

Financial statements of

**Downtown Guelph Business Association**  
(A not-for-profit organization)

December 31, 2009

# **Downtown Guelph Business Association**

(A not-for-profit organization)

December 31, 2009

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## Auditors' Report

To the Members of  
Downtown Guelph Business Association

We have audited the balance sheet of the Downtown Guelph Business Association as at December 31, 2009 and the statements of revenues and expenses and unappropriated net assets and of cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

Chartered Accountants  
Licensed Public Accountants  
March 10, 2010

# Downtown Guelph Business Association

(A not-for-profit organization)

Balance sheet

as at December 31, 2009

	2009	2008
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	28,144	19,324
Investments (Note 6)	62,956	61,578
Prepaid expenses	6,667	-
Accounts receivable	24,100	38,492
Parking tokens	-	80
	<b>121,867</b>	<b>119,474</b>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	5,864	19,482
Unclaimed gift certificates	8,915	12,220
	<b>14,779</b>	<b>31,702</b>
<b>Net assets</b>		
Unappropriated net assets	-	-
Reserve for contingency (Note 4)	107,088	87,772
	<b>121,867</b>	<b>119,474</b>

Approved by the Board

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# Downtown Guelph Business Association

(A not-for-profit organization)

Statement of revenues and expenses and unappropriated net assets  
year ended December 31, 2009

	2009	2008
	\$	\$
<b>Revenues</b>		
City of Guelph	399,583	387,053
Interest and other	40,892	53,422
	<b>440,475</b>	<b>440,475</b>
<b>Expenses</b>		
Advertising	46,445	51,755
Bad debt	70	488
Bank charges	78	66
Consultant - planner	34,727	-
Equipment maintenance	6,617	6,152
Gift certificates	236	613
Office repairs and maintenance	1,476	1,566
Insurance	23	24
Legal and professional (Note 7)	7,172	3,200
Member communication	7,872	6,539
Miscellaneous	5,433	1,841
Multi-use facility suite	9,303	8,007
Office supplies	5,359	5,593
Postage	3,381	579
Rent	26,178	25,678
Revitalization	40,286	71,584
Special events	31,218	42,452
Telephone and fax	5,758	5,383
Training and development	2,462	3,493
Transportation committee	-	2,924
Wages and benefits	187,065	167,014
	<b>421,159</b>	<b>404,951</b>
Excess of revenues over expenses	<b>19,316</b>	<b>35,524</b>
Transfer to reserve for contingency	<b>(19,316)</b>	<b>(35,524)</b>
Unappropriated net assets, beginning of year	-	-
<b>Unappropriated net assets, end of year</b>	<b>-</b>	<b>-</b>

# Downtown Guelph Business Association

(A not-for-profit organization)

Statement of cash flows

year ended December 31, 2009

	2009	2008
	\$	\$
<b>Operating activities</b>		
Excess of revenues over expenses	19,316	35,524
Changes in non-cash working capital components		
Accounts receivable	14,392	(21,790)
Prepaid expenses	(6,667)	-
Parking tokens	80	20
Accounts payable and accrued liabilities	(13,618)	12,613
Gift certificates	(3,305)	4,390
	<b>10,198</b>	<b>30,757</b>
<b>Investing activity</b>		
GIC investment	(1,378)	(31,295)
Change in cash and cash equivalents	<b>8,820</b>	<b>(538)</b>
Cash and cash equivalents, beginning of year	<b>19,324</b>	<b>19,862</b>
<b>Cash and cash equivalents, end of year</b>	<b>28,144</b>	<b>19,324</b>

# Downtown Guelph Business Association

(A not-for-profit organization)

Notes to the financial statements

December 31, 2009

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## 1. Description of the business

The Downtown Guelph Business Association was created by the City of Guelph, to promote the downtown businesses to the public in order to allow the downtown area to thrive. The Association acts on behalf of its members, who are the various businesses that are located in the downtown area of Guelph.

## 2. Accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, and reflect the following policies:

### *Cash and cash equivalents*

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from the date of acquisition.

### *Investments*

Investments are accounted for at cost.

### *Capital assets*

Capital assets consist of office furniture and computer hardware. The historical cost and accumulated amortization for capital assets previously acquired are not recorded as the net book value as of January 1, 2009 is not significant. Capital assets additions will be recorded as an asset in the year the assets are available for use and will be amortized over their estimated useful lives.

### *Gifts in kind*

Donated goods, services and facilities are not reported in these financial statements.

### *Gift certificates*

The Association issues gift certificates throughout the community, which are recorded as a liability until redeemed.

### *Use of estimates*

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Significant estimates used within these financial statements include gift certificates. Actual results could differ from those estimates and assumptions.

# Downtown Guelph Business Association

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Notes to the financial statements

December 31, 2009

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### 3. Commitments

The Association is committed to payments over the next year for premises and certain office equipment, and other financial commitments over the next five years as follows:

	\$
2010	47,056
2011	40,000
2012	40,000
2013	40,000
2014	40,000
	<u>207,056</u>

The Association is currently in the process of renewing a lease for premises and as such there could be additional financial commitments for the Association.

### 4. Reserve for contingency

This reserve, which was established by the Association to offset future changes within the property tax allocation from the City of Guelph and to meet the Association's commitments (Note 3), amounted to \$107,088 (2008 - \$87,772) at the end of the year.

### 5. Financial instruments

#### *Credit risk*

The Association's principal financial assets are cash, accounts receivable and investments, which are subject to credit risk. The carrying amount of financial assets on the balance sheet represents the Association's maximum credit exposure at the balance sheet date.

The Association's credit risk is primarily attributable to its receivables, as the investments consist of a GIC guaranteed by a chartered bank. The credit risk on receivables is limited as the amounts owing are from other city government entities.

#### *Fair value*

The fair value of cash and cash equivalents, accounts receivable, investments, and accounts payable and accrued liabilities is approximately equal to their carrying values due to their short-term maturity.

### 6. Investments

Excess cash not needed in the regular operations of the Association has been invested in one year cashable guaranteed investment certificate (GIC). The GIC has an annual interest rate of 0.20% and is set to mature on September 29, 2010.

### 7. Legal and professional expense

Legal and professional expense includes the current professional fees accrual as well as fees relating to a prior year.