

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

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

**HILLCREST VILLAGE  
BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2007**

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## **AUDITOR'S REPORT**

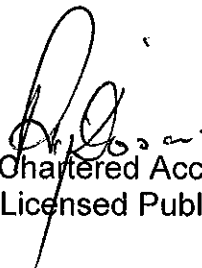
### **To the Council of the Corporation of the City of Toronto and the Board of Management for the Hillcrest Village Business Improvement Area**

I have audited the statement of financial position of the Board of Management for the Hillcrest Village Business Improvement Area as at December 31, 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.

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, 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.

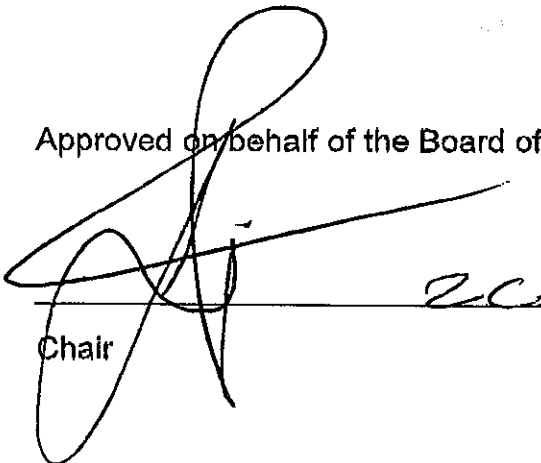
Toronto, Ontario  
August 4, 2008

  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
HILLCREST VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2007**

	2007 \$	2006 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash	42,412	36,287
Accounts receivable		
City of Toronto - special charges (Note 3)	1,758	2,432
- other	-	850
Other	3,872	3,321
	<u>48,042</u>	<u>42,890</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		
City of Toronto	-	600
Other	7,449	2,010
	<u>7,449</u>	<u>2,610</u>
<b>ACCUMULATED SURPLUS</b>		
Operating	<u>40,593</u>	<u>40,280</u>
	<u>48,042</u>	<u>42,890</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, 2007**

	<b>2007 \$ Budget</b>	<b>2007 \$ Actual</b>	<b>2006 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	46,593	46,593	39,232
Grants	35,000	30,000	30,850
Interest and other revenue	-	11	11
	<u>81,593</u>	<u>76,604</u>	<u>70,093</u>
<b>EXPENDITURE</b>			
Administration	6,550	4,957	6,826
Promotion and advertising	60,000	60,635	44,871
Capital and maintenance	13,955	8,908	9,918
Provision for uncollected special charges	1,088	1,791	1,277
	<u>81,593</u>	<u>76,291</u>	<u>62,892</u>
<b>EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	-	313	7,201
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u>40,280</u>	<u>40,280</u>	<u>33,079</u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>40,280</u>	<u>40,593</u>	<u>40,280</u>

**THE BOARD OF MANAGEMENT FOR THE  
HILLCREST VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Excess of revenue over expenditure for the year	313	7,201
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	1,524	186
Accounts receivable – other	(551)	(303)
Due to City of Toronto	(600)	(14,113)
Accounts payable and accrued charges - other	5,439	(2,505)
	<u>6,125</u>	<u>(9,534)</u>
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>	<b>6,125</b>	<b>(9,534)</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>36,287</u>	<u>45,821</u>
<b>CASH, END OF YEAR</b>	<u>42,412</u>	<u>36,287</u>

**THE BOARD OF MANAGEMENT FOR THE  
HILLCREST VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

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**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, 2007**

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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:

	2007	2006
	\$	\$
Total special charges outstanding	5,258	6,432
Less: allowance for uncollected special charges	(3,500)	(4,000)
Special charges receivable	<u>1,758</u>	<u>2,432</u>

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

	2007	2006
	\$	\$
Special charges written off	2,291	177
Change in allowance for uncollected special charges	(500)	1,100
	<u>1,791</u>	<u>1,277</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, 2007**

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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 improvement projects of which the Board's share of \$ nil (2006 - \$5,400) was outstanding as at December 31, 2007.

**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.