

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

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

**DANFORTH VILLAGE
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 Danforth Village Business Improvement Area

I have audited the accompanying financial statements of Danforth Village 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.

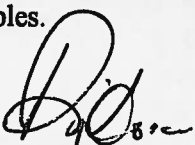
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

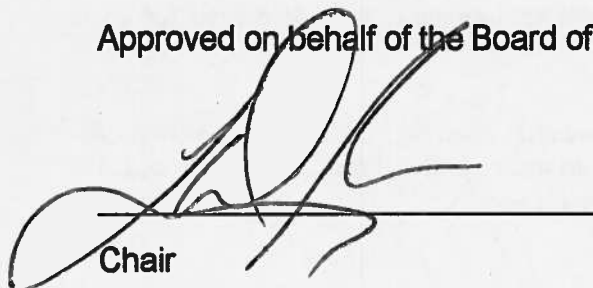
Toronto, Ontario
April 9, 2014

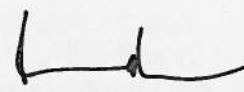

Chartered Accountant
Licensed Public Accountant

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

	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash and short-term investments	150,849	137,416
Accounts receivable		
City of Toronto – special charges (Note 3)	39,605	33,368
Other	28,576	73,427
	<u>219,030</u>	<u>244,211</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	88,074
Other	6,925	66,720
	<u>6,925</u>	<u>154,794</u>
NET FINANCIAL ASSETS	212,105	89,417
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	110,472	190,983
ACCUMULATED SURPLUS	<u>322,577</u>	<u>280,400</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR THE
DANFORTH VILLAGE 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	486,516	486,516	483,711
Other revenue	11,000	908	792
	<u>497,516</u>	<u>487,424</u>	<u>484,503</u>
EXPENSES			
Administration	48,277	25,756	34,196
Promotion and advertising	100,000	64,177	39,804
Maintenance	346,000	262,802	221,755
Amortization	-	80,511	80,510
Provision for uncollected special charges (Note 3)	18,239	12,001	4,414
	<u>512,516</u>	<u>445,247</u>	<u>380,679</u>
SURPLUS (DEFICIT) FOR THE YEAR	(15,000)	42,177	103,824
OPERATING SURPLUS, BEGINNING OF YEAR	280,400	280,400	176,576
OPERATING SURPLUS, END OF YEAR	<u>265,400</u>	<u>322,577</u>	<u>280,400</u>

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

	<u>2013</u> \$	<u>2012</u> \$
Surplus for the year	42,177	103,824
Acquisition of tangible capital assets	-	(134,290)
Amortization of tangible capital assets	<u>80,511</u>	<u>80,510</u>
	122,688	50,044
Balance - Beginning of year	89,417	39,373
Balance - End of year	<u><u>212,105</u></u>	<u><u>89,417</u></u>

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

	2013	2012
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	42,177	103,824
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	80,511	80,510
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(6,237)	(29,525)
Accounts receivable – other	44,851	(28,275)
Accounts payable - City of Toronto	(88,074)	47,472
Accounts payable – other	(59,795)	27,668
Cash Provided By (Used In) Operations	13,433	201,674
Investing activities		
Purchase of tangible capital assets	-	(134,290)
Cash and short-term investments, Beginning Of Year	137,416	70,032
Cash and short-term investments, End Of Year	150,849	137,416

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

1. ESTABLISHMENT AND OPERATIONS

The Danforth Village 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
Aluminum Plaque	5 years
Winter Decorations	5 years
Planters	5 years
Lights	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
DANFORTH VILLAGE 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	57,505	53,168
Less: allowance for uncollected special charges	(17,900)	(19,800)
Special charges receivable	<u>39,605</u>	<u>33,368</u>

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

	2013 \$	2012 \$
Special charges written-off	13,901	6,014
Change in allowance for uncollected special charges	(1,900)	(1,600)
	<u>12,001</u>	<u>4,414</u>

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

4. CAPITAL ASSETS

	2013				
	Aluminum Plaque	Planters	Lights	Winter Decorations	Total
Cost					
Beginning	11,167	128,618	201,358	61,400	402,543
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Ending	11,167	128,618	201,358	61,400	402,543
Accumulated Amortization					
Beginning	8,933	92,008	61,499	49,120	211,560
Amortization	2,234	25,725	40,272	12,280	80,511
Disposals	-	-	-	-	-
Ending	11,167	117,733	101,771	61,400	292,071
Net Book Value	-	10,885	99,587	-	110,472

	2012				
	Aluminum Plaque	Planters	Lights	Winter Decorations	Total
Cost					
Beginning	11,167	128,618	67,068	61,400	268,253
Additions	-	-	134,290	-	134,290
Disposals	-	-	-	-	-
Ending	11,167	128,618	201,358	61,400	402,543
Accumulated Amortization					
Beginning	6,699	66,284	21,227	36,840	131,050
Amortization	2,234	25,724	40,272	12,280	80,510
Disposals	-	-	-	-	-
Ending	8,933	92,008	61,499	49,120	211,560
Net Book Value	2,234	36,610	139,859	12,280	190,983

**THE BOARD OF MANAGEMENT FOR THE
DANFORTH VILLAGE 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 approximate 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.

The Board of Directors of the
Company has approved the
following resolution:

Resolved, that the Board of Directors
authorize the President or any officer
of the Company to execute and deliver
such instruments as may be necessary
to carry out the purposes of this
resolution.

IN WITNESS WHEREOF, I have hereunto
set my hand and the seal of the
Company at New York, New York, this
1st day of January, 1951.

Very truly yours,
[Signature]