

**THE BOARD OF MANAGEMENT FOR THE  
GREEKTOWN ON THE DANFORTH  
BUSINESS IMPROVEMENT AREA**

**Financial Statements  
For the Year Ended December 31, 2007**

**RAFIQ DOSANI, B.Comm. CFE CA**  
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 Greektown on the Danforth Business Improvement Area**

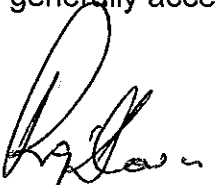
I have audited the statement of financial position of the Board of Management for the Greektown on the Danforth Business Improvement Area as at December 31, 2007 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, 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.

The Greektown BIA has recorded accounts receivable for \$37,500 from The Danforth BIA. This receivable is for The Danforth BIA participation in the 2007 Taste of Danforth Festival and recovery of sponsorships secured by The Danforth BIA. The Danforth BIA Board of Management is disputing this claim. No provision for any potential loss has been made in the account. As a result, I was not able to satisfy myself concerning the validity of this receivable. Accordingly, I was not able to determine whether any adjustments might be necessary to accounts receivable, revenue and operating surplus.

In my opinion, except no provision has been made for doubtful accounts receivable from The Danforth BIA as described in preceding paragraph, 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 changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario  
April 12, 2008

  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
GREEKTOWN ON THE DANFORTH BUSINESS IMPROVEMENT AREA  
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>2007 \$ Budget</b>	<b>2007 \$ Actual</b>	<b>2006 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	435,445	435,485	420,110
Grants and other revenue	7,000	6,307	16,490
Taste of the Danforth:			
Sponsorship	-	399,684	297,450
Donations and other revenue	-	194,816	181,007
	<u>442,445</u>	<u>1,036,292</u>	<u>915,057</u>
<b>EXPENDITURE</b>			
Administration	98,575	104,320	79,589
Promotion and advertising	145,000	644,828	540,371
Capital and maintenance	237,200	175,127	224,556
Provision for (recovery of) uncollected special charges (note 3)	11,670	26,260	16,751
	<u>492,445</u>	<u>950,535</u>	<u>861,267</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	50,000	85,757	53,790
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u>250,114</u>	<u>303,904</u>	<u>250,114</u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>300,114</u>	<u>389,661</u>	<u>303,904</u>

**THE BOARD OF MANAGEMENT FOR THE  
GREEKTOWN ON THE DANFORTH BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

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**1. ESTABLISHMENT AND OPERATIONS**

The Greektown on the Danforth 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  
GREEKTOWN ON THE DANFORTH BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2007**

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**4. 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.

**5. CONTINGENCY**

Greektown BIA has received an invoice from the marketing and sponsorship manager of Taste of the Danforth Festival. This invoice is for an outstanding management fee, sponsorship commission and payment for breach of contract. The Greektown Board of Management believe that, as the manager resigned, the claim for breach of contract is without substantial merit and the claim for other items is overstated. The management believes that it has provided for legitimate liability in the account. Should any additional loss result from the resolution of these claims, such loss would be accounted for in 2008.