

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

**Financial Statements  
For the Year Ended December 31, 2008**

**LIBERTY VILLAGE  
BUSINESS IMPROVEMENT AREA  
DECEMBER 31, 2008**

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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, 2008 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, 2008 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, 2009

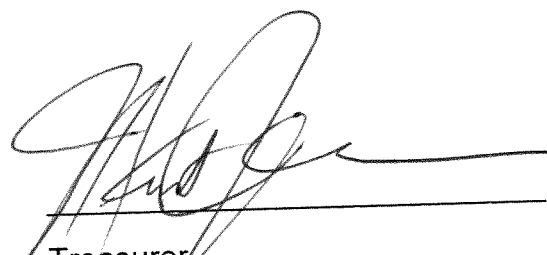
  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
As At DECEMBER 31, 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments	125,459	247,139
Accounts receivable	58,737	30,053
City of Toronto - special charges (note 4)	2,237	4,499
Other assets	<u>186,433</u>	<u>281,691</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable – City of Toronto	-	149,461
Accounts payable and accrued liabilities	<u>23,909</u>	<u>5,656</u>
	23,909	155,117
<b>ACCUMULATED SURPLUS</b>		
Operating (note 5)	<u>162,524</u>	<u>126,574</u>
	<u>186,433</u>	<u>281,691</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, 2008**

	<b>2008 \$ Budget</b>	<b>2008 \$ Actual</b>	<b>2007 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto - special charges	194,160	194,160	189,396
Interest	5,000	4,595	7,564
Grants and sponsorships	5,000	2,000	32,675
Other	15,000	11,290	29,660
	<u>219,160</u>	<u>212,045</u>	<u>259,295</u>
<b>EXPENDITURE</b>			
Administration	99,200	89,935	81,878
Capital improvements and maintenance (note 3)	228,500	58,849	223,307
Promotion, marketing and advertising	34,100	38,635	63,035
Provision for (recovery of) uncollectable levies (note 4)	17,360	(11,324)	(147)
	<u>379,160</u>	<u>176,095</u>	<u>368,073</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	<b>(160,000)</b>	<b>35,950</b>	<b>(108,778)</b>
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u><b>126,574</b></u>	<u><b>126,574</b></u>	<u><b>235,352</b></u>
<b>OPERATING SURPLUS (DEFICIT), END OF YEAR</b>	<u><b>(33,426)</b></u>	<u><b>162,524</b></u>	<u><b>126,574</b></u>

**THE BOARD OF MANAGEMENT FOR THE  
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>CASH PROVIDED BY OPERATIONS</b>		
Excess (deficiency) of revenue over expenditure for the year	35,950	(108,778)
Increase (decrease) resulting from changes in		
Accounts receivable		
City of Toronto - special charges	(28,684)	(5,121)
City of Toronto - other	-	3,700
Other	2,262	(465)
Accounts payable and accrued liabilities	18,253	1,484
Accounts payable – City of Toronto	<u>(149,461)</u>	<u>141,720</u>
<b>CASH PROVIDED BY OPERATIONS</b>	(121,680)	32,540
<b>CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR</b>	<u>247,139</u>	<u>214,599</u>
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<u><u>125,459</u></u>	<u><u>247,139</u></u>

**THE BOARD OF MANAGEMENT FOR THE  
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**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.

**3. CAPITAL AND MAINTENANCE**

In order to finance major capital expenses, the BIA annually budgets certain amounts and accumulates them as surplus. Once adequate funds have accumulated, the BIA undertakes cost-shared capital improvement projects with the City. For this reason the actual expenses in a given year could significantly differ from the amount budgeted for the year. The excess actual expenses are financed out of accumulated surplus.

THE BOARD OF MANAGEMENT FOR THE  
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2008

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4. 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:

	2008 \$	2007 \$
Total special charges outstanding	90,337	78,053
Less: allowance for uncollected special charges	<u>(31,600)</u>	<u>(48,000)</u>
Special charges receivable	<u>58,737</u>	<u>30,053</u>

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

	2008 \$	2007 \$
Special charges written-off	5,076	11,153
Change in allowance for uncollected special charges	<u>(16,400)</u>	<u>(11,300)</u>
	<u>(11,324)</u>	<u>(147)</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, 2008**

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**5. 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 was outstanding as at December 31, 2008.

The Board has committed to the King Street Gateway project amounting to \$100,000.

**6. 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.