

Appendix V:

DUNDAS WEST BUSINESS IMPROVEMENT AREA

(a government organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Dundas West Business Improvement Area, which comprise the statement of financial position as at September 12, 2011 and the statements of operations and changes in net assets 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 judgement, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dundas West Business Improvement Area as at September 12, 2011, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario.
September 12, 2011.

Respectfully submitted,

CHARTERED ACCOUNTANTS.
Licensed Public Accountants.

DUNDAS WEST BUSINESS IMPROVEMENT AREA


(a government organization)

STATEMENT OF FINANCIAL POSITION


DECEMBER 31, 2010

	2010	2009
ASSETS		
Current		
Cash and GIC	\$ 215,925	\$ 196,780
Accounts receivable - City of Toronto (note 4)	22,328	6,274
Sundry receivable	6,829	5,535
Prepaid expenses	<u>183</u>	<u>180</u>
	\$ <u>245,265</u>	\$ <u>208,769</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ <u>37,649</u>	\$ <u>7,237</u>
NET ASSETS		
Reserve for capital expenditures	207,500	200,500
Unrestricted net assets	<u>116</u>	<u>1,032</u>
	<u>207,616</u>	<u>201,532</u>
	\$ <u>245,265</u>	\$ <u>208,769</u>

Approved on behalf of the Board:



Director



Director

The accompanying notes form an integral part of these financial statements.

DUNDAS WEST BUSINESS IMPROVEMENT AREA

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STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2010

	Reserve for capital expenditures	Unrestricted	2010 Total	2009 Total
BALANCE - Beginning of year	\$ 200,500	\$ 1,032	\$ 201,532	\$ 130,424
- Excess of revenues over expenses	-	6,084	6,084	71,108
- Transfer to reserve	<u>7,000</u>	<u>(7,000)</u>	<u> </u>	<u> </u>
BALANCE - End of year	\$ <u>207,500</u>	\$ <u>116</u>	\$ <u>207,616</u>	\$ <u>201,532</u>

The accompanying notes form an integral part of these financial statements.

DUNDAS WEST BUSINESS IMPROVEMENT AREA

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STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2010

	Budget 2010	Actual 2010	Budget 2009	Actual 2009
REVENUE				
City of Toronto				
- Special charges	\$ 52,800	\$ 52,800	\$ 111,619	\$ 119,323
- Commercial research				7,673
- Mural Grant		5,000	5,000	4,540
- Community Festivals Grant			1,200	1,654
Interest and sundry	600	520	835	1,142
Levy appeals provision	3,510	8,164	4,691	
Fundraising and events	1,400	300	3,500	758
Transfer from capital reserve	<u>120,000</u>	<u> </u>	<u>123,204</u>	<u> </u>
	<u>178,310</u>	<u>66,784</u>	<u>250,049</u>	<u>135,090</u>
EXPENSES				
Program and promotion	20,000	15,398	15,625	35,655
Administration	33,510	6,601	32,655	14,540
Provision for uncollected special charges (note 4)	4,800	6,200	10,147	11,300
Capital and maintenance	<u>120,000</u>	<u>32,501</u>	<u>191,622</u>	<u>2,487</u>
	<u>178,310</u>	<u>60,700</u>	<u>250,049</u>	<u>63,982</u>
EXCESS OF RECEIPTS OVER EXPENSES	\$ <u> </u>	\$ <u>6,084</u>	\$ <u> </u>	\$ <u>71,108</u>

The accompanying notes form an integral part of these financial statements.

DUNDAS WEST BUSINESS IMPROVEMENT AREA

(a government organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

1. PURPOSE OF THE ORGANIZATION

The Dundas West 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. The company is incorporated Federally as a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

2. 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 expenditures are charged to operations in the year of acquisition.
- (c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.
- (d) The organization considers its capital to be the balance maintained in its Unrestricted Net Assets. The primary objective of the organization is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the organization with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The organization is not subject to any externally imposed requirements of its capital.

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DUNDAS WEST BUSINESS IMPROVEMENT AREA

(a government organization)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

...Continued

3. CAPITAL AND MAINTENANCE

In order to finance major capital expenses, the BIA annually budgets certain amounts and accumulates them as a reserve for capital expenditures. Once adequate funds have accumulated, the BIA undertakes cost-shared capital improvement projects with the City. For this reason the actual expenses in a given year could significantly differ from the amount budgeted for the year. Any excess actual expenses are financed out of the reserve for capital expenditures.

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:

	2010	2009
Total special charges outstanding	\$ 28,528	\$ 17,574
Deduct - allowance for uncollected special charges	<u>(6,200)</u>	<u>(11,300)</u>
Special charges receivable	\$ <u>22,328</u>	\$ <u>6,274</u>

The provision for uncollected levies reported on the statements of operations and changes in net assets comprises:

	2010	2009
Special charges (written-off)/recovered	\$ 3,064	\$ 604
Changes in allowance for uncollected special charges	<u>5,100</u>	<u>4,200</u>
	\$ <u>8,164</u>	\$ <u>4,804</u>

DUNDAS WEST BUSINESS IMPROVEMENT AREA

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

...Continued

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 to 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. STATEMENT OF CASH FLOWS

A statement of cash flows has not been provided as it would not provide any additional meaningful information.