

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

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

**DANFORTH MOSAIC
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 Danforth Mosaic Business Improvement Area


I have audited the statement of financial position of the Board of Management for Danforth Mosaic 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 and 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 year 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.

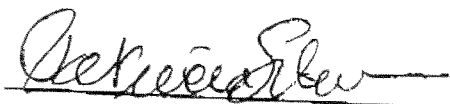
Toronto, Ontario
May 7, 2010


Chartered Accountant
Licensed Public Accountant

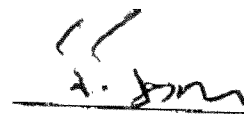
**THE BOARD OF MANAGEMENT FOR
DANFORTH MOSAIC BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009**

	2009 \$	2008 \$
ASSETS		
Current		
Cash and short-term investments	153,576	134,994
Accounts receivable		
City of Toronto - special charges (Note 4)	20,801	18,550
Other	2,034	3,143
	176,411	156,687
Capital Assets, net (note 5)	7,165	-
	183,576	156,687
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	3,761	-
Other	5,649	4,700
	9,410	4,700
ACCUMULATED SURPLUS		
Restricted	7,165	-
Unrestricted	167,001	151,987
	174,166	151,987
	183,576	156,687

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR
DANFORTH MOSAIC BUSINESS IMPROVEMENT AREA
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009 \$ Budget (Unaudited)	2009 \$ Actual	2008 \$ Actual
REVENUE			
City of Toronto – special charges	261,328	261,328	254,640
Interest	3,000	331	1,621
Municipal grants	-	-	-
Other	2,500	7,783	2,304
	266,828	269,442	258,565
EXPENDITURE			
Administration	31,385	73,009	24,844
Promotion and advertising	79,750	121,762	51,866
Maintenance	40,000	44,468	24,803
Capital	109,000	-	-
Amortization of capital assets	-	3,582	-
Provision for uncollected levies (Note 4)	6,693	4,442	5,065
	266,828	247,263	106,578
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	22,179	151,987
OPERATING SURPLUS, BEGINNING OF YEAR	151,987	151,987	-
OPERATING SURPLUS, END OF YEAR	151,987	174,166	151,987

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

	2009 \$	2008 \$
CASH PROVIDED BY OPERATIONS		
Excess (deficiency) of revenue over expenditure for the year	22,179	151,987
Add: Non-cash item Amortization of capital assets	3,582	-
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	(2,251)	(18,550)
Accounts receivable – other	1,109	(3,143)
Accounts payable – City of Toronto	3,761	-
Accounts payable – other	949	4,700
CASH PROVIDED BY OPERATIONS	29,329	134,994
INVESTING ACTIVITY		
Purchase of capital assets	(10,747)	-
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	134,994	-
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	153,576	134,994

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

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. CHANGE IN BASIS OF PRESENTION FOR 2009

For fiscal year commencing on January 1, 2009 the Canadian Institute of Chartered Accountants (CICA) has required that the accounting recommendations and disclosure requirements, as prescribed by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants, be adopted for use by Ontario municipalities and their local boards and agencies. As a result, the Board has implemented accounting policies as recommended. The implementation of these policies has resulted in the Board changing its method of accounting for capital assets, on a retroactive basis, from expensing them when purchased to capitalizing and amortizing them over their estimated useful lives.

The effect of these changes has been to increase capital assets and surplus by \$7,165 as at December 31, 2009 (2008 – increase \$nil), and decrease expenses by \$7,165 for the year ended December 31, 2009 (2008 – increase expenses by \$nil).

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

3. 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.

4. 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	2008
	\$	\$
Total special charges outstanding	26,601	22,550
Less: allowance for uncollected special charges	(5,800)	(4,000)
Special charges receivable	20,801	18,550

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

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

	2009 \$	2008 \$
Special charges written-off	2,642	1,065
Changes in allowance for uncollected special charges	1,800	4,000
	<u>4,442</u>	<u>5,065</u>

5. CAPITAL ASSETS

	2009		2008	
	Cost	Accumulated Amortization	Net book Value	Net book value
Banners	10,747	3,582	7,165	-
	<u>10,747</u>	<u>3,582</u>	<u>7,165</u>	<u>-</u>

6. 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.

7. 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.