

**THE BOARD OF MANAGEMENT FOR THE
QUEENS QUAY HARBOURFRONT
BUSINESS IMPROVEMENT AREA**

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

QUEENS QUAY HARBOURFRONT BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2006

CONTENTS

	<u>Page</u>
Auditor's report	3
Financial statements	
Statement of financial position	4
Statement of revenue, expenditure and operating surplus	5
Statement of changes in financial position	6
Notes to financial statements	7 -9

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AUDITOR'S REPORT

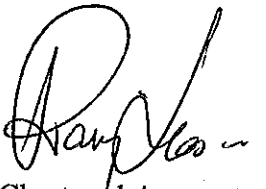
To the Council of the Corporation of the City of Toronto and the Board of Management for the Queens Quay Harbourfront Business Improvement Area

I have audited the statement of financial position of the Board of Management for the Queens Quay Harbourfront 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.

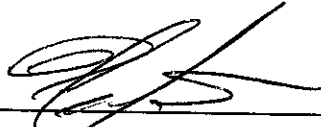
Toronto, Ontario
April 15, 2007


Chartered Accountant


**THE BOARD OF MANAGEMENT FOR THE
 QUEENS QUAY HARBOURFRONT BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2006**

	2006 \$	2005 \$
ASSETS		
Current		
Cash	189,047	143,406
Accounts receivable		
City of Toronto – special charges (Note 3)	-	-
City of Toronto – other	1,100	1,000
Other	8,160	144
	198,307	144,550
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto- Special charges (Note 3)	21,174	17,601
- Other	73,256	29,150
Other	18,633	1,283
	113,063	48,034
ACCUMULATED SURPLUS		
Operating (Note 4)	85,244	96,516
	198,307	144,550

Approved on behalf of the Board of Management:



 Chair



 Treasurer

**THE BOARD OF MANAGEMENT FOR THE
 QUEENS QUAY HARBOURFRONT 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	165,000	165,305	165,000
Municipal grant	-	1,100	1,000
Fund raising and other	5,000	3,855	-
	<u>170,000</u>	<u>170,260</u>	<u>166,000</u>
EXPENDITURE			
Administration	29,310	46,053	4,766
Promotion and advertising	48,000	40,133	2,903
Capital and maintenance	106,000	58,767	29,215
Provision for uncollected special charges (Note 3)	32,731	36,579	32,600
	<u>216,041</u>	<u>181,532</u>	<u>69,484</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(46,041)	(11,272)	96,516
OPERATING SURPLUS, BEGINNING OF YEAR	<u>96,516</u>	<u>96,516</u>	-
OPERATING SURPLUS, END OF YEAR	<u>50,475</u>	<u>85,244</u>	<u>96,516</u>

**THE BOARD OF MANAGEMENT FOR THE
 QUEENS QUAY HARBOURFRONT BUSINESS IMPROVEMENT AREA
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2006**

	2006	2005
	\$	\$
CASH PROVIDED BY OPERATIONS		
Excess (deficiency) of revenue over expenditure for the year	(11,272)	96,516
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(100)	(1,000)
Accounts receivable – other	(8,016)	(144)
Accounts payable - City of Toronto	47,679	46,751
Accounts payable – other	17,350	1,283
CASH PROVIDED BY OPERATIONS	45,641	143,406
CASH, BEGINNING OF YEAR	143,406	-
CASH, END OF YEAR	189,047	143,406

**THE BOARD OF MANAGEMENT FOR THE
QUEENS QUAY HARBOURFRONT BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

1. ESTABLISHMENT AND OPERATIONS

The Queens Quay Harbourfront 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
 QUEENS QUAY HARBOURFRONT 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 (payable) from the City of Toronto are comprised of:

	2006 \$	2005 \$
Total special charges outstanding	41,626	14,999
Less: allowance for uncollected special charges	(62,800)	(32,600)
	<u>(21,174)</u>	<u>(17,601)</u>
Special charges receivable (payable)	<u>(21,174)</u>	<u>(17,601)</u>

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

	2006 \$	2005 \$
Special charges written-off	6,379	-
Provision for losses on assessment appeals	30,200	32,600
	<u>36,579</u>	<u>32,600</u>

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

4. COMMITMENTS

The Board, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property for several years. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. The Board is committed to capital improvement projects of which the Board's share of \$5,900 was outstanding as at 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.