

**THE BOARD OF MANAGEMENT FOR  
DANFORTH MOSAIC  
BUSINESS IMPROVEMENT AREA**

**Financial Statements  
For the Year Ended December 31, 2011**

**DANFORTH MOSAIC  
BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2011**

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## **AUDITOR'S REPORT**

To the Council of the Corporation of the City of Toronto and the  
Board of Management for Danforth Mosaic Business Improvement Area

I have audited the accompanying financial statements of Danforth Mosaic Business Improvement Area, which comprise the statement of financial position as at December 31, 2011 and the statements of operations 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 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, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

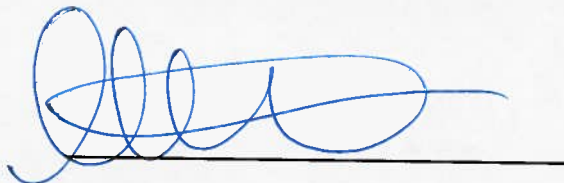
Toronto, Ontario  
June 1, 2012

  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR  
DANFORTH MOSAIC BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2011**

	2011 \$	2010 \$
<b>FINANCIAL ASSETS</b>		
Cash	95,909	134,240
Accounts receivable		
City of Toronto – special charges (Note 3)	7,011	17,372
– other	5,000	-
Other	19,058	15,471
	<u>126,978</u>	<u>167,083</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
City of Toronto	40,339	40,339
Other	12,271	9,700
	<u>52,610</u>	<u>50,039</u>
<b>NET FINANCIAL ASSETS</b>	74,368	117,044
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	24,204	35,855
	<u>98,572</u>	<u>152,899</u>
<b>ACCUMULATED SURPLUS</b>	<u>98,572</u>	<u>152,899</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR  
DANFORTH MOSAIC BUSINESS IMPROVEMENT AREA  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>2011 \$ Budget (Note 7)</b>	<b>2011 \$ Actual</b>	<b>2010 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	139,469	139,567	275,471
Grants, interest & other	12,364	7,714	19,506
	<u>151,833</u>	<u>147,281</u>	<u>294,977</u>
<b>EXPENSES</b>			
Administration	50,000	42,849	85,153
Promotion and advertising	-	37,191	111,089
Maintenance	15,000	102,625	100,027
Capital / amortization	90,000	11,651	11,650
Provision for (recovery of) uncollected levies (Note 3)	(3,167)	7,292	8,325
	<u>151,833</u>	<u>201,608</u>	<u>316,244</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	-	(54,327)	(21,267)
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u>152,899</u>	<u>152,899</u>	<u>174,166</u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>152,899</u>	<u>98,572</u>	<u>152,899</u>

**THE BOARD OF MANAGEMENT FOR  
DANFORTH MOSAIC BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Increase (decrease) in cash and short-term investments		
<b>Cash flows from operating transactions</b>		
Surplus (deficit) for the year	(54,327)	(21,267)
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	11,651	11,650
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	5,361	3,429
Accounts receivable – other	(3,587)	(13,437)
Accounts payable – City of Toronto	-	36,578
Accounts payable – other	2,571	4,051
<b>Cash Provided By Operations</b>	(38,331)	21,004
<b>Capital Transactions</b>		
Purchase of tangible capital assets	-	(40,340)
<b>Cash, Beginning Of Year</b>	134,240	153,576
<b>Cash, End Of Year</b>	95,909	134,240

**THE BOARD OF MANAGEMENT FOR  
DANFORTH MOSAIC BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**1. ESTABLISHMENT AND OPERATIONS**

Danforth Mosaic 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 expenses 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:
- |                           |         |
|---------------------------|---------|
| Flags and banners         | 3 years |
| Street & Christmas lights | 5 years |
| Street furniture          | 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  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**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:

	2011	2010
	\$	\$
Total special charges outstanding	13,011	23,372
Less: allowance for uncollected special charges	<u>(6,000)</u>	<u>(6,000)</u>
Special charges receivable	<u>7,011</u>	<u>17,372</u>

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

	2011	2010
	\$	\$
Special charges written-off	7,292	8,125
Changes in allowance for uncollected special charges	<u>-</u>	<u>200</u>
	<u>7,292</u>	<u>8,325</u>



**THE BOARD OF MANAGEMENT FOR  
DANFORTH MOSAIC BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**4. CAPITAL ASSETS**

	<b>2011</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net book Value</b>
Banners	10,747	10,747	-
Lights	40,340	16,136	24,204
	<u>51,087</u>	<u>26,883</u>	<u>24,204</u>

	<b>2010</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net book Value</b>
Banners	10,747	7,164	3,583
Lights	40,340	8,068	32,272
	<u>51,087</u>	<u>15,232</u>	<u>35,855</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 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.

**THE BOARD OF MANAGEMENT FOR  
DANFORTH MOSAIC BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**8. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.