

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

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

# RONCESVALLES VILLAGE 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 Roncesvalles Village Business Improvement Area**


I have audited the statement of financial position of the Board of Management for the Roncesvalles Village 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 common with many non-profit organizations, the Board derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. As a consequence, my verification of these revenues was limited to the amounts recorded in the records of the Board and I was not able to determine whether any adjustments might be necessary to revenue, operating surplus and assets.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations referred to in the preceding paragraph, 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.

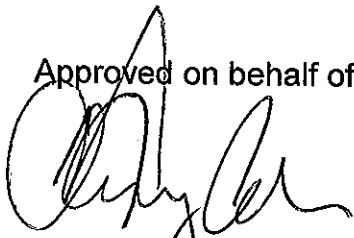
Toronto, Ontario  
March 11, 2007

  
Chartered Accountant

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

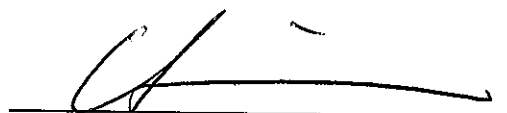
	2006	2005
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments	82,196	45,429
Accounts receivable		
City of Toronto - special charges (Note 3)	12,550	10,124
- other	3,263	1,100
Other receivables	3,980	6,446
	<u>101,989</u>	<u>63,099</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		
City of Toronto	3,305	3,305
Other payables	15,527	6,340
	<u>18,832</u>	<u>9,645</u>
<b>ACCUMULATED SURPLUS</b>		
Operating (Note 4)	<u>83,157</u>	<u>53,454</u>
	<u>101,989</u>	<u>63,099</u>

Approved on behalf of the Board of Management:




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Chair




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Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
RONCESVALLES VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>2006 \$ Budget</b>	<b>2006 \$ Actual</b>	<b>2005 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	114,485	115,623	114,250
Grants	-	5,201	8,900
Festival, sponsorships and donations	52,000	63,060	54,998
Interest	-	1,308	732
	<u>166,485</u>	<u>185,192</u>	<u>178,880</u>
<b>EXPENDITURE</b>			
Administration	30,805	29,346	29,117
Promotion and advertising	65,700	105,547	112,239
Capital and maintenance	99,540	20,234	20,405
Provision for uncollected special charges (Note 3)	1,680	362	931
	<u>197,725</u>	<u>155,489</u>	<u>162,692</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	<b>(31,240)</b>	<b>29,703</b>	<b>16,188</b>
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u><b>53,454</b></u>	<u><b>53,454</b></u>	<u><b>37,266</b></u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u><b>22,214</b></u>	<u><b>83,157</b></u>	<u><b>53,454</b></u>

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

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>CASH (USED IN) PROVIDED BY OPERATIONS</b>		
Excess of revenue over expenditure for the year	29,703	16,188
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	(4,589)	(4,763)
Accounts receivable - other	2,466	(386)
Accounts payable – City of Toronto	-	531
Accounts payable – other	9,187	(20,617)
	<u>36,767</u>	<u>(9,047)</u>
<b>CASH (USED IN) PROVIDED BY OPERATIONS</b>	<b>36,767</b>	<b>(9,047)</b>
<b>CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR</b>	<u><b>45,429</b></u>	<u><b>54,476</b></u>
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<u><b>82,196</b></u>	<u><b>45,429</b></u>

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

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**1. ESTABLISHMENT AND OPERATIONS**

The Roncesvalles 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  
RONCESVALLES VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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**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	18,450	16,224
Less: allowance for uncollected special charges	<u>(5,900)</u>	<u>(6,100)</u>
Special charges receivable	<u>12,550</u>	<u>10,124</u>

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

	2006 \$	2005 \$
Special charges written-off	562	1,031
Change in allowance for uncollected special charges	<u>(200)</u>	<u>(100)</u>
	<u>362</u>	<u>931</u>



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

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**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 improvements projects of which the Board's share of \$31,000 was outstanding as at December 31, 2006.

**5. 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.