

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY
BUSINESS IMPROVEMENT AREA**

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

THE EGLINTON WAY BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2006

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AUDITOR'S REPORT

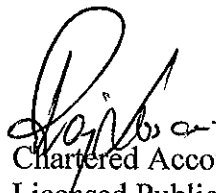
To the Council of the Corporation of the City of Toronto and the
Board of Management for The Eglinton Way Business Improvement Area

I have audited the statement of financial position of the Board of Management for The Eglinton Way 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
June 3, 2007

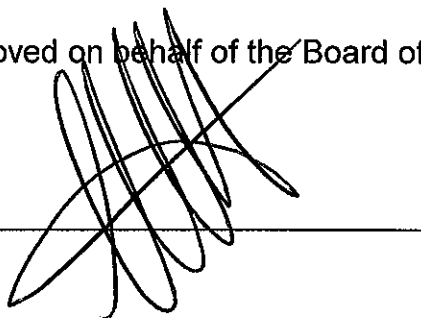

Chartered Accountant
Licensed Public Accountant

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

	2006 \$	2005 \$
ASSETS		
Current		
Cash and short-term investments	189,698	120,995
Accounts receivable		
City of Toronto - special charges (Note 3)	22,622	26,713
City of Toronto - other	1,300	1,300
Other	5,502	4,024
	<u>219,122</u>	<u>153,032</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	20,624	1,982
Other	1,951	9,102
	<u>22,575</u>	<u>11,084</u>
ACCUMULATED SURPLUS		
Operating	<u>196,547</u>	<u>141,948</u>
	<u>219,122</u>	<u>153,032</u>

Approved on behalf of the Board of Management:

Chair



Treasurer



**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY 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	238,797	238,797	233,880
Interest	1,000	1,910	997
Municipal grants	-	1,300	4,100
Other	4,000	12,000	3,675
	<u>243,797</u>	<u>254,007</u>	<u>242,652</u>
EXPENDITURE			
Administration	50,788	52,335	50,189
Promotion and advertising	136,800	80,850	101,907
Capital and maintenance	107,751	65,704	49,960
Provision for (recovery of) uncollected levies (Note 3)	(3,542)	519	1,785
	<u>291,797</u>	<u>199,408</u>	<u>203,841</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(48,000)	54,599	38,811
OPERATING SURPLUS, BEGINNING OF YEAR	141,948	141,948	103,137
OPERATING SURPLUS, END OF YEAR	<u>93,948</u>	<u>196,547</u>	<u>141,948</u>

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

	2006	2005
	\$	\$
CASH PROVIDED BY OPERATIONS		
Excess of revenue over expenditure for the year	54,599	38,811
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	4,091	(8,963)
Accounts receivable – other	(1,478)	11,452
Accounts payable – City of Toronto	18,642	(6,281)
Accounts payable – other	(7,151)	4,793
CASH PROVIDED BY OPERATIONS	68,703	39,812
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	120,995	81,183
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	189,698	120,995

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

1. ESTABLISHMENT AND OPERATIONS

The Eglinton Way 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 EGLINTON WAY 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 the City of Toronto are comprised of:

	2006 \$	2005 \$
Total special charges outstanding	35,122	38,813
Less: allowance for uncollected special charges	<u>(12,500)</u>	<u>(12,100)</u>
Special charges receivable	<u>22,622</u>	<u>26,713</u>

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

	2006 \$	2005 \$
Special charges written-off	119	4,385
Changes in allowance for uncollected special charges	<u>400</u>	<u>(2,600)</u>
	<u>519</u>	<u>1,785</u>

**THE BOARD OF MANAGEMENT FOR
THE EGLINTON WAY 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 Councils approval. The Board is committed to capital improvement projects of which the Boards share of \$11,400 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.