

**THE BOARD OF MANAGEMENT FOR THE
EGLINTON HILL
BUSINESS IMPROVEMENT AREA**

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

**EGLINTON HILL
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 Eglinton Hill Business Improvement Area

I have audited the statement of financial position of the Board of Management for the Eglinton Hill 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.

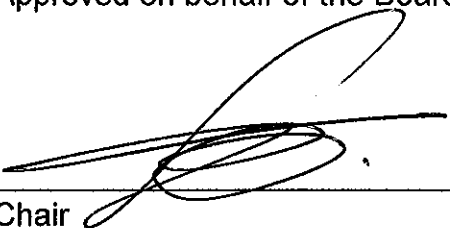
Toronto, Ontario
September 28, 2007

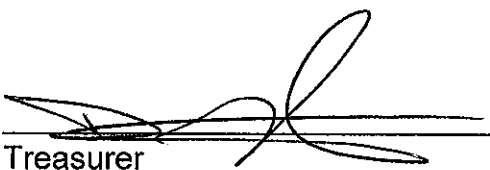

Chartered Accountant
Licensed Public Accountant

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

	2006 \$	2005 \$
ASSETS		
Current		
Cash and short-term investments	196,953	156,244
Accounts receivable		
City of Toronto - special charges (Note 3)	2,779	2,941
- other	1,500	750
Other	758	490
	<u>201,990</u>	<u>160,425</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
Other	950	950
City of Toronto	177,987	117,733
	<u>178,937</u>	<u>118,683</u>
ACCUMULATED SURPLUS		
Operating	23,053	41,742
	<u>201,990</u>	<u>160,425</u>

Approved on behalf of the Board of Management:


 Chair


 Treasurer

**THE BOARD OF MANAGEMENT FOR THE
EGLINTON HILL 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	43,267	43,413	51,115
Municipal grant	-	750	750
Contribution	-	-	25,000
Interest and other	850	6,527	2,306
	<u>44,117</u>	<u>50,690</u>	<u>79,171</u>
EXPENDITURE			
Administration	2,495	1,707	1,323
Promotion and advertising	1,500	7,018	2,054
Capital and maintenance	40,000	60,254	50,624
Provision for uncollected special charges (note 3)	122	400	1,577
	<u>44,117</u>	<u>69,379</u>	<u>55,578</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	(18,689)	23,593
OPERATING SURPLUS, BEGINNING OF YEAR	<u>41,742</u>	<u>41,742</u>	<u>18,149</u>
OPERATING SURPLUS, END OF YEAR	<u>41,742</u>	<u>23,053</u>	<u>41,742</u>

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

	2006	2005
	\$	\$
CASH PROVIDED BY OPERATIONS		
(Deficiency) Excess of revenue over expenditure for the year	(18,689)	23,593
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	(588)	(1,423)
Accounts payable – City of Toronto	60,254	50,623
Accounts payable – other	-	50
Accounts receivable – other	(268)	(130)
CASH PROVIDED BY OPERATIONS	40,709	72,713
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	156,244	83,531
CASH AND SHORT-TERM INVESTMENTS, END OF EAR	196,953	156,244

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

1. ESTABLISHMENT AND OPERATIONS

The Eglinton Hill 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
EGLINTON HILL 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	3,679	3,441
Less: allowance for uncollected special charges	(900)	(500)
Special charges receivable	<u>2,779</u>	<u>2,941</u>

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

	2006 \$	2005 \$
Special charges written-off	-	1,377
Increase in allowance for uncollected special charges	400	200
	<u>400</u>	<u>1,577</u>

**THE BOARD OF MANAGEMENT FOR THE
EGLINTON HILL 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 \$10,000 was outstanding as at December 31, 2006.

5. 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.