

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS
BUSINESS IMPROVEMENT AREA**

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

**ST. CLAIR GARDENS
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 St. Clair Garden Business Improvement Area


I have audited the statement of financial position of the Board of Management for the St. Clair Garden 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
May 9, 2010


Rafiq Dosani
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009**

	2009 \$	2008 \$
ASSETS		
Current	75,799	66,184
Cash and short-term investments		
Accounts receivable	1,441	4,468
City of Toronto - special charges (Note 4)	2,710	2,067
Other	79,950	72,719
	62,858	-
Capital Assets, net (note 5)	<u>142,808</u>	<u>72,719</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	77,464	5,715
City of Toronto	975	4,750
Other	78,439	10,465
ACCUMULATED SURPLUS	62,858	-
Restricted	1,511	62,254
Unrestricted	64,369	62,254
	<u>142,808</u>	<u>72,719</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS 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	55,424	55,424	55,358
Grants and festival	-	-	12,251
Interest and Other	23,283	7,180	844
	<u>78,707</u>	<u>62,604</u>	<u>68,453</u>
EXPENDITURE			
Administration	7,771	12,677	3,752
Promotion and advertisement	11,650	12,882	27,627
Maintenance	16,040	16,026	5,715
Capital	94,500	-	-
Amortization of Capital Assets	-	15,714	-
Provision for uncollected levies (Note 4)	163	3,190	563
	<u>130,124</u>	<u>60,489</u>	<u>37,657</u>
EXCESS, (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(51,417)	2,115	30,796
OPERATING SURPLUS, BEGINNING OF YEAR	<u>62,254</u>	<u>62,254</u>	<u>31,458</u>
OPERATING SURPLUS, END OF YEAR	<u>10,837</u>	<u>64,369</u>	<u>62,254</u>

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS 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	2,115	30,796
Add: Non-cash item Amortization of capital assets	15,714	-
Increase resulting from changes in		
Due to City of Toronto	3,027	(817)
Accounts receivable - other	(643)	(1,036)
Accounts Payable- City of Toronto	71,749	1,935
Accounts payable - other	(3,775)	50
CASH PROVIDED BY (USED IN) OPERATIONS	88,187	30,928
INVESTING ACTIVITY		
Purchase of capital assets	(78,572)	-
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	66,184	35,256
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	<u>75,799</u>	<u>66,184</u>

**THE BOARD OF MANAGEMENT FOR THE
ST. CLAIR GARDENS BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2009**

1. ESTABLISHMENT AND OPERATIONS

The St. Clair Gardens 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 PRESENTION 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 \$62,858 as at December 31, 2009 (2008 – increase \$nil), and decrease expenses by \$62,858 for the year ended December 31, 2009 (2008 – decrease expenses by \$nil).

THE BOARD OF MANAGEMENT FOR THE
 ST. CLAIR GARDENS BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 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
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	4,441	4,768
Less: allowance for uncollected special charges	(3,000)	(300)
Special charges receivable	1,441	4,468

**THE BOARD OF MANAGEMENT FOR THE
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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	490	463
Changes in allowance for uncollected special charges	2,700	100
	<u>3,190</u>	<u>563</u>

5. CAPITAL ASSETS

	2009			2008
	Cost	Accumulated Amortization	Net book Value	Net book value
Street& Christmas lights	78,572	15,714	62,858	-
	<u>78,572</u>	<u>15,714</u>	<u>62,858</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
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NOTES TO THE FINANCIAL STATEMENTS, CONT'D
For the Year Ended December 31, 2009**

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.