

**DOWNTOWN YONGE BUSINESS  
IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

# **DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2006**

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# Rosenswig McRae Thorpe LLP

Chartered Accountants  
Associated worldwide with CPA Associates International, Inc.

Michael Rosenswig  
Jeff McRae  
Lori Thorpe  
David Westerveld  
J. Michelle Koscec

## AUDITORS' REPORT

To the Council of the Corporation of the City of Toronto and the  
Board of Management for the Downtown Yonge Business Improvement Area

We have audited the statement of financial position for the Downtown Yonge Business Improvement Area as at December 31, 2006 and the statements of revenue, expenditures and operating surplus and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our 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 its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Rosenswig McRae Thorpe LLP*

Toronto, Canada  
February 27, 2007

Chartered Accountants  
Licensed Public Accountants

# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

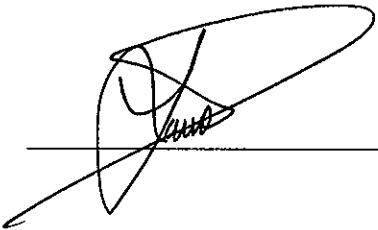
## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Current		
Cash and short-term investments (Note 3)	\$ 924,827	\$ 566,232
Accounts receivable		
City of Toronto - special charges (Note 4)	27,191	611
Other	52,276	38,392
Other assets	<u>13,656</u>	<u>4,770</u>
	<u>\$ 1,017,950</u>	<u>\$ 610,005</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities		
City of Toronto - other	\$ 581,912	\$ 283,749
Other	<u>108,098</u>	<u>76,245</u>
	<u>690,010</u>	<u>359,994</u>
<b>ACCUMULATED SURPLUS</b>		
Operating surplus	<u>327,940</u>	<u>250,011</u>
	<u>\$ 1,017,950</u>	<u>\$ 610,005</u>

Approved on behalf of the Board of Management:

  
\_\_\_\_\_, Chair

  
\_\_\_\_\_, Treasurer

# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

## STATEMENT OF REVENUE, EXPENDITURES AND OPERATING SURPLUS

YEAR ENDED DECEMBER 31, 2006

	2006		2005
	Actual	Budget (Note 8)	Actual
<b>Revenue</b>			
City of Toronto - special charges	\$ 1,726,224	1,711,145	\$ 1,567,511
Advertising and sponsorships	63,313	80,000	-
Interest earned	24,914	7,500	18,751
Municipal grant	8,500	4,000	1,860
Other income	4,815	-	1,000
	<u>1,827,766</u>	<u>1,802,645</u>	<u>1,589,122</u>
<b>Expenditures</b>			
Streetscape improvement - cost share	301,818	352,500	255,547
Streetscape improvement - non-cost share	296,026	135,502	80,328
Marketing	285,354	261,792	190,637
Clean streets program	234,019	287,673	281,736
Administration	218,825	216,402	205,253
Provision for levies in appeals	206,020	217,551	221,726
Safe streets program	122,354	207,717	201,234
Member services	74,904	104,500	57,233
Social improvement program	10,517	19,008	15,939
	<u>1,749,837</u>	<u>1,802,645</u>	<u>1,509,633</u>
Excess of revenue over expenditures for the year	77,929	-	79,489
Operating surplus, beginning of year	250,011		170,522
Operating surplus, end of year	<u>\$ 327,940</u>		<u>\$ 250,011</u>

# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

## STATEMENT OF CASH FLOWS

DECEMBER 31, 2006

	<u>2006</u>	<u>2005</u>
Cash from operating activities		
Excess of revenue over expenditures for the year	\$ 77,929	\$ 79,489
Changes in non-cash working capital:		
Accounts receivable		
Decrease in City of Toronto - other	-	19,335
Increase in City of Toronto - special charges	(26,580)	(611)
(Increase) decrease in other	(13,884)	12,411
(Increase) decrease in other assets	(8,886)	675
Accounts payable and accrued liabilities		
(Decrease) in City of Toronto - special charges	-	(70,128)
Increase (decrease) in City of Toronto - other	298,163	(321,112)
Increase (decrease) in other	<u>31,853</u>	<u>(77,887)</u>
Net cash from (used in) operating activities	358,595	(357,828)
Cash and short-term investments, beginning of year	<u>566,232</u>	<u>924,060</u>
Cash and short-term investments, end of year	<u>\$ 924,827</u>	<u>\$ 566,232</u>

# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2006

### 1. Establishment of operations

The Downtown Yonge Business Improvement Area was designated as a business improvement area by By-Law 27-2001 enacted on February 1, 2001. The appointment of members to a Board of Management "Board" to manage and control the Business Improvement Area "BIA" was approved by Council of the City of Toronto on June 28, 2001.

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, through property tax billings, 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 the Canadian generally accepted accounting principles for local governments as prescribed by the Canadian 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. Cash and short-term investments

	<u>2006</u>	<u>2005</u>
Cash	\$ 161,116	\$ 62,082
Short-term investments	<u>763,711</u>	<u>504,150</u>
	<u>\$ 924,827</u>	<u>\$ 566,232</u>

The investments are considered held for trading and consist of amounts invested in term deposits on account at a Canadian Deposit Insurance approved financial institution. The rate of returns being realized on the investments range from 3.20% to 3.35%. Included in cash and short-term investments is approximately \$582,000 which has been appropriated for the City of Toronto capital improvement projects, as described in note 5, for which the invoices remain outstanding at year-end.

# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2006

### 4. City of Toronto - special charges

Special charges levied by the City of Toronto ("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:

	<u>2006</u>	<u>2005</u>
Total special charges outstanding	\$ 1,090,291	\$ 943,611
Less: Allowance for special charges in appeals	<u>(1,063,100)</u>	<u>(943,000)</u>
Special charges payable	<u>\$ 27,191</u>	<u>\$ 611</u>

### 5. Contractual commitments

The Board, in co-operation with the City, agrees to annual cost-shared capital improvement projects on publicly owned property. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. As at December 31, 2006 the BIA had no such commitment outstanding relating to their 2006 capital improvement projects.

### 6. Insurance

The Board is required to deposit with the City 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.

### 7. Financial instruments - fair value

The BIA's financial instruments recognized in the statement of financial position consist of cash and short-term investments, accounts receivable, other assets and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.



# **DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2006**

### **8. 2006 Budget**

The 2006 budget figures on the statement of revenue, expenditures and operating surplus are presented for information purposes only and are not commented on by the opinion of Rosenswig McRae Thorpe LLP dated February 27, 2007.