

**THE BOARD OF MANAGEMENT FOR THE
CHURCH-WELLESLEY
BUSINESS IMPROVEMENT AREA**

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

**CHURCH-WELLESLEY
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 Church-Wellesley Business Improvement Area

I have audited the accompanying financial statements of Church-Wellesley 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
July 12, 2011


Chartered Accountant
Licensed Public Accountant

THE BOARD OF MANAGEMENT FOR THE
 CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2010

	2010 \$	2009 \$
ASSETS		
Current		
Cash and short-term investments	114,747	92,351
Accounts receivable		
City of Toronto – special charges (Note 3)	-	4,664
City of Toronto – other	180	7,480
Other	18,905	28,370
	<u>133,832</u>	<u>132,865</u>
Capital Assets, net (note 4)	<u>26,403</u>	<u>50,670</u>
	<u>160,235</u>	<u>183,535</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto - special charges (Note 3)	1,853	-
Other	4,270	5,592
	<u>6,123</u>	<u>5,592</u>
ACCUMULATED SURPLUS		
Restricted	26,403	50,670
Unrestricted	127,709	127,273
	<u>154,112</u>	<u>177,943</u>
	<u>160,235</u>	<u>183,535</u>

Approved on behalf of the Board of Management:

(Avery)



Chair



Treasurer

THE BOARD OF MANAGEMENT FOR THE
 CHURCH-WELLESLEY 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	225,991	225,991	223,609
Interest, sponsorships and other	31,000	11,048	33,405
	256,991	237,039	257,014
EXPENDITURE			
Administration	81,900	76,203	81,154
Promotion and advertising	94,250	104,245	146,228
Maintenance	33,430	33,727	14,336
Capital / amortization	87,500	24,267	27,874
Provision for uncollected special charges (Note 3)	15,911	22,428	33,439
	312,991	260,870	303,031
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(56,000)	(23,831)	(46,017)
OPERATING SURPLUS, BEGINNING OF YEAR	177,943	177,943	223,960
OPERATING SURPLUS, END OF YEAR	121,943	154,112	177,943

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

	2010 \$	2009 \$
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess (deficiency) of revenue over expenditure for the year	(23,831)	(46,017)
Add: Non-cash item Amortization of capital assets	24,267	27,874
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	4,664	29,795
Accounts receivable – City of Toronto - other	7,300	(7,480)
Accounts receivable – other	9,465	1,019
Accounts payable – City of Toronto	1,853	(2,493)
Accounts payable – other	(1,322)	2,523
CASH PROVIDED BY (USED IN) OPERATIONS	22,396	5,221
INVESTING ACTIVITY		
Purchase of capital assets	-	(22,708)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	92,351	109,838
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	114,747	92,351

**THE BOARD OF MANAGEMENT FOR THE
CHURCH-WELLESLEY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

1. ESTABLISHMENT AND OPERATIONS

The Church-Wellesley 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	3 years
Alexander Wood Sculpture	5 years
Benches	5 years
Gateway Signs	5 years
Lights	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
 CHURCH-WELLESLEY 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 (payable) from/to the City of Toronto are comprised of:

	2010	2009
	\$	\$
Total special charges outstanding	41,247	37,064
Less: allowance for uncollected special charges	(43,100)	(32,400)
Special charges receivable (payable)	<u>(1,853)</u>	<u>4,664</u>

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

	2010	2009
	\$	\$
Special charges written-off	11,728	10,939
Change in allowance for uncollected special charges	10,700	22,500
	<u>22,428</u>	<u>33,439</u>

THE BOARD OF MANAGEMENT FOR THE
 CHURCH-WELLESLEY 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
Alexander Wood Sculpture	57,487	57,081	406
Benches	2,955	1,182	1,773
Gateway Signs	3,521	1,408	2,113
Lights	58,985	38,534	20,451
Planters	7,373	5,713	1,660
	130,321	103,918	26,403

	2009		
	Cost	Accumulated Amortization	Net book Value
Banners & Flags	5,428	5,428	-
Alexander Wood Sculpture	57,487	47,031	10,456
Benches	2,955	591	2,364
Gateway Signs	3,521	704	2,817
Lights	58,985	26,737	32,248
Planters	7,373	4,588	2,785
	135,749	85,079	50,670

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 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.

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.