

**Appendix X:**

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

**Financial Statements  
For the Year Ended December 31, 2012**

**LIBERTY VILLAGE  
BUSINESS IMPROVEMENT AREA  
DECEMBER 31, 2012**

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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 accompanying financial statements of Liberty Village Business Improvement Area, which comprise the statement of financial position as at December 31, 2012 and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

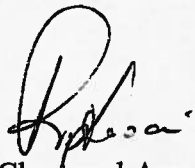
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Opinion

In my opinion, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

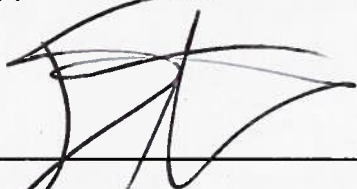
Toronto, Ontario  
March 13, 2013


  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments	96,620	211,581
Accounts receivable		
City of Toronto – special charges (Note 3)	19,586	-
Other	69,395	91,764
	<u>185,601</u>	<u>303,345</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
City of Toronto – special charges (Note 3)	-	6,042
City of Toronto	111,789	218,664
Other	46,279	68,192
	<u>158,068</u>	<u>292,898</u>
<b>NET FINANCIAL ASSETS</b>	27,533	10,447
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	220,551	252,024
	<u>248,084</u>	<u>262,471</u>
<b>ACCUMULATED SURPLUS</b>	<u>248,084</u>	<u>262,471</u>

Approved on behalf of the Board of Management:

  
\_\_\_\_\_  
Dan Armstrong, Chair

  
\_\_\_\_\_  
Nezam Soltanzadeh, Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>2012 \$ Budget (Note 7)</b>	<b>2012 \$ Actual</b>	<b>2011 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto - special charges	259,429	264,121	264,147
Interest	-	1,261	1,223
Grants, sponsorships and other	22,500	137,534	60,497
	<u>281,929</u>	<u>402,916</u>	<u>325,867</u>
<b>EXPENSES</b>			
Administration	149,400	139,234	135,180
Design, improvements & maintenance	19,000	24,052	11,988
Promotion, marketing and advertising	47,700	162,769	32,231
Capital / amortization	35,000	74,598	69,329
Provision for uncollectable levies (note 3)	37,586	16,650	37,211
	<u>288,686</u>	<u>417,303</u>	<u>285,939</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(6,757)</b>	<b>(14,387)</b>	<b>39,928</b>
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<b>262,471</b>	<b>262,471</b>	<b>222,543</b>
<b>OPERATING SURPLUS, END OF YEAR</b>	<b><u>255,714</u></b>	<b><u>248,084</u></b>	<b><u>262,471</u></b>

**THE BOARD OF MANAGEMENT FOR THE  
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Increase (decrease) in cash and short-term investments		
<b>Cash flows from operating transactions</b>		
Surplus (deficit) for the year	(14,387)	39,928
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	74,598	69,329
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(25,628)	-
Accounts receivable – other	22,369	(14,032)
Accounts payable - City of Toronto	(106,875)	191,003
Accounts payable – other	(21,913)	(7,889)
<b>Cash Provided By (Used In) Operations</b>	(71,836)	278,339
<b>Capital Transactions</b>		
Purchase of tangible capital assets	(43,125)	(299,295)
<b>Cash and short-term investments, Beginning Of Year</b>	211,581	232,537
<b>Cash and short-term investments, End Of Year</b>	96,620	211,581

**THE BOARD OF MANAGEMENT FOR THE  
LIBERTY VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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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 expenses 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:

Computers	3 years
Art Sculpture	5 years
Street furniture	5 years
Lights	5 years
Benches	5 years
King / Atlantic Gateway	5 years

(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, 2012**

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

	2012 \$	2011 \$
Total special charges outstanding	123,486	88,858
Less: allowance for uncollected special charges	<u>(103,900)</u>	<u>(94,900)</u>
Special charges receivable/(payable)	<u>19,586</u>	<u>(6,042)</u>

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

	2012 \$	2011 \$
Special charges written-off	7,650	3,711
Change in allowance for uncollected special charges	<u>9,000</u>	<u>33,500</u>
	<u>16,650</u>	<u>37,211</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, 2012**

**4. CAPITAL ASSETS**

	<b>2012</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net book Value</b>
King / Atlantic Gateway	279,980	103,367	176,613
Street& Christmas lights	7,830	6,264	1,566
Street furniture	81,580	41,008	40,572
Benches	3,600	1,800	1,800
	<b>372,990</b>	<b>152,439</b>	<b>220,551</b>

	<b>2011</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net book Value</b>
King / Atlantic Gateway	236,855	47,371	189,484
Art Sculpture	11,500	11,500	-
Street& Christmas lights	7,830	4,698	3,132
Street furniture	81,580	24,692	56,888
Computers	3,166	3,166	-
Benches	3,600	1,080	2,520
	<b>344,531</b>	<b>92,507</b>	<b>252,024</b>

**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.

**6. 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.

**7. BUDGET**

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures. Accordingly, I do not express any opinion regarding the budget figures.