

Appendix J:

**THE BOARD OF MANAGEMENT FOR THE
MOUNT PLEASANT
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2010**

**MOUNT PLEASANT
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2010

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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 Mount Pleasant Business Improvement Area

I have audited the accompanying financial statements of Mount Pleasant Business Improvement Area, which comprise the statement of financial position as at December 31, 2010 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2010 and its results of financial activities and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.


Toronto, Ontario
March 23, 2011


Chartered Accountant
Licensed Public Accountant

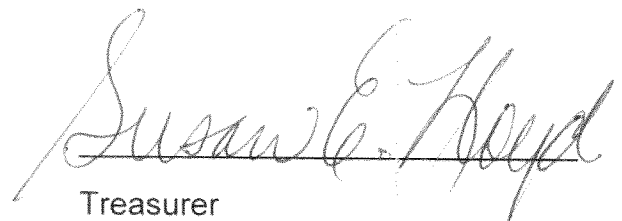
THE BOARD OF MANAGEMENT FOR THE
MOUNT PLEASANT
BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	2010 \$	2009 \$
ASSETS		
Current		
Cash and short-term investments	174,628	129,036
Accounts receivable		
City of Toronto – special charges (Note 3)	5,232	3,374
Other	5,771	285
	185,631	132,695
Capital Assets (Note 4)	6,240	-
	191,871	132,695
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	7,801	-
Other	5,628	1,000
	13,429	1,000
ACCUMULATED SURPLUS		
Restricted	6,240	-
Unrestricted	172,202	131,695
	178,442	131,695
	191,871	132,695

Approved on behalf of the Board of Management:



Chair



Treasurer

THE BOARD OF MANAGEMENT FOR THE
MOUNT PLEASANT
BUSINESS IMPROVEMENT AREA
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 \$ Budget (Note 6)	2010 \$ Actual	2009 \$ Actual
REVENUE			
City of Toronto – special charges	152,502	152,502	153,925
Interest and other	-	11,720	22
	<u>152,502</u>	<u>164,222</u>	<u>153,947</u>
EXPENDITURE			
Administration	35,909	36,977	3,963
Promotion and advertising	49,200	62,718	7,183
Maintenance	16,600	6,425	-
Capital / amortization	89,140	1,560	-
Provision for uncollected special charges (Note 3)	11,653	9,795	11,106
	<u>202,502</u>	<u>117,475</u>	<u>22,252</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(50,000)	46,747	131,695
OPERATING SURPLUS, BEGINNING OF YEAR	<u>131,695</u>	<u>131,695</u>	<u>-</u>
OPERATING SURPLUS, END OF YEAR	<u>81,695</u>	<u>178,442</u>	<u>131,695</u>

**THE BOARD OF MANAGEMENT FOR THE
 MOUNT PLEASANT
 BUSINESS IMPROVEMENT AREA
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010	2009
	\$	\$
CASH PROVIDED BY OPERATIONS		
Excess of revenue over expenditure for the year	46,747	131,695
Add: Non-cash item Amortization of capital assets	1,560	-
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(1,858)	(3,374)
Accounts receivable – other	(5,486)	(285)
Accounts payable - City of Toronto	7,801	-
Accounts payable – other	4,628	1,000
CASH PROVIDED BY OPERATIONS	53,392	129,036
INVESTING ACTIVITY		
Purchase of Capital Assets	(7,800)	-
CASH AND SHORT-TERM DEPOSITS, BEGINNING OF YEAR	129,036	-
CASH AND SHORT-TERM DEPOSITS, END OF YEAR	174,628	129,036

**THE BOARD OF MANAGEMENT FOR THE
MOUNT PLEASANT
BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

1. ESTABLISHMENT AND OPERATIONS

The Mount Pleasant 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:

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.

THE BOARD OF MANAGEMENT FOR THE
MOUNT PLEASANT
BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2010

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

	2010	2009
	\$	\$
Total special charges outstanding	23,232	14,374
Less: allowance for uncollected special charges	(18,000)	(11,000)
Special charges receivable	<u>5,232</u>	<u>3,374</u>

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

	2010	2009
	\$	\$
Special charges written-off	7,000	106
Provision for losses on assessment appeals	2,795	11,000
	<u>9,795</u>	<u>11,106</u>

THE BOARD OF MANAGEMENT FOR THE
MOUNT PLEASANT
BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2010

4. CAPITAL ASSETS

	2010		
	Cost	Accumulated Amortization	Net book Value
Street Signs	3,100	620	2,480
Planters	4,700	940	3,760
	<u>7,800</u>	<u>1,560</u>	<u>6,240</u>

5. 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.

6. FINANCIAL INSTRUMENTS

The financial instruments recognized in the statement of financial position consist of cash, accounts receivable, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

7. BUDGET

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.