

Financial Statements of

**BOARD OF MANAGEMENT FOR  
THE KLEINBURG BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2010



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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of The Board of Management for the Kleinburg Business Improvement Area as at December 31, 2010 and the statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

### *Auditors' Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 our 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, we consider 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Board of Management for the Kleinburg Business Improvement Area as at December 31, 2010 and its results of operations, change in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

September 19, 2011

Toronto, Canada

# BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Financial Assets</b>		
Cash	\$ 6,850	\$ 4,774
Other	615	4,888
<b>Net financial assets, being accumulated surplus</b>	<b>\$ 7,465</b>	<b>\$ 9,662</b>

See accompanying notes to financial statements.

# BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2010, with comparative figures for 2009

	Budget 2010 (Unaudited)	Actual 2010	Actual 2009
<b>Revenues:</b>			
Kleinburg Business Improvement			
Area special area levy	\$ 25,000	\$ 25,000	\$ 20,000
Event dollars raised	–	11,360	6,185
	<u>25,000</u>	<u>36,360</u>	<u>26,185</u>
<b>Expenses:</b>			
Special events	8,500	15,334	11,498
Advertising	16,000	14,776	11,325
Liability insurance	1,500	1,404	1,404
Miscellaneous	–	441	1,219
Website	2,000	1,835	601
Administration	500	109	121
Sponsorship	500	4,658	–
	<u>29,000</u>	<u>38,557</u>	<u>26,168</u>
Annual surplus (deficit)	(4,000)	(2,197)	17
Accumulated surplus, beginning of year	9,662	9,662	9,645
Accumulated surplus, end of year	<u>\$ 5,662</u>	<u>\$ 7,465</u>	<u>\$ 9,662</u>

See accompanying notes to financial statements.

# BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

## Statement of Change in Net Financial Assets

Year ended December 31, 2010, with comparative figures 2009

	2010	2009
Annual surplus (deficit), being change in net financial assets	\$ (2,197)	\$ 17
Net financial assets, beginning of year	9,662	9,645
<b>Net financial assets, end of year</b>	<b>\$ 7,465</b>	<b>\$ 9,662</b>

See accompanying notes to financial statements.

# BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

## Statement of Cash Flows

Year ended December 31, 2010, with comparative figures 2009

	2010	2009
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ (2,197)	\$ 17
Change in non-cash other financial asset	4,273	(4,303)
Increase (decrease) in cash	2,076	(4,286)
Cash, beginning of year	4,774	9,060
Cash, end of year	\$ 6,850	\$ 4,774

See accompanying notes to financial statements.

# BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2010

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## 1. Nature of operations:

The financial statements of the Board of Management for the Kleinburg Business Improvement Area (the "Board") was established by a City of Vaughan by-law dated May 28, 1984. The principal purpose of the Board is to provide for beautification, maintenance and promotion of the Kleinburg Business Improvement Area.

The Board may not borrow money, and without the prior approval of Municipal Council, may not incur indebtedness beyond the current year.

## 2. Significant accounting policies:

### (a) Basis of presentation:

The financial statements of the Board are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

### (b) Accrual basis of accounting:

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are the costs of goods or services and are recognized when acquired in the period, whether or not payments have been made or invoices received.

### (c) Government transfers:

Government transfers are recognized in the financial statements as revenues in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

# BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2010

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## 2. Significant accounting policies (continued):

### (d) Use of estimates:

The preparation of financial statements 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### (e) Budget information:

The Board's budget figures are presented in these financial statements as additional information and are unaudited.