

Financial Statements of

**OLD MARKHAM VILLAGE
BUSINESS IMPROVEMENT AREA**

December 31, 2009



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AUDITORS' REPORT

To the Board of Management of the Old Markham
Village Business Improvement Area and
Members of Council, Inhabitants and
Ratepayers of The Corporation of the
Town of Markham

We have audited the statement of financial position of Old Markham Village Business Improvement Area as at December 31, 2009 and the statements of operations and change in accumulated surplus, cash flows and change in net financial assets for the year then ended. These financial statements are the responsibility of the Board of 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 Old Markham Village Business Improvement Area as at December 31, 2009 and the results of its operations and change in accumulated surplus and its cash flows and change in net financial assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

March 8, 2010

OLD MARKHAM VILLAGE BUSINESS IMPROVEMENT AREA
Statement of Financial Position

December 31, 2009

| | <u>2009</u> | <u>2008</u> |
|-------------------------------|-------------|-------------|
| FINANCIAL ASSETS | | |
| Due from the Town of Markham | \$ - | \$ 3,018 |
| FINANCIAL LIABILITIES | | |
| Due to the Town of Markham | \$ 2,110 | \$ - |
| Commitments (note 4) | | |
| Accumulated surplus (deficit) | \$ (2,110) | \$ 3,018 |

Approved by the Board of Management:

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The accompanying notes are an integral part of this financial statement.

OLD MARKHAM VILLAGE BUSINESS IMPROVEMENT AREA
Statement of Operations and Change in Accumulated Surplus

Year ended December 31, 2009

| | 2009 | | 2008 |
|--|-----------------------|-------------------|-----------------|
| | BUDGET (unaudited) | ACTUAL | ACTUAL |
| REVENUE | | | |
| Members Tax Levy | \$ 202,183 | 202,699 | \$ 202,183 |
| Discretionary Advertising | 5,162 | 5,424 | 3,780 |
| Event Promotion | 55,485 | 40,570 | 40,906 |
| Summer Career Placement Grants | 7,500 | 8,886 | 7,768 |
| Fundraising and Sundry Revenue | 3,871 | 320 | 2,982 |
| | 274,201 | 257,900 | 257,619 |
| EXPENSES | | | |
| Salaries and benefits | 36,219 | 31,116 | 17,315 |
| Office Expenses | 31,750 | 34,921 | 31,297 |
| Professional & Audit Fees | 62,200 | 61,835 | 48,725 |
| Street beautification | 24,100 | 15,842 | 8,310 |
| Discretionary Advertising | 53,050 | 46,087 | 43,785 |
| Event Promotion | 69,900 | 69,424 | 67,817 |
| Taxation write-offs | - | 3,803 | - |
| | 277,219 | 263,028 | 217,249 |
| Annual surplus (deficit) | (3,018) | (5,128) | 40,370 |
| Accumulated surplus (deficit), beginning of year | | 3,018 | (37,352) |
| Accumulated surplus (deficit), end of year | | \$ (2,110) | \$ 3,018 |

OLD MARKHAM VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Twelve Months to December 31, 2009

| | 2009 | 2008 |
|---|------------|-----------|
| Cash provided by (used in): | | |
| Operating | | |
| Annual surplus (deficit) | \$ (5,128) | \$ 40,370 |
| Change in current assets: | | |
| Due to (from) the Town of Markham | 5,128 | (40,370) |
| | \$ - | \$ - |
| Net increase in cash and cash equivalents | \$ - | \$ - |
| Cash and cash equivalents, beginning of year | \$ - | \$ - |
| Cash and cash equivalents, end of year | \$ - | \$ - |

OLD MARKHAM VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Change in Net Financial Assets

Twelve Months to December 31, 2009

| | 2009 | 2008 |
|---|-------------------|-----------------|
| Annual surplus (deficit) | \$ (5,128) | \$ 40,370 |
| Changes in net financial assets | \$ (5,128) | \$ 40,370 |
| Net financial assets (debt), beginning of year | 3,018 | (37,352) |
| Net financial assets (debt), end of year | \$ (2,110) | \$ 3,018 |

OLD MARKHAM VILLAGE BUSINESS IMPROVEMENT AREA

Notes to the Financial Statements

December 31, 2009

1. DESCRIPTION OF BUSINESS

The Old Markham Village Business Improvement Area ("BIA") was established March 8, 1977 in accordance with Section 220 of the Municipal Act, (R.S.O. 1990) for the purpose of providing improvement, beautification and maintenance of lands, buildings and structures in the area and the promotion of the area as a business and shopping district.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representation of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) *Taxation revenue*

The BIA records as revenue the amounts billed by the Town on its behalf.

(b) *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 amount of assets, liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from those estimates.

3. CHANGE IN ACCOUNTING POLICIES

Effective January 1, 2009, the BIA implemented Public Sector Accounting Board ("PSAB") Section 1200, Financial Statement Presentation ("Section 1200") and Section 3150, Tangible Capital Assets ("Section 3150"). Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. The adoption of these standards has no impact on the BIA's financial statements.

4. LEASE OBLIGATIONS

The Old Markham Village Business Improvement Area leases office space for which future minimum lease commitments are approximately as follows:-

| | |
|------|----------|
| 2010 | \$ 8,250 |
|------|----------|