

DUNDAS WEST BUSINESS IMPROVEMENT AREA

(a government organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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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 December 31, 2012, and the statements of operations, changes in net assets and cash flows 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 accounting standards for not-for-profit organizations 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.

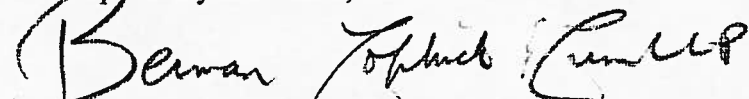
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 December 31, 2012, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Respectfully submitted,


CHARTERED PROFESSIONAL ACCOUNTANTS.
Licensed Public Accountants.

Toronto, Ontario.
August 14, 2013.

DUNDAS WEST BUSINESS IMPROVEMENT AREA

(a government organization)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2012

	2012	2011 Unaudited (Note 6)
ASSETS		
Current		
Cash and GIC	\$ 146,215	\$ 237,250
Accounts receivable - City of Toronto (note 4)	6,001	6,080
Sundry receivables	19,609	7,418
Prepaid expenses	<u>183</u>	<u>683</u>
	\$ <u>172,008</u>	\$ <u>251,431</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ <u>5,499</u>	\$ <u>72,463</u>
NET ASSETS		
Reserve for capital expenditures	87,039	102,639
Unrestricted net assets	<u>79,470</u>	<u>76,329</u>
	<u>166,509</u>	<u>178,968</u>
	\$ <u>172,008</u>	\$ <u>251,431</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, 2012

	Reserve for capital expenditures	Unrestricted	2012 Total	2011 Total Unaudited (Note 6)
BALANCE - Beginning of year	\$ 102,639	\$ 76,329	\$ 178,968	\$ 207,616
- Excess of revenues over expenses		3,141	3,141	76,213
- Transfer from reserve	<u>(15,600)</u>	_____	<u>(15,600)</u>	<u>(104,861)</u>
BALANCE - End of year	\$ <u>87,039</u>	\$ <u>79,470</u>	\$ <u>166,509</u>	\$ <u>178,968</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, 2012

	Budget 2012	Actual 2012	Budget 2011	Actual 2011 Unaudited (Note 6)
REVENUE				
City of Toronto				
- Special charges	\$ 137,501	\$ 136,977	\$ 137,501	\$ 137,501
- Mural Grant	5,000	5,000	5,000	5,000
Interest and sundry	300	980	1,000	832
Levy appeals provision	5,328	8,973	10,199	4,551
Fundraising and events	500	-		
Transfer from capital reserve	<u>83,296</u>	<u>15,600</u>	<u>170,000</u>	<u>104,861</u>
	<u>231,925</u>	<u>167,530</u>	<u>323,700</u>	<u>252,745</u>
EXPENSES				
Program and promotion	43,900	7,712	10,850	12,373
Administration	55,325	49,545	47,850	37,180
Provision for uncollected special charges (note 4)	12,500	15,700	12,500	10,300
Capital and maintenance	<u>120,200</u>	<u>91,432</u>	<u>252,500</u>	<u>116,679</u>
	<u>231,925</u>	<u>164,389</u>	<u>323,700</u>	<u>176,532</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>-</u>	\$ <u>3,141</u>	\$ <u>-</u>	\$ <u>76,213</u>

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

DUNDAS WEST BUSINESS IMPROVEMENT AREA

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STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2012

	2012	2011 Unaudited (Note 6)
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>3,141</u>	\$ <u>76,213</u>
Changes in operating activities:		
Decrease in accounts receivable	79	16,248
Increase in sundry receivables	(12,191)	(589)
(Increase) decrease in prepaid expenses	500	(500)
Increase (decrease) in accounts payable and accrued liabilities	<u>(66,964)</u>	<u>34,814</u>
	<u>(78,576)</u>	<u>49,973</u>
Cash flow from operating activities:	<u>(75,435)</u>	<u>126,186</u>
Cash flow from investing activities:		
Amount transferred from capital reserve	<u>(15,600)</u>	<u>(104,861)</u>
Net increase (decrease) in cash and cash equivalents	(91,035)	21,325
CASH AND CASH EQUIVALENTS - Beginning of year	<u>237,250</u>	<u>215,925</u>
CASH AND CASH EQUIVALENTS - End of year	\$ <u>146,215</u>	\$ <u>237,250</u>

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

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DUNDAS WEST BUSINESS IMPROVEMENT AREA

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

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 not-for-profit 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

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

...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:

	2012	2011 Unaudited (Note 6)
Total special charges outstanding	\$ 21,701	\$ 16,380
Deduct - allowance for uncollected special charges	(15,700)	(10,300)
Special charges receivable	\$ <u>6,001</u>	\$ <u>6,080</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 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.

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DUNDAS WEST BUSINESS IMPROVEMENT AREA

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

...Continued

6. ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS (ASNFPO) - FIRST TIME ADOPTION

These financial statements are the first financial statements for which the entity has applied Canadian Accounting Standards for not-for-profit organizations (ASNFPO), and were prepared in accordance with *CICA Handbook - Accounting, Part III, Section 1501, First-time adoption*.

The organization issued financial statements for the year ended December 31, 2012 using generally accepted accounting principles prescribed by *CICA Handbook - Part V-Accounting XFI*. The adoption of ASNFPO had no impact on the previously reported assets, liabilities and net assets of the organization, and accordingly, no adjustments have been recorded in the comparative statements of financial position, operations, net assets and cash flows. Certain of the organizations disclosures included in these financial statements reflect the new disclosure requirements.

SINCE THE PREVIOUS YEAR'S FINANCIAL STATEMENTS WERE AUDITED UNDER PART V OF THE CICA HANDBOOK AND NOT PART III, FOR COMPARATIVE PURPOSES WE ARE SHOWING THEM AS UNAUDITED.