

**THE BOARD OF MANAGEMENT FOR THE
OLD CABBAGETOWN
BUSINESS IMPROVEMENT AREA**

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

OLD CABBAGETOWN 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 Old Cabbagetown Business Improvement Area

I have audited the statement of financial position of the Board of Management for the Old Cabbagetown 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 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, 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.

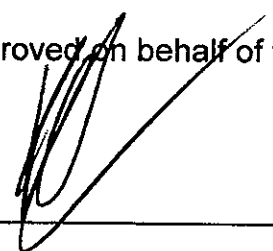
Toronto, Ontario
April 6, 2007


Chartered Accountant

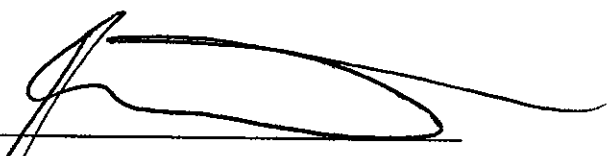
**THE BOARD OF MANAGEMENT FOR THE
 OLD CABBAGETOWN BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2006**

	2006	2005
	\$	\$
ASSETS		
Current		
Cash and short-term investments	131,350	145,393
Accounts receivable		
City of Toronto - special charges (Note 3)	-	-
- other	1,400	1,300
Other	13,386	9,040
	<u>146,136</u>	<u>155,733</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto - special charges (Note 3)	11,423	8,247
City of Toronto - other	124,046	99,647
Other	4,822	25,248
	<u>140,291</u>	<u>133,142</u>
ACCUMULATED SURPLUS		
Operating	<u>5,845</u>	<u>22,591</u>
	<u>146,136</u>	<u>155,733</u>

Approved on behalf of the Board of Management:



 Chair



 Treasurer

**THE BOARD OF MANAGEMENT FOR THE
OLD CABBAGETOWN 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	186,991	186,991	186,660
Festival and sponsorship	38,800	17,948	18,108
Grants	7,100	10,120	11,979
Interest	3,000	4,519	3,155
Other	21,000	8,059	2,595
	<u>256,891</u>	<u>227,637</u>	<u>222,497</u>
EXPENDITURE			
Administration	110,300	95,294	109,737
Cabbagetown festival	50,000	61,254	55,391
Promotion and advertising	33,500	21,038	28,623
Capital and maintenance	71,000	47,560	45,617
Provision for uncollected levies (Note 3)	16,091	19,237	23,193
	<u>280,891</u>	<u>244,383</u>	<u>262,561</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(24,000)	(16,746)	(40,064)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>22,591</u>	<u>22,591</u>	<u>62,655</u>
OPERATING SURPLUS, END OF YEAR	<u>(1,409)</u>	<u>5,845</u>	<u>22,591</u>

**THE BOARD OF MANAGEMENT FOR THE
 OLD CABBAGETOWN 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	(16,746)	(40,064)
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	(100)	7,790
Accounts receivable – other	(4,346)	(5,716)
Accounts payable – City of Toronto	27,575	37,447
Accounts payable – other	(20,426)	21,674
CASH PROVIDED BY (USED IN) OPERATIONS	(14,043)	21,131
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	145,393	124,262
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	131,350	145,393

**THE BOARD OF MANAGEMENT FOR THE
OLD CABBAGETOWN BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

1. ESTABLISHMENT AND OPERATIONS

The Old Cabbagetown 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. 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.

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

3. 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 (payable to) the City of Toronto are comprised of:

	2006 \$	2005 \$
Total special charges outstanding	(4,423)	3,553
Less: allowance for uncollected special charges	(7,000)	(11,800)
Special charges receivable (payable)	<u>(11,423)</u>	<u>(8,247)</u>

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

	2006 \$	2005 \$
Special charges written-off	24,037	24,593
Change in allowance for uncollected special charges	(4,800)	(1,400)
	<u>19,237</u>	<u>23,193</u>

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

4. 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.