

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

**Financial Statements
For the Year Ended December 31, 2009**

CROSSROADS OF THE DANFORTH BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2009

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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

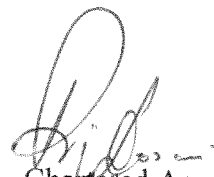
I have audited the statement of financial position of the Board of Management for the Crossroads of the Danforth Business Improvement Area as at December 31, 2009 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. 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 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2009 and the results of its operations and changes in financial position for the period then ended in accordance with Canadian generally accepted accounting principles.

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.

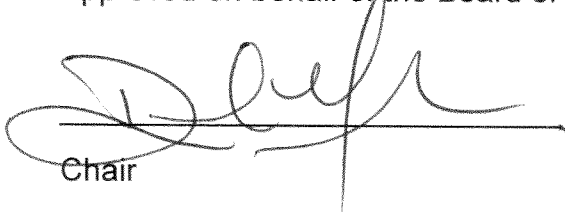
Toronto, Ontario
March 8, 2010


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, 2009**

	2009 \$
ASSETS	
Current	
Cash	49,703
Accounts receivable	
City of Toronto – special charges (Note 3)	5,548
Other	1,046
	<u>56,297</u>
Capital assets, net (note 4)	<u>3,239</u>
	<u><u>59,536</u></u>
LIABILITIES	
Current	
Accounts payable and accrued liabilities	
City of Toronto	4,858
Other	800
	<u>5,658</u>
ACCUMULATED SURPLUS	
Restricted	3,239
Unrestricted	50,639
	<u>53,878</u>
	<u><u>59,536</u></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 REVENUE, EXPENDITURE AND OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009 \$ Budget (Unaudited)	2009 \$ Actual
REVENUE		
City of Toronto – special charges	69,829	69,829
Sponsorships and contributions	-	700
	69,829	70,529
EXPENDITURE		
Administration	26,031	12,925
Promotion and advertising	7,950	1,307
Maintenance	14,500	-
Amortization of capital assets	15,000	1,619
Provision for uncollected special charges (Note 3)	6,348	800
	69,829	16,651
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	53,878
OPERATING SURPLUS, BEGINNING OF YEAR	-	-
OPERATING SURPLUS, END OF YEAR	-	53,878

**THE BOARD OF MANAGEMENT FOR THE
 CROSSROADS OF THE DANFORTH
 BUSINESS IMPROVEMENT AREA
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009 \$
CASH PROVIDED BY OPERATIONS	
Excess of revenue over expenditure for the year	53,878
Add: Non-cash item	
Amortization	1,619
	<u>55,497</u>
Increase (decrease) resulting from changes in	
Accounts receivable - City of Toronto	(5,548)
Accounts receivable – other	(1,046)
Accounts payable - City of Toronto	4,858
Accounts payable – other	800
	<u>54,561</u>
INVESTMENT ACTIVITY	
Acquisition of capital assets	(4,858)
CASH, BEGINNING OF YEAR	<u>-</u>
CASH, END OF YEAR	<u><u>49,703</u></u>

**THE BOARD OF MANAGEMENT FOR THE
CROSSROADS OF THE DANFORTH
BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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.

Although the City Council approved the establishment of the BIA Crossroads of the Danforth Business Improvement Area in 2008, no business was carried out during 2008 other than the election of the Board members and approval of year 2009 BIA budget.

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 expenditures 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 THE
 CROSSROADS OF THE DANFORTH
 BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2009

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:

	2009
	\$
Total special charges outstanding	6,348
Less: allowance for uncollected special charges	(800)
Special charges receivable	<u>5,548</u>

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

	2009
	\$
Special charges written-off	-
Provision for losses on assessment appeals	800
	<u>800</u>

**THE BOARD OF MANAGEMENT FOR THE
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 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2009**

4. CAPITAL ASSETS

	2009		
	Cost	Accumulated Amortization	Net book Value
Flags & banners	4,858	1,619	3,239

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.