

Appendix E-1:

THE DANFORTH BUSINESS IMPROVEMENT AREA
FINANCIAL STATEMENTS
DECEMBER 31, 2008

INDEX

	Page
Auditor's Report	1
Balance Sheet	2
Statement of General Fund	3
Statement of General Fund Operations	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7



Suntharalingam & Associates
Chartered Accountants

AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and Board of Directors of
THE DANFORTH BUSINESS IMPROVEMENT AREA

We have audited the balance sheet of **THE DANFORTH BUSINESS IMPROVEMENT AREA** as at **December 31, 2008** and the statements of operations, general fund, and cash flows for the year then ended. These financial statements are the responsibility of the corporation's Board of Directors. 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 Board of Directors, 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 corporation as at **December 31, 2008** and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
July 16, 2009

Licensed Public Accountants
Chartered Accountants


THE DANFORTH BUSINESS IMPROVEMENT AREA

Balance Sheet
as at December 31, 2008

	2008	2007
ASSETS		
Current		
Cash and short-term investments	\$ 177,276	\$ 174,767
Accounts receivable - City of Toronto (Note 3)	11,306	10,910
Prepaid expenses	510	-
Taxes recoverable	7,989	6,281
	<u>\$ 197,081</u>	<u>\$ 191,958</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 5,786	\$ 5,157
Accounts payable - City of Toronto	70,173	89,114
	<u>75,959</u>	<u>94,271</u>
NET ASSETS		
General fund (Note 2(c))	<u>121,122</u>	<u>97,687</u>
	<u>\$ 197,081</u>	<u>\$ 191,958</u>

Approved on behalf of the Board:


Director


Director

See accompanying notes to financial statements.

THE DANFORTH BUSINESS IMPROVEMENT AREA
Statement of General fund
for the year ended December 31, 2008

	2008	2007
	<hr/>	
General fund balance, beginning of year	\$ 97,687	\$ 51,058
Excess of revenue (deficiency) over expenses for the year	<u>23,435</u>	<u>46,629</u>
General fund balance, end of year	<u>\$ 121,122</u>	<u>\$ 97,687</u>

See accompanying notes to financial statements.

THE DANFORTH BUSINESS IMPROVEMENT AREA
Statement of Operations
for the year ended December 31, 2008

	2008	2007
REVENUE		
City of Toronto - special charges	\$ 212,514	\$ 161,037
Interest	2,172	1,232
Sponsorships, donations and other	42,801	79,061
	<u>257,487</u>	<u>241,330</u>
Expenses		
Advertising and promotions	98,020	89,263
Capital and maintenance (Note 2(b))	88,360	62,283
Administration	47,502	39,333
Bad debts	170	-
Provision for uncollected special charges (Note 4)	-	3,822
	<u>234,052</u>	<u>194,701</u>
Excess (deficiency) of revenue over expenses for the year	<u>\$ 23,435</u>	<u>\$ 46,629</u>

See accompanying notes to financial statements.

THE DANFORTH BUSINESS IMPROVEMENT AREA
Statement of Cash Flows
for the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 23,435	\$ 46,629
Accounts receivable - City of Toronto	(396)	754
Accounts receivable - other	(1,708)	8,604
Accounts payable - City of Toronto	(18,941)	17,336
Accounts payable - other	629	(64)
Prepaid expense	(510)	-
	<u>2,509</u>	<u>73,259</u>
Net increase (decrease) in cash during the year	2,509	73,259
Cash and short-term investments, Beginning of Year	<u>174,767</u>	<u>101,508</u>
Cash and short-term investments, end of Year	<u>\$ 177,276</u>	<u>\$ 174,767</u>

See accompanying notes to financial statements.

THE DANFORTH BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

December 31, 2008

1. Nature of operations

The Danforth Business Improvement Area (BIA) is established as a Business Improvement Area under the management and control of a Board of Management appointed by the 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 charges 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

(a) Revenue recognition

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.

(b) Capital and maintenance

In order to finance major capital expenses, the BIA annually budgets certain amounts and accumulates them as surplus. 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. The excess actual expenses are financed out of accumulated surplus.

(c) Commitments

The BIA, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property for several years. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. The BIA is committed to capital improvement to projects of which the BIA's

THE DANFORTH BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

December 31, 2008

share of \$64,480.74 was outstanding as at December 31, 2008.

(d) Insurance

The BIA 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 BIA. Insurance coverage providing \$5,000,000 for each occurrence or accident has been obtained by the BIA, through the City of Toronto.

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:

	2008	2007
Total special charges outstanding	\$ 21,606	\$ 21,210
Less: allowance for uncollected special charges	(10,300)	(10,300)
Special charges receivable	\$ 11,306	\$ 10,910

4. City of Toronto - Special charges

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

	2008	2007
Special charges written-off	\$ -	\$ 2,822
Change in allowance for uncollected special charges	-	1,000
	\$ -	\$ 3,822