

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY
BUSINESS IMPROVEMENT AREA**

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

THE EGLINTON WAY 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 Eglinton Way Business Improvement Area


I have audited the statement of financial position of the Board of Management for The Eglinton Way 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.

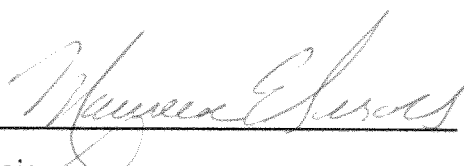
Toronto, Ontario
April 23, 2010


Chartered Accountant
Licensed Public Accountant

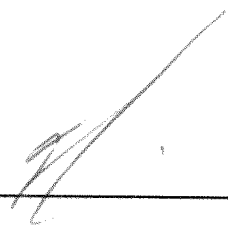
**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009**

	2009 \$	2008 \$
ASSETS		
Current		
Cash and short-term investments	238,728	202,406
Accounts receivable		
City of Toronto - special charges (Note 4)	25,390	22,758
Other	7,947	17,470
	<u>272,065</u>	<u>242,634</u>
Capital Assets, net (note 5)	6,716	6,977
	<u>278,781</u>	<u>249,611</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	7,961	75,859
Other	2,204	2,640
	<u>10,165</u>	<u>78,499</u>
ACCUMULATED SURPLUS		
Restricted	6,716	6,977
Unrestricted	261,900	164,135
	<u>268,616</u>	<u>171,112</u>
	<u>278,781</u>	<u>249,611</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

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

	2009 \$ Budget	2009 \$ Actual	2008 \$ Actual
REVENUE			
City of Toronto – special charges	241,836	251,709	234,821
Interest	-	720	5,017
Other	4,000	-	1,500
	<u>245,836</u>	<u>252,429</u>	<u>241,338</u>
EXPENDITURE			
Administration	59,635	55,743	56,593
Promotion and advertising	78,500	27,616	104,429
Maintenance	108,500	60,829	140,113
Amortization of capital assets		4,295	3,488
Provision for (recovery of) uncollected levies (Note 4)	(799)	6,442	3,172
	<u>245,836</u>	<u>154,925</u>	<u>307,795</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	97,504	(66,457)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>171,112</u>	<u>171,112</u>	<u>237,569</u>
OPERATING SURPLUS, END OF YEAR	<u>171,112</u>	<u>268,616</u>	<u>171,112</u>

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

	2009 \$	2008 \$
CASH PROVIDED BY OPERATIONS		
Excess (deficiency) of revenue over expenditure for the year	97,504	(66,457)
Add: non-cash item Amortization of capital assets	4,295	3,488
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	(2,632)	(376)
Accounts receivable – other	9,523	(6,967)
Accounts payable – City of Toronto	(67,898)	73,359
Accounts payable – other	(436)	(845)
CASH PROVIDED BY OPERATIONS	40,356	2,202
INVESTING ACTIVITY		
PURCHASE OF CAPITAL ASSETS	(4,034)	-
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	202,406	200,204
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	238,728	202,406

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. ESTABLISHMENT AND OPERATIONS

The Eglinton Way 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 \$6,716, as at December 31, 2009 (2008 – increase \$6,977), and increase expenses by \$261 for the year ended December 31, 2009 (2008 – increase expenses by \$3,488). In addition, the opening 2008 comparative figures have been adjusted to reflect the retroactive application of the recommendations, resulting in an increase in deficit by \$10,465.

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY 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:

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	37,190	29,558
Less: allowance for uncollected special charges	(11,800)	(6,800)
Special charges receivable	25,390	22,758

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY 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	1,442	6,572
Changes in allowance for uncollected special charges	5,000	(3,400)
	<u>6,442</u>	<u>3,172</u>

5. CAPITAL ASSETS

	2009			2008
	Cost	Accumulated Amortization	Net book Value	Net book value
Christmas Ornaments	17,442	13,952	3,490	6,977
Benches	4,034	808	3,226	-
	<u>21,476</u>	<u>14,760</u>	<u>6,716</u>	<u>6,977</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 values of the BIA's financial instruments approximate their values. The BIA is subject to an interest rate risk with respect to its investments; however, as these investments are short-term investments the risk is minimal.

8. COMPARATIVE FIGURES

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