

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

**Financial Statements
For the Year Ended December 31, 2009**

**LIBERTY VILLAGE
BUSINESS IMPROVEMENT AREA
DECEMBER 31, 2009**

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AUDITOR'S REPORT

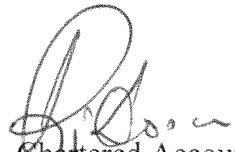
To the Council of the Corporation of the City of Toronto and the
Board of Management for the Liberty Village Business Improvement Area

I have audited the statement of financial position of the Board of Management for the Liberty Village Business Improvement Area as at December 31, 2009 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, 2009 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

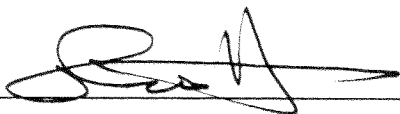
Toronto, Ontario
April 5, 2010


Chartered Accountant
Licensed Public Accountant

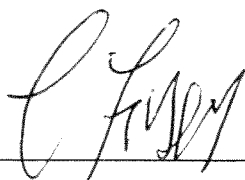
THE BOARD OF MANAGEMENT FOR THE
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2009

	2009 \$	2008 \$
ASSETS		
Current		
Cash and short-term investments	187,061	125,459
Accounts receivable		
City of Toronto - special charges (note 4)	-	58,737
Other assets	14,638	2,237
	<u>201,699</u>	<u>186,433</u>
Capital assets, net (note 5)	<u>29,727</u>	<u>6,900</u>
	<u>231,426</u>	<u>193,333</u>
LIABILITIES		
Current		
Accounts payable		
City of Toronto - special charges (note 4)	5,438	-
- other	4,572	-
Other	32,213	23,909
	<u>42,223</u>	<u>23,909</u>
ACCUMULATED SURPLUS		
Restricted	29,727	6,900
Unrestricted	159,476	162,524
	<u>189,203</u>	<u>169,424</u>
	<u>231,426</u>	<u>193,333</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, 2009**

	2009 \$ Budget	2009 \$ Actual	2008 \$ Actual
REVENUE			
City of Toronto - special charges	199,996	199,996	194,160
Interest	-	2,384	4,595
Grants and sponsorships	23,000	19,031	13,290
	<u>222,996</u>	<u>221,411</u>	<u>212,045</u>
EXPENDITURE			
Administration	135,825	116,698	89,935
Maintenance	15,000	14,307	58,849
Promotion, marketing and advertising	77,500	32,872	38,635
Capital	50,000	-	-
Amortization of Capital Assets	-	9,109	2,300
Provision for (recovery of) uncollectable levies (note 4)	(35,529)	28,646	(11,324)
	<u>242,796</u>	<u>201,632</u>	<u>178,395</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(19,800)	19,779	33,650
OPERATING SURPLUS, BEGINNING OF YEAR	<u>171,724</u>	<u>169,424</u>	<u>135,774</u>
OPERATING SURPLUS, END OF YEAR	<u>151,924</u>	<u>189,203</u>	<u>169,424</u>

**THE BOARD OF MANAGEMENT FOR THE
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009	2008
	\$	\$
CASH PROVIDED BY OPERATIONS		
Excess (deficiency) of revenue over expenditure for the year	19,779	33,650
Add: non-cash item		
Amortization of capital assets	9,109	2,300
Increase (decrease) resulting from changes in		
Accounts receivable		
City of Toronto - special charges	64,175	(28,684)
City of Toronto - other	-	-
Other	(12,401)	2,262
Accounts payable and accrued liabilities	8,304	18,253
Accounts payable – City of Toronto	4,572	(149,461)
CASH PROVIDED BY OPERATIONS	93,538	(121,680)
INVESTING ACTIVITY		
Purchase of capital assets	(31,936)	-
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	125,459	247,139
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	187,061	125,459

**THE BOARD OF MANAGEMENT FOR THE
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

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. CHANGE IN BASIS OF PRESENTATION FOR 2009

For fiscal year commencing on January 1, 2009 the Canadian Institute of Chartered Accountants (CICA) has required that the accounting recommendations and disclosure requirements, as prescribed by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants, be adopted for use by Ontario municipalities and their local boards and agencies. As a result, the Board has implemented accounting policies as recommended. The implementation of these policies has resulted in the Board changing its method of accounting for capital assets, on a retroactive basis, from expensing them when purchased to capitalizing and amortizing them over their estimated useful lives.

The effect of these changes has been to increase capital assets and surplus by \$29,727, as at December 31, 2009 (2008 – increase \$6,900), and decrease expenses by \$22,827 for the year ended December 31, 2009 (2008 – increase expenses by \$2,300). In addition, the opening 2008 comparative figures have been adjusted to reflect the retroactive application of the recommendations, resulting in an increase in surplus by \$9,200.

3. 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 assets
Purchased capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Flags and banners	3 years
Street & Christmas lights	5 years
Street furniture	5 years
Planters	5 years
- (c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

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 (payable) net of an allowance for uncollected amounts. The special charges receivable (payable) to the City of Toronto are comprised of:

	2009	2008
	\$	\$
Total special charges outstanding	53,562	90,337
Less: allowance for uncollected special charges	<u>(59,000)</u>	<u>(31,600)</u>
Special charges receivable (payable)	<u>(5,438)</u>	<u>58,737</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, 2009**

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

	2009 \$	2008 \$
Special charges written-off	1,246	5,076
Change in allowance for uncollected special charges	<u>27,400</u>	<u>(16,400)</u>
	<u><u>28,646</u></u>	<u><u>(11,324)</u></u>

5. CAPITAL ASSETS

	2009		2008	
	Cost	Accumulated Amortization	Net book Value	Net book value
Art Sculpture	11,500	6,900	4,600	6,900
Street& Christmas lights	7,830	1,566	6,264	-
Street furniture	20,940	4,188	16,752	-
Computers	3,166	1,055	2,111	-
	<u>43,436</u>	<u>13,709</u>	<u>29,727</u>	<u>6,900</u>

6. 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 a capital improvement project of which the Board's share of \$130,00 (King/Atlantic Gateway) was outstanding as at December 31, 2009.

**THE BOARD OF MANAGEMENT FOR THE
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2009**

7. 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.

8. FINANCIAL INSTRUMENTS

The carrying value of the BIA's financial instruments approximates their values. The BIA is subject to an interest rate risk with respect to its investments; however, as these instruments are short-term investments the risk is minimal.

9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation.