000 was outstanding as at December 31, 2008.

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.