

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

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

**LIBERTY VILLAGE
BUSINESS IMPROVEMENT AREA
DECEMBER 31, 2006**

CONTENTS

	<u>Page</u>
Auditor's report	3
Financial statements	
Statement of financial position	4
Statement of revenue, expenditure and operating surplus	5
Statement of changes in financial position	6
Notes to financial statements	7 -9

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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 Liberty Village Business Improvement Area

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

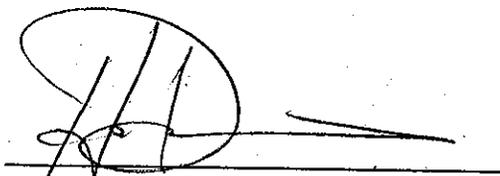
Toronto, Ontario
April 7, 2007


Chartered Accountant

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

	2006 \$	2005 \$
ASSETS		
Current		
Cash and short-term investments	214,599	169,298
Accounts receivable		
City of Toronto - special charges (note 3)	24,932	23,002
- other	3,700	950
Other assets	4,034	14,447
	<u>247,265</u>	<u>207,697</u>
LIABILITIES		
Current		
Accounts payable – City of Toronto	7,741	1,894
Accounts payable and accrued liabilities	4,172	6,362
	<u>11,913</u>	<u>8,256</u>
ACCUMULATED SURPLUS		
Operating (note 4)	235,352	199,441
	<u>247,265</u>	<u>207,697</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR THE
LIBERTY 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	184,653	184,653	218,700
Interest	3,000	5,330	3,441
Grants and sponsorships	10,000	31,160	17,519
Other	7,500	12,539	10,046
	<u>205,153</u>	<u>233,682</u>	<u>249,706</u>
EXPENDITURE			
Administration	83,395	76,680	80,838
Capital improvements and maintenance	96,000	63,059	21,322
Promotion, marketing and advertising	25,750	46,984	83,685
Provision for uncollectable levies (note 3)	13,008	11,048	16,143
	<u>218,153</u>	<u>197,771</u>	<u>201,988</u>
EXCESS OF REVENUE (DEFICIENCY) OVER EXPENDITURE FOR THE YEAR	(13,000)	35,911	47,718
OPERATING SURPLUS, BEGINNING OF YEAR	<u>199,441</u>	<u>199,441</u>	<u>151,723</u>
OPERATING SURPLUS, END OF YEAR	<u>186,441</u>	<u>235,352</u>	<u>199,441</u>

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

	2006	2005
	\$	\$
CASH PROVIDED BY OPERATIONS		
Excess of revenue over expenditure for the year	35,911	47,718
Increase (decrease) resulting from changes in		
Accounts receivable		
City of Toronto - special charges	(1,930)	(17,007)
City of Toronto - other	(2,750)	500
Other	10,413	(8,348)
Accounts payable and accrued liabilities	(2,190)	(358)
Accounts payable – City of Toronto	5,847	1,894
CASH PROVIDED BY OPERATIONS	45,301	24,399
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	169,298	144,899
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	214,599	169,298

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

1. ESTABLISHMENT AND OPERATIONS

The Liberty 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
LIBERTY 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 payable to the City of Toronto are comprised of:

	2006 \$	2005 \$
Total special charges outstanding	84,232	79,502
Less: allowance for uncollected special charges	<u>(59,300)</u>	<u>(56,500)</u>
Special charges receivable	<u>24,932</u>	<u>23,002</u>

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

	2006 \$	2005 \$
Special charges written-off	8,248	943
Increase in allowance for uncollected special charges	2,800	15,200
	<u>11,048</u>	<u>16,143</u>

**THE BOARD OF MANAGEMENT FOR THE
LIBERTY 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 \$11,700 was outstanding as at December 31, 2006.

In addition to the above commitments, the Board has committed to the following capital projects, which are in the planning / implementation stage:

- Liberty Street Linear Park \$140,000
- King Street Gateway \$ 25,000

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.