

**THE BOARD OF MANAGEMENT FOR THE  
SHEPPARD EAST VILLAGE  
BUSINESS IMPROVEMENT AREA**

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

# SHEPPARD EAST VILLAGE 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 Sheppard East Village Business Improvement Area**

I have audited the statement of financial position of the Board of Management for the Sheppard East Village 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.

Toronto, Ontario  
April 7, 2010

  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
SHEPPARD EAST VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2009**

	2009 \$	2008 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments	138,718	163,411
Accounts receivable		
City of Toronto - special charges (Note 4)	16,690	7,990
Other	3,192	1,347
	158,600	172,748
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		
City of Toronto	-	-
Other	9,100	1,104
	9,100	1,104
<b>ACCUMULATED SURPLUS</b>	149,500	171,644
	158,600	172,748

Approved on behalf of the Board of Management:

Chair

Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
SHEPPARD EAST VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>2009 \$ Budget</b>	<b>2009 \$ Actual</b>	<b>2008 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	57,097	69,566	193,057
Fund raising, interest and other	-	3,183	1,553
	57,097	72,749	194,610
<b>EXPENDITURE</b>			
Administration	38,650	40,620	37,407
Promotion and advertising	35,000	54,057	22,088
Maintenance	11,000	-	987
Capital	-	-	-
Provision for uncollected special charges (Note 4)	(3,553)	216	10,336
	81,097	94,893	70,818
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	(24,000)	(22,144)	123,792
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	171,644	171,644	47,852
<b>OPERATING SURPLUS, END OF YEAR</b>	147,644	149,500	171,644

**THE BOARD OF MANAGEMENT FOR THE  
SHEPPARD EAST VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>CASH PROVIDED BY OPERATIONS</b>		
Excess (deficiency) of revenue over expenditure for the year	(22,144)	123,792
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(8,700)	(7,811)
Accounts receivable – other	(1,845)	2,513
Accounts payable - City of Toronto	-	(8,093)
Accounts payable – other	7,996	(2,114)
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>	<b>(24,693)</b>	<b>108,287</b>
<b>CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR</b>	<b>163,411</b>	<b>55,124</b>
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<b>138,718</b>	<b>163,411</b>

**THE BOARD OF MANAGEMENT FOR THE  
SHEPPARD EAST VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**1. ESTABLISHMENT AND OPERATIONS**

The Sheppard East Village 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.

As the BIA has not acquired tangible assets, there is no effect on surplus or operations.

**THE BOARD OF MANAGEMENT FOR THE  
SHEPPARD EAST VILLAGE 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:
 

Flags and banners	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	34,990	28,890
Less: allowance for uncollected special charges	(18,300)	(20,900)
Special charges receivable	16,690	7,990



**THE BOARD OF MANAGEMENT FOR THE  
SHEPPARD EAST VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

	2009	2008
	\$	\$
Special charges written-off	2,816	3,736
Provision for losses on assessment appeals	(2,600)	6,600
	<u>216</u>	<u>10,336</u>

**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.

**6. 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.