

**THE BOARD OF MANAGEMENT FOR THE  
ALBION-ISLINGTON  
BUSINESS IMPROVEMENT AREA**

**Financial Statements  
For the Year Ended December 31, 2009**

**ALBION-ISLINGTON  
BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2009**

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## **AUDITOR'S REPORT**

### **To the Council of the Corporation of the City of Toronto and the Board of Management for the Albion-Islington Business Improvement Area**


I have audited the statement of financial position of the Board of Management for the Albion-Islington Business Improvement Area as at December 31, 2009 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 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, 2009 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

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.


Toronto, Ontario  
May 26, 2010

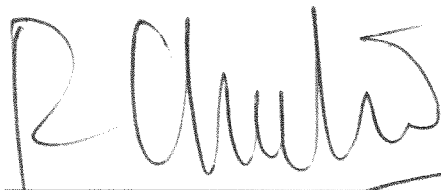
  
Chartered Accountant  
Licensed Public Accountant

THE BOARD OF MANAGEMENT FOR THE  
 ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA  
 STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2009

|  | 2009<br>\$ | 2008<br>\$ |
|--|------------|------------|
| <b>ASSETS</b>                              |            |            |
| <b>Current</b>                             |            |            |
| Cash                                       | 61,327     | 30,135     |
| Accounts receivable                        |            |            |
| City of Toronto – special charges (Note 4) | 13,460     | 13,879     |
| Other                                      | 10,558     | 10,315     |
|  | 85,345     | 54,329     |
| Capital Assets, net (Note 5)               | 26,678     | 17,160     |
|  | 112,023    | 71,489     |
| <b>LIABILITIES</b>                         |            |            |
| <b>Current</b>                             |            |            |
| Accounts payable and accrued liabilities   |            |            |
| City of Toronto                            | 19,046     | 26,206     |
| Other                                      | 4,310      | 1,150      |
|  | 23,356     | 27,356     |
| <b>ACCUMULATED SURPLUS</b>                 |            |            |
| Restricted                                 | 26,678     | 17,160     |
| Unrestricted                               | 61,989     | 26,973     |
|  | 88,667     | 44,133     |
|  | 112,023    | 71,489     |

Approved on behalf of the Board of Management:

  
 \_\_\_\_\_  
 Chair

  
 \_\_\_\_\_  
 Treasurer

Time 04/10  
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**THE BOARD OF MANAGEMENT FOR THE  
ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA  
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

|  | <b>2009<br/>\$<br/>Budget<br/>(Unaudited)</b> | <b>2009<br/>\$<br/>Actual</b> | <b>2008<br/>\$<br/>Actual</b> |
|--|---|-------------------------------|-------------------------------|
| <b>REVENUE</b>   |   |                               |                               |
| City of Toronto – special charges                          | 182,897                                       | 182,897                       | 183,055                       |
| Municipal grants   | -   | 5,600                         | 2,700                         |
| Fund raising and other                                     | 25,050  | 7,825                         | 7,978                         |
|  | <b>207,947</b>                                | <b>196,322</b>                | <b>193,733</b>                |
| <b>EXPENDITURE</b>   |   |                               |                               |
| Administration   | 53,645  | 53,143                        | 42,867                        |
| Promotion and advertising                                  | 73,550  | 71,454                        | 105,154                       |
| Maintenance  | 74,166  | 10,657                        | 33,753                        |
| Amortization of Capital Assets                             | -   | 9,529                         | 5,719                         |
| Provision for uncollected special charges (Note 4)         | 6,586   | 7,005                         | 3,619                         |
|  | <b>207,947</b>                                | <b>151,788</b>                | <b>191,112</b>                |
| <b>EXCESS OF REVENUE OVER EXPENDITURE<br/>FOR THE YEAR</b> | -   | 44,534                        | 2,621                         |
| <b>OPERATING SURPLUS, BEGINNING OF YEAR</b>                | 44,133  | 44,133                        | 41,512                        |
| <b>OPERATING SURPLUS, END OF YEAR</b>                      | <b>44,133</b>                                 | <b>88,667</b>                 | <b>44,133</b>                 |

**THE BOARD OF MANAGEMENT FOR THE  
ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2009**

|   | 2009<br>\$ | 2008<br>\$ |
|---|------------|------------|
| <b>CASH PROVIDED BY (USED IN) OPERATIONS</b>      |            |            |
| Excess of revenue over expenditure for the year   | 44,534     | 2,621      |
| Add: Non-cash item Amortization of capital assets | 9,529      | 5,719      |
| Increase (decrease) resulting from changes in     |            |            |
| Accounts receivable - City of Toronto             | 419        | (5,528)    |
| Accounts receivable – other                       | (243)      | (7,906)    |
| Accounts payable - City of Toronto                | (7,160)    | (2,392)    |
| Accounts payable – other                          | 3,160      | (2,567)    |
| <b>CASH PROVIDED BY (USED IN) OPERATIONS</b>      | 50,239     | (10,053)   |
| <b>INVESTING ACTIVITY</b>                         |            |            |
| Purchase of capital assets                        | (19,047)   | -          |
| <b>CASH, BEGINNING OF YEAR</b>                    | 30,135     | 40,188     |
| <b>CASH, END OF YEAR</b>                          | 61,327     | 30,135     |

**THE BOARD OF MANAGEMENT FOR THE  
ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**1. ESTABLISHMENT AND OPERATIONS**

The Albion-Islington 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. CHANGE IN BASIS OF PRESENTATION FOR 2009**

For fiscal year commencing on January 1, 2009 the Canadian Institute of Chartered Accountants (CICA) has required that the accounting recommendations and disclosure requirements, as prescribed by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants, be adopted for use by Ontario municipalities and their local boards and agencies. As a result, the Board has implemented accounting policies as recommended. The implementation of these policies has resulted in the Board changing its method of accounting for capital assets, on a retroactive basis, from expensing them when purchased to capitalizing and amortizing them over their estimated useful lives.

The effect of these changes has been to increase capital assets and surplus by \$26,678 as at December 31, 2009 (2008 – increase \$17,160), and decrease expenses by \$9,518 for the year ended December 31, 2009 (2008 – increase expenses by \$5,719). In addition, the opening 2008 comparative figures have been adjusted to reflect the retroactive application of the recommendations, resulting in an increase in surplus by \$22,879.

**THE BOARD OF MANAGEMENT FOR THE  
ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**3. 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 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:
 

|                           |         |
|---------------------------|---------|
| Computers                 | 3 years |
| Street & Christmas lights | 5 years |
| Street furniture          | 5 years |
| Planters                  | 5 years |
- (c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

**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:

|   | 2009     | 2008    |
|---|----------|---------|
|   | \$       | \$      |
| Total special charges outstanding               | 23,860   | 17,779  |
| Less: allowance for uncollected special charges | (10,400) | (3,900) |
| Special charges receivable                      | 13,460   | 13,879  |



**THE BOARD OF MANAGEMENT FOR THE  
ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

|  | 2009         | 2008         |
|--|--------------|--------------|
|  | \$           | \$           |
| Special charges written-off                          | 505          | 2,319        |
| Change in provision for losses on assessment appeals | 6,500        | 1,300        |
|  | <u>7,005</u> | <u>3,619</u> |

**5. CAPITAL ASSETS**

|        | 2009          |                             | 2008              |                   |
|--------|---------------|-----------------------------|-------------------|-------------------|
|        | Cost          | Accumulated<br>Amortization | Net book<br>Value | Net book<br>value |
| Lights | 47,645        | 20,967                      | 26,678            | 17,160            |
|        | <u>47,645</u> | <u>20,967</u>               | <u>26,678</u>     | <u>17,160</u>     |

**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 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.

**7. FINANCIAL INSTRUMENTS**

The carrying value of the BIA's financial instruments approximates their values. The BIA is subject to an interest rate risk with respect to its investments; however, as these instruments are short-term investments the risk is minimal.

**8. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to current year's presentation.