

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

**Financial Statements
For the Year Ended December 31, 2013**

CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of Crossroads of the Danforth Business Improvement Area, which comprise the statement of financial position as at December 31, 2013 and the statements of operations and accumulated surplus, changes in net financial 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 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, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
April 10, 2014


Chartered Accountant
Licensed Public Accountant


**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash	11,916	33,377
Accounts receivable		
City of Toronto – special charges (Note 3)	6,788	3,725
Other	11,341	8,282
	<u>30,045</u>	<u>45,384</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	13,575
Other	5,013	2,818
	<u>5,013</u>	<u>16,393</u>
NET FINANCIAL ASSETS	25,032	28,991
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	14,877	23,319
	<u>39,909</u>	<u>52,310</u>
ACCUMULATED SURPLUS	<u>39,909</u>	<u>52,310</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 \$ Budget (Note 7)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	100,137	100,137	88,823
Sponsorships, contributions and other	8,401	16,258	10,374
	<u>108,538</u>	<u>116,395</u>	<u>99,197</u>
EXPENSES			
Administration	36,896	32,527	43,746
Promotion and advertising	43,160	62,205	33,304
Maintenance	25,066	24,518	20,537
Amortization	-	9,194	8,942
Provision for uncollected special charges (Note 3)	3,416	352	3,703
	<u>108,538</u>	<u>128,796</u>	<u>110,232</u>
(DEFICIT) FOR THE YEAR	-	(12,401)	(11,035)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>52,310</u>	<u>52,310</u>	<u>63,345</u>
OPERATING SURPLUS, END OF YEAR	<u>52,310</u>	<u>39,909</u>	<u>52,310</u>

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u> \$	<u>2012</u> \$
(Deficit) for the year	(12,401)	(11,035)
Acquisition of tangible capital assets	(752)	(17,081)
Amortization of tangible capital assets	<u>9,194</u>	<u>8,942</u>
	(3,959)	(19,174)
Balance - Beginning of year	28,991	48,165
Balance - End of year	<u><u>25,032</u></u>	<u><u>28,991</u></u>

**THE BOARD OF MANAGEMENT FOR THE
 CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
	\$	\$
Cash flows from operating activities		
(Deficit) for the year	(12,401)	(11,035)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	9,194	8,942
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(3,063)	1,129
Accounts receivable – other	(3,059)	3,220
Accounts payable - City of Toronto	(13,575)	13,575
Accounts payable – other	2,195	1,694
Cash Provided By (Used In) Operations	(20,709)	17,525
Investing activities		
Purchase of tangible capital assets	(752)	(17,081)
Cash, Beginning Of Year	33,377	32,933
Cash, End Of Year	11,916	33,377

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

1. ESTABLISHMENT AND OPERATIONS

The Crossroads of 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 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 & Banners	3 years
Street & Christmas lights	5 years
Street Signs	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 THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

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:

	2013 \$	2012 \$
Total special charges outstanding	7,588	6,125
Less: allowance for uncollected special charges	(800)	(2,400)
Special charges receivable	<u>6,788</u>	<u>3,725</u>

The provision for uncollected levies reported on the Statement of operations and accumulated surplus comprises:

	2013 \$	2012 \$
Special charges written-off	1,952	2,503
Change in allowance for uncollected special charges	(1,600)	1,200
	<u>352</u>	<u>3,703</u>

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

4. CAPITAL ASSETS

	2013			
	Banners	Planters	Street Signs	Total
Cost				
Beginning	8,363	33,601	5,272	47,236
Additions	752	-	-	752
Disposals	-	-	-	-
Ending	9,115	33,601	5,272	47,988
Accumulated Amortization				
Beginning	6,026	14,730	3,161	23,917
Amortization	1,419	6,720	1,055	9,194
Disposals	-	-	-	-
Ending	7,445	21,450	4,216	33,111
Net Book Value	1,670	12,151	1,056	14,877

	2012			
	Banners	Planters	Street Signs	Total
Cost				
Beginning	4,858	20,025	5,272	30,155
Additions	3,505	13,576	-	17,081
Disposals	-	-	-	-
Ending	8,363	33,601	5,272	47,236
Accumulated Amortization				
Beginning	4,858	8,010	2,107	14,975
Amortization	1,168	6,720	1,054	8,942
Disposals	-	-	-	-
Ending	6,026	14,730	3,161	23,917
Net Book Value	2,337	18,871	2,111	23,319

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 financial instruments recognized in the statement of financial position consist of cash, accounts receivable, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

7. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures.

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