

**DOWNTOWN YONGE BUSINESS  
IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2007**

# Rosenswig McRae Thorpe LLP

Chartered Accountants

Associated worldwide with CPA Associates International, Inc.

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## 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, 2007 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, 2007 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  
March 7, 2008

Chartered Accountants  
Licensed Public Accountants

**DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA**  
**STATEMENT OF REVENUE, EXPENDITURES AND OPERATING SURPLUS**  
**YEAR ENDED DECEMBER 31, 2007**

	<u>2007</u>		<u>2006</u>
	Actual	Budget (Note 8)	Actual
<b>Revenue</b>			
City of Toronto - special charges	\$ 2,106,543	2,052,592	\$ 1,726,224
Advertising and sponsorships	7,100	12,500	63,313
Interest earned	23,758	18,000	24,914
Municipal grant	4,586	-	8,500
Other income	21,073	23,165	4,815
Federal grant	<u>4,628</u>	<u>32,000</u>	<u>-</u>
	<u>2,167,688</u>	<u>2,138,257</u>	<u>1,827,766</u>
<b>Expenditures</b>			
Marketing	393,271	389,833	285,354
Streetscape improvement - cost share	351,296	341,066	301,818
Administration	345,539	283,252	218,825
Streetscape improvement - non-cost share	255,635	303,884	296,026
Clean streets program	231,985	250,083	234,019
Member services	134,607	123,593	74,904
Provision for levies in appeals	131,055	219,821	206,020
Safe streets program	88,695	207,717	122,354
Social improvement program	<u>19,628</u>	<u>19,008</u>	<u>10,517</u>
	<u>1,951,711</u>	<u>2,138,257</u>	<u>1,749,837</u>
Excess of revenue over expenditures for the year	215,977	<u>-</u>	77,929
Operating surplus, beginning of year	<u>327,940</u>		<u>250,011</u>
Operating surplus, end of year	<u>\$ 543,917</u>		<u>\$ 327,940</u>

See accompanying notes.

# DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007

### 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>2007</u>	<u>2006</u>
Cash	\$ 122,842	\$ 161,116
Short-term investments	<u>565,522</u>	<u>763,711</u>
	<u>\$ 688,364</u>	<u>\$ 924,827</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 3.25% to 4.40%.

# **DOWNTOWN YONGE BUSINESS IMPROVEMENT AREA**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2007**

**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.

**8. 2007 Budget**

The 2007 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 March 7, 2008.