

**THE BOARD OF MANAGEMENT FOR THE
MIMICO BY THE LAKE
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2006**

**MIMICO BY THE LAKE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2006

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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 Mimico By The Lake Business Improvement Area**

I have audited the statement of financial position of the Board of Management for the Mimico By The Lake Business Improvement Area as at December 31, 2006 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, 2006 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

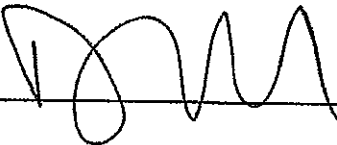
Toronto, Ontario
April 26, 2007


Chartered Accountant

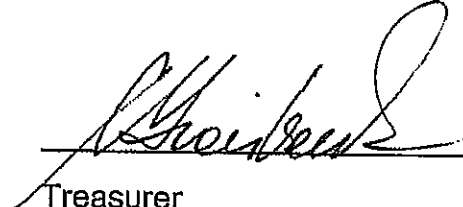
**THE BOARD OF MANAGEMENT FOR THE
MIMICO BY THE LAKE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2006**

	2006 \$	2005 \$
ASSETS		
Current		
Cash and short-term investments	68,789	103,195
Accounts receivable		
City of Toronto - special charges (Note 4)	1,019	1,334
- other	600	600
Other	944	1,337
	<u>71,352</u>	<u>106,466</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	66,837	49,468
Other	680	1,418
	<u>67,517</u>	<u>50,886</u>
ACCUMULATED SURPLUS		
Operating	<u>3,835</u>	<u>55,580</u>
	<u>71,352</u>	<u>106,466</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
MIMICO BY THE LAKE BUSINESS IMPROVEMENT AREA
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	2006 \$ Budget	2006 \$ Actual	2005 \$ Actual
REVENUE			
City of Toronto – special charges	29,427	29,427	28,080
Municipal grants	-	3,600	1,200
Interest and other	800	3,984	1,727
	<u>30,227</u>	<u>37,011</u>	<u>31,007</u>
EXPENDITURE			
Administration	1,350	2,486	1,110
Promotion and advertising	6,000	9,778	7,580
Capital and maintenance (Note 3)	73,500	74,867	48,455
Provision for uncollected special charges (Note 4)	1,340	1,625	1,335
	<u>82,190</u>	<u>88,756</u>	<u>58,480</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(51,963)	(51,745)	(27,473)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>55,580</u>	<u>55,580</u>	<u>83,053</u>
OPERATING SURPLUS, END OF YEAR	<u>3,617</u>	<u>3,835</u>	<u>55,580</u>

**THE BOARD OF MANAGEMENT FOR THE
MIMICO BY THE LAKE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2006**

	2006 \$	2005 \$
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess (deficiency) of revenue over expenditure for the year	(51,745)	(27,473)
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	315	766
Accounts receivable - Other	393	(1,337)
Accounts payable - other	(738)	524
Accounts payable - City of Toronto	17,369	46,165
CASH PROVIDED BY (USED IN) OPERATIONS	(34,406)	18,645
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	103,195	84,550
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	68,789	103,195

**THE BOARD OF MANAGEMENT FOR THE
MIMICO BY THE LAKE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

1. ESTABLISHMENT AND OPERATIONS

The Mimico by the Lake 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 as required by Section 220(17) of the Municipal Act, as amended.

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 expenditures are charged to operations in the year of acquisition.
- (c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

3. CAPITAL AND MAINTENANCE

In order to finance major capital expenses, the BIA annually budgets certain amounts and accumulates them as surplus. Once adequate funds have accumulated, the BIA undertakes cost-shared capital improvement projects with the City. For this reason the actual expenses in a given year could significantly differ from the amount budgeted for the year. The excess actual expenses are financed out of accumulated surplus.

THE BOARD OF MANAGEMENT FOR THE
MIMICO BY THE LAKE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2006

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:

	2006 \$	2005 \$
Total special charges outstanding	4,119	3,234
Less: allowance for uncollected special charges	(3,100)	(1,900)
Special charges receivable	<u>1,019</u>	<u>1,334</u>

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

	2006 \$	2005 \$
Special charges written-off	425	235
Change in allowance for uncollected special charges	<u>1,200</u>	<u>1,100</u>
	<u>1,625</u>	<u>1,335</u>

**THE BOARD OF MANAGEMENT FOR THE
MIMICO BY THE LAKE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2006**

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.