

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

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

HILLCREST 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 Hillcrest Village Business Improvement Area

I have audited the statement of financial position of the Board of Management for the Hillcrest 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 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
July 31, 2007



Chartered Accountant
Licensed Public Accountant

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

	2006 \$	2005 \$
ASSETS		
Current		
Cash and short-term investments	36,287	45,821
Accounts receivable		
City of Toronto - special charges (Note 3)	2,432	2,668
- other	850	800
Other	3,321	3,018
	<u>42,890</u>	<u>52,307</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	600	14,713
Other	2,010	4,515
	<u>2,610</u>	<u>19,228</u>
ACCUMULATED SURPLUS		
Operating	<u>40,280</u>	<u>33,079</u>
	<u>42,890</u>	<u>52,307</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR THE
HILLCREST 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	39,232	39,232	34,148
Grants	30,000	30,850	30,800
Interest	-	8	574
Other revenue	-	3	4,681
	<u>69,232</u>	<u>70,093</u>	<u>70,203</u>
EXPENDITURE			
Administration	6,552	6,826	5,514
Promotion and advertising	51,500	44,871	63,995
Capital and maintenance	10,110	9,918	16,048
Provision for uncollected special charges	1,070	1,277	164
	<u>69,232</u>	<u>62,892</u>	<u>85,721</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	7,201	(15,518)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>33,079</u>	<u>33,079</u>	<u>48,597</u>
OPERATING SURPLUS, END OF YEAR	<u>33,079</u>	<u>40,280</u>	<u>33,079</u>

**THE BOARD OF MANAGEMENT FOR THE
HILLCREST 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	7,201	(15,518)
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	186	(1,114)
Accounts receivable – other	(303)	(900)
Due to City of Toronto	(14,113)	(1,992)
Accounts payable and accrued charges - other	(2,505)	72
CASH PROVIDED BY (USED IN) OPERATIONS	(9,534)	(19,452)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	45,821	65,273
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	36,287	45,821

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

1. ESTABLISHMENT AND OPERATIONS

The Hillcrest Village 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
HILLCREST VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
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	6,432	5,568
Less: allowance for uncollected special charges	(4,000)	(2,900)
Special charges receivable	<u>2,432</u>	<u>2,668</u>

The provision for uncollected special charges reported on the statement of Revenue, Expenditure and Operating Surplus comprises

	2006 \$	2005 \$
Special charges written off	177	364
Change in allowance for uncollected special charges	1,100	(200)
	<u>1,277</u>	<u>164</u>

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

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 improvement projects of which the Board's share of \$5,400 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.