

**THE BOARD OF MANAGEMENT FOR THE  
CHURCH-WELLESLEY  
BUSINESS IMPROVEMENT AREA**

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

**CHURCH-WELLESLEY  
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 Church-Wellesley Business Improvement Area**


I have audited the statement of financial position of the Board of Management for the Church-Wellesley 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 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, 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.

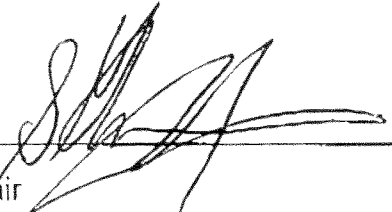
Toronto, Ontario  
June 6, 2010


  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
CHURCH-WELLESLEY 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	92,351	109,838
Accounts receivable		
City of Toronto – special charges (Note 4)	4,664	34,459
City of Toronto – other	7,480	-
Other	28,370	29,389
	<u>132,865</u>	<u>173,686</u>
<b>Capital Assets, net (note 5)</b>	50,670	55,836
	<u>183,535</u>	<u>229,522</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		
City of Toronto	-	2,493
Other	5,592	3,069
	<u>5,592</u>	<u>5,562</u>
<b>ACCUMULATED SURPLUS</b>		
Restricted	50,670	55,836
Unrestricted	127,273	168,124
	<u>177,943</u>	<u>223,960</u>
	<u>183,535</u>	<u>229,522</u>

Approved on behalf of the Board of Management:

  
Chair

  
Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
 CHURCH-WELLESLEY 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	223,609	223,609	216,200
Interest, sponsorships and other	29,425	33,405	54,555
	<u>253,034</u>	<u>257,014</u>	<u>270,755</u>
<b>EXPENDITURE</b>			
Administration	104,890	81,154	87,148
Promotion and advertising	101,500	146,228	171,514
Maintenance	33,000	14,336	13,604
Capital	31,000	-	-
Amortization of Capital Assets	-	27,874	23,330
Provision for (recovery of) uncollected special charges (Note 4)	3,644	33,439	(8,621)
	<u>274,034</u>	<u>303,031</u>	<u>286,975</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	(21,000)	(46,017)	(16,220)
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u>223,960</u>	<u>223,960</u>	<u>240,180</u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>202,960</u>	<u>177,943</u>	<u>223,960</u>

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

	2009 \$	2008 \$
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Excess (deficiency) of revenue over expenditure for the year	(46,017)	(16,220)
Add: Non-cash item Amortization of capital assets	27,874	23,330
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	29,795	(12,352)
Accounts receivable – City of Toronto - other	(7,480)	-
Accounts receivable – other	1,019	20,627
Accounts payable – City of Toronto	(2,493)	(29,281)
Accounts payable – other	2,523	(3,129)
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>	5,221	(17,025)
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(22,708)	(13,473)
<b>CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR</b>	109,838	140,336
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	92,351	109,838

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

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**1. ESTABLISHMENT AND OPERATIONS**

The Church-Wellesley 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 \$50,670 as at December 31, 2009 (2008 – increase \$55,836), and increase expenses by \$5,166 for the year ended December 31, 2009 (2008 – increase expenses by \$9,857). 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 \$65,693.

**THE BOARD OF MANAGEMENT FOR THE  
CHURCH-WELLESLEY 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:
 

Banners & Flags	3 years
Alexander Wood Sculpture	5 years
Benches	5 years
Gateway Signs	5 years
Lights	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	37,064	44,359
Less: allowance for uncollected special charges	(32,400)	(9,900)
Special charges receivable	4,664	34,459



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

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

	2009 \$	2008 \$
Special charges written-off	10,939	4,079
Change in allowance for uncollected special charges	22,500	(12,700)
	<u>33,439</u>	<u>(8,621)</u>

**5. CAPITAL ASSETS**

	2009		2008	
	Cost	Accumulated Amortization	Net book Value	Net book Value
Banners & Flags	5,428	5,428	-	1,810
Alexander Wood Sculpture	57,487	47,031	10,456	21,954
Benches	2,955	591	2,364	-
Gateway Signs	3,521	704	2,817	-
Lights	58,985	26,737	32,248	27,813
Planters	7,373	4,588	2,785	4,259
	<u>135,749</u>	<u>85,079</u>	<u>50,670</u>	<u>55,836</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.

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

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**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.