

Appendix U:

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

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

THE EGLINTON WAY BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2010

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 accompanying financial statements of the The Eglinton Way 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.

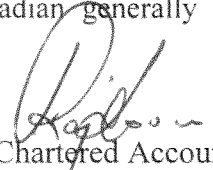
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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
May 10, 2011


Chartered Accountant
Licensed Public Accountant


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

	2010 \$	2009 \$
ASSETS		
Current		
Cash and short-term investments	252,961	238,728
Accounts receivable		
City of Toronto - special charges (Note 3)	22,343	25,390
Other	8,034	7,947
	<u>283,338</u>	<u>272,065</u>
Capital Assets, net (note 4)	9,586	6,716
	<u>292,924</u>	<u>278,781</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	2,955	7,961
Other	7,741	2,204
	<u>10,696</u>	<u>10,165</u>
ACCUMULATED SURPLUS		
Restricted	9,586	6,716
Unrestricted	272,642	261,900
	<u>282,228</u>	<u>268,616</u>
	<u>292,924</u>	<u>278,781</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, 2010**

	2010 \$ Budget (Note 7)	2010 \$ Actual	2009 \$ Actual
REVENUE			
City of Toronto – special charges	241,836	241,836	251,709
Interest and Other	4,000	1,894	720
	245,836	243,730	252,429
EXPENDITURE			
Administration	63,352	64,916	55,743
Promotion and advertising	75,250	69,900	27,616
Maintenance	76,546	76,261	60,829
Capital / amortization	22,200	7,506	4,295
Provision for uncollected levies (Note 3)	8,488	11,535	6,442
	245,836	230,118	154,925
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	13,612	97,504
OPERATING SURPLUS, BEGINNING OF YEAR	268,616	268,616	171,112
OPERATING SURPLUS, END OF YEAR	268,616	282,228	268,616

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY 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	13,612	97,504
Add: non-cash item Amortization of capital assets	7,506	4,295
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	3,047	(2,632)
Accounts receivable – other	(87)	9,523
Accounts payable – City of Toronto	(5,006)	(67,898)
Accounts payable – other	5,537	(436)
CASH PROVIDED BY OPERATIONS	24,609	40,356
INVESTING ACTIVITY		
PURCHASE OF CAPITAL ASSETS	(10,376)	(4,034)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	238,728	202,406
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	252,961	238,728

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

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. 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:

Banners, Flags & Signs	3 years
Christmas Ornaments	5 years
Benches	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 EGLINTON WAY 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	44,243	37,190
Less: allowance for uncollected special charges	<u>(21,900)</u>	<u>(11,800)</u>
Special charges receivable	<u>22,343</u>	<u>25,390</u>

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

	2010 \$	2009 \$
Special charges written-off	1,435	1,442
Changes in allowance for uncollected special charges	<u>10,100</u>	<u>5,000</u>
	<u>11,535</u>	<u>6,442</u>

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY 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
Christmas Ornaments	17,442	17,442	-
Benches	5,894	1,986	3,908
Banners, Flags & Signs	8,517	2,839	5,678
	31,853	22,267	9,586

	2009		
	Cost	Accumulated Amortization	Net book Value
Christmas Ornaments	17,442	13,952	3,490
Benches	4,034	808	3,226
	21,476	14,760	6,716

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 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.

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.