

Financial statements of

**Oshawa Central Business District
Improvement Area**

December 31, 2009

Oshawa Central Business District Improvement Area

December 31, 2009

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Auditors' Report

To the Board of Management, Members of Council,
Inhabitants and Ratepayers of
The Corporation of the City of Oshawa

We have audited the statement of financial position of the Oshawa Central Business District Improvement Area as at December 31, 2009 and the statements of operations, changes in net financial assets and of cash flows for the year then ended. These financial statements are the responsibility of the Business District Improvement Area's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Oshawa Central Business District Improvement Area as at December 31, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
April 30, 2010

Oshawa Central Business District Improvement Area

Statement of financial position as at December 31, 2009

	2009	2008 (Note 2)
	\$	\$
Financial assets		
Cash	23,907	54,674
Accounts receivable	14,631	7,460
Due from the City of Oshawa	4,283	16,867
	<u>42,821</u>	<u>79,001</u>
Liabilities		
Accounts payable and accrued liabilities	18,402	22,041
	<u>18,402</u>	<u>22,041</u>
Net financial assets	<u>24,419</u>	<u>56,960</u>
Non-financial assets		
Tangible capital assets (Note 3)	753	-
Prepaid expenses	5,897	1,991
	<u>6,650</u>	<u>1,991</u>
Accumulated surplus (Note 4)	<u>31,069</u>	<u>58,951</u>

Approved by the Board

_____ Director

_____ Director

Oshawa Central Business District Improvement Area

Statement of operations

year ended December 31, 2009

		2009	2008
	Budget (unaudited)	Actual	(Note 2) Actual
	\$	\$	\$
Revenue			
Taxation	143,100	143,100	143,100
Summer Student Subsidy	-	2,850	-
Interest	-	-	21
	143,100	145,950	143,121
Expenses			
Administration - Schedule	79,500	58,750	56,667
Beautification - Schedule	20,000	13,879	9,983
Promotion - Schedule	58,500	92,007	65,254
Membership liaison - Schedule	4,000	9,196	2,323
	162,000	173,832	134,227
Annual (deficit) surplus	(18,900)	(27,882)	8,894
Accumulated surplus, beginning of year	-	58,951	50,057
Accumulated surplus, end of year	(18,900)	31,069	58,951

Oshawa Central Business District Improvement Area

Statement of changes in net financial assets year ended December 31, 2009

		2009	2008
	Budget (unaudited)	Actual	(Note 2) Actual
	\$	\$	\$
Annual (deficit) surplus	(18,900)	(27,882)	8,894
Acquisition of tangible capital assets	-	(1,129)	-
Amortization	-	376	-
Change in prepaid expenditures	-	(3,906)	352
Change in financial assets	(18,900)	(32,541)	9,246
Net financial assets, beginning of year	-	56,960	47,714
Net financial assets, end of year	(18,900)	24,419	56,960

Oshawa Central Business District Improvement Area

Statement of cash flows

year ended December 31, 2009

	2009	2008 (Note 2)
	\$	\$
Operating activities		
Annual (deficit) surplus	(27,882)	8,894
Items not involving cash		
Amortization	376	-
Change in non-cash operating items		
(Increase) decrease in accounts receivable	(7,171)	116
Decrease (increase) in due from Corporation of The City of Oshawa	12,584	(16,867)
Decrease in accounts payable and accrued liabilities	(3,639)	(7,182)
(Increase) decrease in prepaid expenditures	(3,906)	352
	(29,638)	(14,687)
Capital activities		
Acquisition of tangible capital assets	(1,129)	-
Decrease in cash	(30,767)	(14,687)
Cash, beginning of year	54,674	69,361
Cash, end of year	23,907	54,674

Oshawa Central Business District Improvement Area

Note to the financial statements

December 31, 2009

The Board of Management for the Oshawa Central Business District Improvement Area (the "Board") was created by a City Council by-law. It is responsible for the promotion of the area as a business and shopping area, including improvement, beautification and maintenance of the City properties over and above that provided by the municipality at large.

1. Summary of significant accounting policies

The financial statements of the Board are the representations of management prepared in accordance with accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA").

The focus of the financial statements is on the financial position of the Board and the changes thereto. The Statement of Financial Position includes the assets and liabilities of the Board. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Accumulated surplus represents the difference between assets and liabilities of the Board. This provides information about the Board's overall future revenue requirements and its ability to finance operations and meet its obligations.

a) Tangible capital assets

Tangible capital assets are recorded at cost. The cost, less residual value of the tangible capital assets, are amortized on a straight-line basis over their estimated useful lives as follows:

Computer hardware and software 3-5 years

b) Revenue recognition

Taxation revenue is recorded when earned and is based on a special assessment. Businesses in the Business District Improvement Area Summer Student Subsidy is recorded when the subsidy is authorized and all required conditions are met.

c) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Change in accounting policies

The Board has implemented Sections 1200 "Financial Statement Presentation" and 3150 "Tangible Capital Assets" of the CICA Public Sector Accounting Handbook. Section 1200 establishes general reporting principles and standards for the disclosure of information in the Board's financial statements. Section 3150 requires the Board to record and amortize their tangible capital assets in their financial statements. Tangible capital assets were formerly expensed as acquired. The Board did not own any capital assets prior to January 1, 2009, thus this change in accounting policy did not have an impact on the prior period figures. As a result of implementing PS 1200, the prior year's presentation has been changed to conform with the current year's presentation.

Oshawa Central Business District Improvement Area

Note to the financial statements

December 31, 2009

3. Tangible capital assets

	2009	2008
	Computer hardware and software	Computer hardware and software
	\$	\$
Cost		
Balance, beginning of year	-	-
Additions	1,129	-
Balance, end of year	1,129	-
Accumulated amortization		
Balance, beginning of year	-	-
Amortization expense	376	-
Balance, end of year	376	-
Net book value, end of year	753	-

4. Accumulated surplus

Accumulated surplus consists of the following:

	2009	2008
	\$	\$
Current fund	30,316	58,951
Invested in capital assets	753	-
	31,069	58,951

Oshawa Central Business District Improvement Area

Schedule of expenses

year ended December 31, 2009

	Budget (unaudited)	2009 Actual	2008 (Note 2) Actual
	\$	\$	\$
Administration			
Salaries and benefits	53,400	35,177	30,836
Rent and occupancy cost	13,000	12,546	12,350
Professional fees	3,500	2,922	3,566
Photocopying, stationery and supplies	2,000	1,497	2,656
Telephone and facsimile	2,000	1,893	1,741
Insurance	1,800	1,566	1,566
Board meeting expenses	1,200	1,010	1,552
Miscellaneous	700	275	498
Chairman's expenses	400	86	391
Computer equipment	500	343	1,116
Computer equipment amortization	-	376	-
Professional memberships	200	282	119
Training and travel	500	553	-
Postage	300	223	276
	79,500	58,750	56,667
Beautification			
New banners	11,000	10,414	9,743
Beautification	5,000	534	-
Christmas lights and promotion	4,000	2,930	240
	20,000	13,879	9,983
Promotion			
Ambassador Team	500	-	-
Communities with Brooms	-	5,900	-
Jazz & Blues Festival	5,000	-	34
Advertising	3,000	1,764	4,897
Auto festival	5,000	13,178	3,493
Sidewalk sale	4,000	7,626	3,626
UOIT	2,000	3,675	684
Christmas promotion	2,000	5,339	2,774
Website	2,000	1,690	5,845
Media Campaign	35,000	52,835	43,721
Regent Theatre	-	-	180
	58,500	92,007	65,254
Membership liaison			
Annual general meeting (recovery)	2,000	1,176	1,601
Newsletters	1,500	1,426	-
Property Tax Appeal	-	6,483	-
Members' meetings and seminars	500	110	722
	4,000	9,196	2,323