

**THE BOARD OF MANAGEMENT FOR THE
REGAL HEIGHTS VILLAGE
BUSINESS IMPROVEMENT AREA**

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

**THE BOARD OF MANAGEMENT FOR THE
REGAL HEIGHTS VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2009

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

AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Regal Heights Village Business Improvement Area


I have audited the statement of financial position of the Board of Management for the Regal Heights 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.

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.

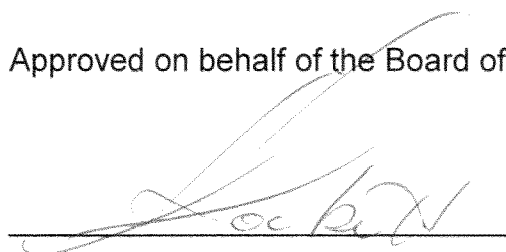
Toronto, Ontario
May 14, 2010


Chartered Accountant
Licensed Public Accountant

THE BOARD OF MANAGEMENT FOR THE
 REGAL HEIGHTS VILLAGE
 BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2009

	2009 \$	2008 \$
ASSETS		
Current		
Cash and short-term investments	43,174	24,529
Accounts receivable		
City of Toronto - special charges (Note 4)	1,193	2,442
Other	2,084	2,089
	46,451	29,060
Capital Assets, net (note 5)	1,151	-
	47,602	29,060
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	1,438	-
Other	675	650
	2,113	650
ACCUMULATED SURPLUS		
Restricted	1,151	-
Unrestricted	44,338	28,410
	45,489	28,410
	47,602	29,060

Approved on behalf of the Board of Management:



Chair



Treasurer

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

	2009 \$ Budget (Unaudited)	2009 \$ Actual	2008 \$ Actual
REVENUE			
City of Toronto – special charges	27,497	27,497	21,962
Municipal grant and other revenue	6,500	7,047	7,091
	<u>33,997</u>	<u>34,544</u>	<u>29,053</u>
EXPENDITURE			
Administration	6,660	7,098	6,503
Promotion and advertising	7,150	8,644	4,334
Maintenance	-	-	266
Capital	40,000	-	-
Amortization of Capital Assets	-	287	-
Provision for (recovery of) uncollected special charges (Note 4)	187	1,436	(397)
	<u>53,997</u>	<u>17,465</u>	<u>10,706</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(20,000)	17,079	18,347
OPERATING SUPLUS, BEGINNING OF YEAR	28,410	28,410	10,063
OPERATING SURPLUS, END OF YEAR	<u>8,410</u>	<u>45,489</u>	<u>28,410</u>

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

	2009 \$	2008 \$
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess of revenue over expenditure for the year	17,079	18,347
Add: Non-cash item Amortization of capital assets	287	-
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	1,249	4,716
Accounts receivable – other	5	(229)
Accounts payable – other	1,438	(400)
Accounts payable – City of Toronto	25	-
	<hr/>	<hr/>
CASH PROVIDED BY OPERATIONS	20,083	22,434
INVESTING ACTIVITY		
Purchase of capital assets	(1,438)	
CASH, BEGINNING OF YEAR	<hr/>	<hr/>
	24,529	2,095
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	<hr/>	<hr/>
	43,174	24,529

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

1. ESTABLISHMENT AND OPERATIONS

The Regal Heights 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.

The effect of these changes has been to increase capital assets and surplus by \$1,151 as at December 31, 2009 (2008 – increase \$nil), and decrease expenses by \$1,151 for the year ended December 31, 2009 (2008 – decrease expenses by \$nil).

THE BOARD OF MANAGEMENT FOR THE
 REGAL HEIGHTS VILLAGE
 BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2009

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
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	1,993	2,442
Less: allowance for uncollected special charges	(800)	-
Special charges receivable	1,193	2,442

**THE BOARD OF MANAGEMENT FOR THE
 REGAL HEIGHTS VILLAGE
 BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS
 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	636	3
Change in allowance for uncollected special charges	800	(400)
	<u>1,436</u>	<u>(397)</u>

5. CAPITAL ASSETS

	2009			2008
	Cost	Accumulated Amortization	Net book Value	Net book value
Lights	1,438	287	1,151	-
	<u>1,438</u>	<u>287</u>	<u>1,151</u>	<u>-</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.