

**THE BOARD OF MANAGEMENT FOR THE
UPPER VILLAGE
BUSINESS IMPROVEMENT AREA**

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

**UPPER VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2006

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CHARTERED ACCOUNTANT

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AUDITOR'S REPORT

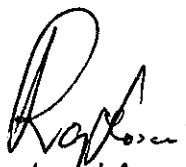
To the Council of the Corporation of the City of Toronto and the Board of Management for the Upper Village Business Improvement Area

I have audited the statement of financial position of the Board of Management for the Upper Village Business Improvement Area as at December 31, 2006, formerly known as the Upper Village (Toronto) Business Improvement Area, 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.

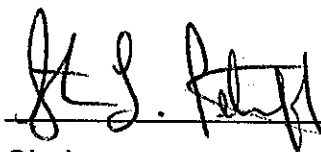
Toronto, Ontario
May 19, 2007


Chartered Accountant
Licensed Public Accountant

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

	2006 \$	2005 \$
ASSETS		
Current		
Cash and short-term investments	112,087	116,038
Accounts receivable		
City of Toronto - special charges (Note 3)	23	23
- other	1,550	650
Other	4,577	1,941
	<u>118,237</u>	<u>118,652</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	15,744	-
Other	11,204	11,021
Deferred revenue (note 4)	6,064	6,128
	<u>33,012</u>	<u>17,149</u>
ACCUMULATED SURPLUS		
Operating	<u>85,225</u>	<u>101,503</u>
	<u>118,237</u>	<u>118,652</u>

Approved on behalf of the Board of Management:



Chair

Treasurer

**THE BOARD OF MANAGEMENT FOR THE
UPPER VILLAGE 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	-	-	-
Municipal grant	-	800	650
Green City grant	-	-	-
Interest	-	1,228	1,217
	<u>-</u>	<u>2,028</u>	<u>1,867</u>
EXPENDITURE			
Administration	5,000	2,092	1,619
Promotion	7,500	294	157
Capital and maintenance	52,500	49,275	29,219
Provision for uncollected special charges (Note 3)	-	-	900
	<u>65,000</u>	<u>51,661</u>	<u>31,895</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	(65,000)	(49,633)	(30,028)
OPERATING SURPLUS, BEGINNING OF YEAR	101,503	101,503	131,531
SURPLUS TRASFERRED FROM UPPER VILLAGE (YORK) BIA (NOTE 1)	-	33,355	-
	<u>-</u>	<u>33,355</u>	<u>-</u>
OPERATING SURPLUS, END OF YEAR	<u>36,503</u>	<u>85,225</u>	<u>101,503</u>

**THE BOARD OF MANAGEMENT FOR THE
UPPER VILLAGE 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	(49,633)	(30,028)
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(900)	102,522
Accounts receivable – other	(2,636)	(1,941)
Accounts payable – other	183	5,521
Accounts payable – City of Toronto	15,744	-
Deferred revenue	(64)	(24)
	<hr/>	<hr/>
CASH PROVIDED BY (USED IN) OPERATIONS	(37,306)	76,050
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	116,038	39,988
SURPLUS TRANSFERRED FROM UPPER VILLAGE (YORK) BIA (NOTE 1)	33,355	-
	<hr/>	<hr/>
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	112,087	116,038
	<hr/>	<hr/>

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

1. ESTABLISHMENT AND OPERATIONS

The Upper Village Business Improvement Area (BIA), formerly know as Upper Village (Toronto) Business Improvement Area, 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.

At the request of the board of management of the BIA and its members, on September 27, 2006 City Council approved the expansion of the boundaries of the BIA to include the Upper Village (York) Business Improvement Area. At the same time the name was changed from the Upper Village (Toronto) Business Improvement Area to Upper Village Business Improvement Area. Effective September 27, 2006 all assets and liabilities of the Upper Village (York) Business Improvement Area were transferred to the Upper Village BIA.

2. SIGNIFICNT 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
UPPER VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONTD
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	2,723	2,723
Less: allowance for uncollected special charges	2,700	(2,700)
Special charges receivable	<u>23</u>	<u>23</u>

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

	2006	2005
	\$	\$
Special charges written-off	-	-
Change in allowance for uncollected special charges	-	900
	<u>-</u>	<u>900</u>

4. DEFERRED REVENUE

Deferred revenue consists of the balance of the funds, which have been received by the BIA for specific projects, which the BIA has not yet expensed.

**THE BOARD OF MANAGEMENT FOR THE
UPPER VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONTD
FOR THE YEAR ENDED DECEMBER 31, 2006**

5. 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 \$15,800 was outstanding as at December 31, 2006.

6. 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.