

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

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

DANFORTH MOSAIC 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 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, 2013 and the statements of operations, 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 7, 2014

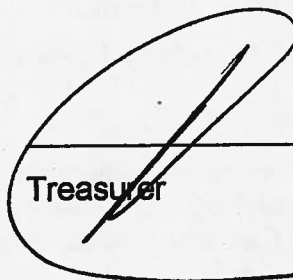

Chartered Accountant
Licensed Public Accountant

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

	2013	2012
	\$	\$
FINANCIAL ASSETS		
Cash	166,684	49,863
Accounts receivable		
City of Toronto – special charges (Note 3)	17,277	9,863
Other	43,803	34,066
	<u>227,764</u>	<u>93,792</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	4,666	2,530
	<u>4,666</u>	<u>2,530</u>
NET FINANCIAL ASSETS	223,098	91,262
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	20,848	33,176
ACCUMULATED SURPLUS	<u>243,946</u>	<u>124,438</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, 2013**

	2013 \$ Budget (Note 8)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	291,005	291,005	175,038
Grants, interest & other	-	1,065	-
	<u>291,005</u>	<u>292,070</u>	<u>175,038</u>
EXPENSES			
Administration	70,391	44,686	40,525
Promotion and advertising	66,000	8,576	8,092
Maintenance	120,000	97,772	83,492
Capital (Note 7)	18,000	-	-
Amortization (Note 4)	-	12,328	12,328
Provision for uncollected levies (Note 3)	16,614	9,200	4,735
	<u>291,005</u>	<u>172,562</u>	<u>149,172</u>
SURPLUS FOR THE YEAR	-	119,508	25,866
OPERATING SURPLUS, BEGINNING OF YEAR	<u>124,438</u>	<u>124,438</u>	<u>98,572</u>
OPERATING SURPLUS, END OF YEAR	<u>124,438</u>	<u>243,946</u>	<u>124,438</u>

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

	2013	2012
	\$	\$
Surplus for the year	119,508	25,866
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	<u>12,328</u>	<u>12,328</u>
	131,836	38,194
Balance - Beginning of year	91,262	53,068
Balance - End of year	<u><u>223,098</u></u>	<u><u>91,262</u></u>

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

	2013	2012
	\$	\$
Cash flows from operating activities		
SURPLUS FOR THE YEAR	119,508	25,866
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	12,328	12,328
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(7,414)	2,148
Accounts receivable – other	(9,737)	(15,008)
Accounts payable - City of Toronto	-	(40,339)
Accounts payable – other	2,136	(9,741)
Cash Provided By (Used In) Operations	116,821	(24,746)
Investing activities		
Purchase of tangible capital assets	-	(21,300)
Cash, Beginning Of Year	49,863	95,909
Cash, End Of Year	166,684	49,863

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

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
DANFORTH MOSAIC BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
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	27,777	17,363
Less: allowance for uncollected special charges	(10,500)	(7,500)
Special charges receivable	<u>17,277</u>	<u>9,863</u>

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

	2013 \$	2012 \$
Special charges written-off	6,200	3,235
Changes in allowance for uncollected special charges	3,000	1,500
	<u>9,200</u>	<u>4,735</u>

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

4. CAPITAL ASSETS

	2013		
	Planters	Lights	Total
Cost			
Beginning	21,300	40,340	61,640
Additions	-	-	-
Disposals	-	-	-
Ending	21,300	40,340	61,640
Accumulated Amortization			
Beginning	4,260	24,204	28,464
Amortization	4,260	8,068	12,328
Disposals	-	-	-
Ending	8,520	32,272	40,792
Net Book Value	12,780	8,068	20,848

	2012		
	Planters	Lights	Total
Cost			
Beginning	-	40,340	40,340
Additions	21,300	-	21,300
Disposals	-	-	-
Ending	21,300	40,340	61,640
Accumulated Amortization			
Beginning	-	16,136	16,136
Amortization	4,260	8,068	12,328
Disposals	-	-	-
Ending	4,260	24,204	28,464
Net Book Value	17,040	16,136	33,176

**THE BOARD OF MANAGEMENT FOR
DANFORTH MOSAIC 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 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. CAPITAL EXPENSES

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

8. BUDGET

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

THE UNIVERSITY OF CHICAGO
LIBRARY
1015 EAST 58TH STREET
CHICAGO, ILL. 60637

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