

**THE BOARD OF MANAGEMENT FOR THE
WATERFRONT
(Formerly known as QUEENS QUAY HARBOURFRONT)
BUSINESS IMPROVEMENT AREA**

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

**WATERFRONT
(Formerly known as QUEENS QUAY HARBOURFRONT)
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 Waterfront (Formerly known as Queens Quay Harbourfront) Business Improvement Area


I have audited the statement of financial position of the Board of Management for the Waterfront (Formerly known as Queens Quay Harbourfront) 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 23, 2010


Chartered Accountant
Licensed Public Accountant


**THE BOARD OF MANAGEMENT FOR THE
WATERFRONT (FORMERLY KNOWN AS QUEENS QUAY HARBOURFRONT)
BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009**

	2009 \$	2008 \$
ASSETS		
Current		
Cash and short-term investments	43,238	-
Accounts receivable		
Prepaid Expenses	10,514	-
Deferred Expenses (note 4)	122,231	-
Other	31,108	72,770
	<u>207,091</u>	<u>72,770</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
Bank indebted	-	10,661
City of Toronto- Special charges (Note 3)	54,427	52,418
Deferred Revenue (note 5)	167,500	-
Other	12,952	36,634
	<u>234,879</u>	<u>99,713</u>
ACCUMULATED SURPLUS (DEFICIT)		
Operating (Note 7)	<u>(27,788)</u>	<u>(26,943)</u>
	<u>207,091</u>	<u>72,770</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
WATERFRONT (FORMERLY KNOWN AS QUEENS QUAY HARBOURFRONT)
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	414,627	414,627	408,821
Municipal grant	-	-	1,620
Fund raising and other	485,000	65,802	271,205
	<u>899,627</u>	<u>480,429</u>	<u>681,646</u>
EXPENDITURE			
Administration	141,850	100,649	75,918
Promotion and advertising	653,500	281,606	499,784
Maintenance	20,000	12,734	36,565
Provision for uncollected special charges (Note 3)	84,277	86,285	86,465
	<u>899,627</u>	<u>481,274</u>	<u>698,732</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	(845)	(17,086)
OPERATING SURPLUS (DEFICIT), BEGINNING OF YEAR	<u>(26,943)</u>	<u>(26,943)</u>	<u>(9,857)</u>
OPERATING SURPLUS (DEFICIT), END OF YEAR (Note 7)	<u>(26,943)</u>	<u>(27,788)</u>	<u>(26,943)</u>

**THE BOARD OF MANAGEMENT FOR THE
WATERFRONT (FORMERLY KNOWN AS QUEENS QUAY HARBOURFRONT)
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 (deficiency) of revenue over expenditure for the year	(845)	(17,086)
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	-	1,800
Accounts receivable – other	41,662	(62,320)
Prepaid Expenses	(10,514)	-
Deferred Expenses	(122,231)	-
Accounts payable - City of Toronto	2,009	(9,521)
Accounts payable – other	(23,682)	22,558
Deferred Revenue	167,500	-
CASH PROVIDED BY (USED IN) OPERATIONS	53,899	(64,569)
CASH, BEGINNING OF YEAR	(10,661)	53,908
CASH (BANK INDEBTED), END OF YEAR	43,238	(10,661)

**THE BOARD OF MANAGEMENT FOR THE
WATERFRONT (FORMERLY KNOWN AS QUEENS QUAY HARBOURFRONT)
BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. ESTABLISHMENT AND OPERATIONS

The Waterfront (Formerly known as Queens Quay Harbourfront) 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. 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.

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

3. 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 (payable) net of an allowance for uncollected amounts. The special charges receivable (payable) from the City of Toronto are comprised of:

	2009 \$	2008 \$
Total special charges outstanding	194,273	117,882
Less: allowance for uncollected special charges	(248,700)	(170,300)
Special charges receivable (payable)	<u>(54,427)</u>	<u>(52,418)</u>

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

	2009 \$	2008 \$
Special charges written-off	7,885	9,765
Provision for losses on assessment appeals	78,400	76,700
	<u>86,285</u>	<u>86,465</u>

4. DEFERRED EXPENSES

Deferred expenses consist of payments for the 2010 Tall Ships Festival. These will be recognized as expenses in 2010 when the festival occurs.

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NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2009**

5. DEFERRED REVENUE

Deferred revenue consists of revenue for the 2010 Tall Ships Festival. It will be recognized in 2010 when the festival will be hosted.

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. DEFICIT

There are adequate funds included in the 2010 budget to cover year 2009 deficit.

8. 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.

9. CHANGE OF NAME

During the year, at the request of the BIA, City Council approved the change of name of the BIA from the Queens Quay Harbourfront to Waterfront.