

**LIBERTY VILLAGE BIA**  
**Financial Statements**  
**Year Ended December 31, 2021**

**LIBERTY VILLAGE BIA**  
**Index to Financial Statements**  
**Year Ended December 31, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

### *Opinion*

We have audited the financial statements of Liberty Village BIA (the organization), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in annual surplus (deficit), changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The financial statements for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 13, 2021.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

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*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Toronto, Ontario  
March 28, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

**LIBERTY VILLAGE BIA**  
**Statement of Financial Position**  
**December 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash ( <i>Note 3</i> )	\$ 419,850	\$ 321,303
City of Toronto- special charges receivable	62,695	3,265
Other accounts receivable	-	26
Harmonized sales tax recoverable	82,339	49,284
	564,884	373,878
<b>LIABILITIES</b>		
City of Toronto	1	-
Accounts payable and accrued liabilities	196,331	42,696
Deferred revenue	13,462	3,500
	209,794	46,196
NET FINANCIAL ASSETS	355,090	327,682
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	1,405	891
Tangible capital assets ( <i>Note 5</i> )	10,093	23,399
	11,498	24,290
<b>ACCUMULATED SURPLUS</b>	<b>\$ 366,588</b>	<b>\$ 351,972</b>
<b>ON BEHALF OF THE BOARD</b>		
	<i>Councillor</i>	
	<i>Councillor</i>	

See notes to financial statements

**LIBERTY VILLAGE BIA**  
**Statement of Operations**  
**Year Ended December 31, 2021**

	Budget 2021	Total 2021	Total 2020
<b>REVENUES</b>			
City of Toronto - special charges	\$ 387,022	\$ 423,984	\$ 387,023
Grants, sponsorship and other revenue	5,000	11,000	2,620
	<u>392,022</u>	<u>434,984</u>	<u>389,643</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Capital / amortization	-	6,806	7,809
Administration	198,818	162,334	211,720
Promotion and advertising	102,500	60,908	112,944
Maintenance	68,500	205,355	110,785
Provision for uncollected special charges	35,184	-	-
Streetscape improvements	25,000	-	-
Provision for non-capital assets	-	-	300
Provision for (recovery of) uncollectable levies	-	1,821	25,718
	<u>430,002</u>	<u>437,224</u>	<u>469,276</u>
<b>DEFICIT FROM OPERATIONS</b>	<b>(37,980)</b>	<b>(2,240)</b>	<b>(79,633)</b>
OTHER INCOME	-	16,856	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (37,980)</b>	<b>\$ 14,616</b>	<b>\$ (79,633)</b>

See notes to financial statements

**LIBERTY VILLAGE BIA**  
**Statement of Changes in Annual Surplus (Deficit)**  
**Year Ended December 31, 2021**

	2021	2020
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$ 351,972</b>	<b>\$ 431,605</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>14,616</b>	<b>(79,633)</b>
<b>ACCUMULATED SURPLUS (DEFICIT) - END OF YEAR</b>	<b>\$ 366,588</b>	<b>\$ 351,972</b>

See notes to financial statements

**LIBERTY VILLAGE BIA**  
**Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2021**

	2021	2020
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>\$ 14,616</b>	<b>\$ (79,633)</b>
Amortization of property, plant and equipment	6,806	7,809
Purchase of property, plant and equipment	-	(9,647)
Proceeds on disposal of property, plant and equipment	6,500	-
Decrease (increase) in prepaid expenses	(514)	949
	<u>12,792</u>	<u>(889)</u>
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>27,408</b>	<b>(80,522)</b>
<b>NET FINANCIAL ASSETS - BEGINNING OF YEAR</b>	<b>327,682</b>	<b>408,204</b>
<b>NET FINANCIAL ASSETS - END OF YEAR</b> <i>(Note 3)</i>	<b><u>\$ 355,090</u></b>	<b><u>\$ 327,682</u></b>

See notes to financial statements



**LIBERTY VILLAGE BIA**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ 14,616	\$ (79,633)
Item not affecting cash:		
Amortization of property, plant and equipment	6,806	7,809
	<u>21,422</u>	<u>(71,824)</u>
Changes in non-cash working capital:		
Accounts receivable- City of Toronto	(59,430)	13,810
Accounts receivable- other	27	537
HST recoverable	(33,055)	(27,378)
Accounts payable and accrued liabilities	153,635	23,833
Deferred revenue	9,962	3,500
Prepaid expenses	(514)	949
	<u>70,625</u>	<u>15,251</u>
Cash flow from (used by) operating activities	<u>92,047</u>	<u>(56,573)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(9,647)
Adjustment to purchase of property, plant and equipment	6,500	-
	<u>6,500</u>	<u>(9,647)</u>
Cash flow from (used by) investing activities	<u>6,500</u>	<u>(9,647)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>98,547</b>	<b>(66,220)</b>
Cash - beginning of year	<u>321,303</u>	<u>387,523</u>
<b>CASH - END OF YEAR (Note 3)</b>	<b>\$ 419,850</b>	<b>\$ 321,303</b>

See notes to financial statements

**LIBERTY VILLAGE BIA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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1. PURPOSE OF THE ORGANIZATION

The Liberty Village Business Improvement Area ("BIA") is established as a Business Improvement Area under the management and control of a Board of Management ("Board") appointed by Council of the City of Toronto.

The Board is entrusted with the improvements, beautification and maintenance of the 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 property tax 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB), the most significant of which are as follows:

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued.

Cash and cash equivalents

Cash includes cash and cash equivalents. In the current and prior year the balance reflected cash held in a Canadian Chartered bank. No cash equivalents are included.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Benches	5 years	straight-line method
Computer equipment	3 years	straight-line method
Dufferin/Liberty Gateway	5 years	straight-line method

The organization regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Revenue recognition

The BIA receives special charges from its members which are levied and collected by the City of Toronto. It also receives cash donations and sponsorships from corporate and private donors and grants from local, provincial and federal governments for events and festivals. Revenue is being recorded upon the signing of contracts and when collection can be reasonably ascertained.

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**LIBERTY VILLAGE BIA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed Services

Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

Use of Estimates

The preparation of these financial statements in accordance with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include determining the useful lives of tangible capital assets for amortization, the allowance for uncollectable levies and accounts receivables and contingent liabilities. Actual results could differ from management's best estimates, as additional information becomes available in the future.

3. CASH

	2021	2020
Cash	<b>\$ 419,850</b>	<b>\$ 321,303</b>

4. CITY OF TORONTO - SPECIAL CHARGES

Special charges levied by the City of Toronto ("the City") are collected and remitted to the BIA by the City. The total special charges outstanding consist of amounts collected by the City not yet remitted to the BIA and amounts uncollected by the City.

The BIA records special charges receivable net of an allowance for uncollected amounts. The special charges receivable from the City of Toronto are comprised of:

	2021	2020
Total special charges outstanding	<b>\$ 67,895</b>	<b>\$ 32,065</b>
Less: allowance for uncollected special charges	<b>(5,200)</b>	<b>(28,800)</b>
Special charges receivable	<b>\$ 62,695</b>	<b>\$ 3,265</b>

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ -	\$ -	\$ -	\$ 1,073
Benches	53,210	43,117	<b>10,093</b>	22,326
	<b>\$ 53,210</b>	<b>\$ 43,117</b>	<b>\$ 10,093</b>	<b>\$ 23,399</b>

**LIBERTY VILLAGE BIA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Accounts payable and accrued liabilities consist of:		
Accounts payable	\$ 188,038	\$ 31,031
Accrued liabilities	4,414	11,022
Payroll liabilities	3,879	643
	<b>\$ 196,331</b>	<b>\$ 42,696</b>

7. GRANTS, SPONSORSHIP AND OTHER REVENUE

	2021	2020
Grants, sponsorship and other revenue consist of:		
Event revenue	\$ -	\$ 120
Grants	11,000	2,500
	<b>\$ 11,000</b>	<b>\$ 2,620</b>

8. ADMINISTRATION

	2021	2020
Administration consists of:		
Accounting and legal	\$ 17,094	\$ 9,404
Audit fees	4,362	4,223
Bank charges	1,805	1,851
Consultants	45,181	111,312
Insurance	6,144	4,775
Meeting expenses (non-AGM)	-	669
Membership and associations	5,000	5,000
Office	9,324	18,893
Rent	18,474	13,017
Salaries and benefits	54,948	42,521
Travel	-	55
	<b>\$ 162,332</b>	<b>\$ 211,720</b>

9. MAINTENANCE

	2021	2020
Maintenance expense consist of:		
Flowers and floral care	\$ 18,305	\$ 15,807
Hydro	469	408
Repairs and maintenance	186,581	94,570
	<b>\$ 205,355</b>	<b>\$ 110,785</b>

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**LIBERTY VILLAGE BIA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

9. MAINTENANCE *(continued)*

	2021	2020
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Repairs and maintenance includes cost-shared capital improvement expenses on publicly owned property of \$178,912 (2020- \$89,951), incurred in co-operation with the City.

10. PROMOTION AND ADVERTISING

	2021	2020
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Promotion and advertising expense consist of:

Advertising	\$ 27,921	\$ 9,842
Festival- Give Me Liberty	7,853	3,872
Market research	-	17,179
Meeting expenses (AGM)	-	431
Other	9,211	28,741
Other event expenses	15,923	46,932
Website	-	5,947
	<b>\$ 60,908</b>	<b>\$ 112,944</b>

11. CAPITAL EXPENSES

In order to finance major capital expenditures, the BIA annually budgets certain amounts and accumulates these amounts as operating 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. Any excess actual capital expenditures are financed out of the accumulated surplus.

12. 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 incident has been obtained by the Board through the City. In addition, the BIA has insurance for director liability, office equipment and insurance coverage for theft of cash which could occur due to break-in.

13. BUDGET

Budget figures are for comparison purposes only as prepared by the BIA and have not been subject to audit procedures. Accordingly, the auditor does not express any opinion regarding the budget figures.

14. 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 the Council of the City of Toronto's approval. The Board is committed to capital improvement projects of which the Board's share of \$174,249 (2020- \$344,168) was outstanding as at December 31, 2021.

**LIBERTY VILLAGE BIA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2021**

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15. IMPACT OF COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at March 26, 2022, the organization is aware of changes in its operations as a result of the COVID-19 crisis, including the closure of its offices and the delay and/or cancellation of certain events. It is not possible to reliably estimate the duration and severity of these consequences as well as their potential impact on the financial position and results of operations for the organization for future periods.

Management is of the opinion that satisfactory measures have been taken to adjust operations such that Covid-19 related impacts have not had a material adverse effect on the organization.

No grants have been applied for or received in respect of Covid-19 under the various support programs available.

16. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of Chartered Professional Accountants.

*Julie Kaye*

*Hanna*

**SIGNATURE CERTIFICATE**



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<p><b>Name</b> Kirolos Hanna</p> <p><b>Email</b> kirolos.hanna@bmo.com</p> <p><b>Components</b> 1</p>	<p><b>Status</b> signed</p> <p><b>Multi-factor Digital Fingerprint Checksum</b> c806baae901c424ca2e97765f84e0cc291d83db2ef8e92b1df08bad847e9abc9</p> <p><b>IP Address</b> 198.96.178.33</p> <p><b>Device</b> Chrome via Windows</p> <p><b>Drawn Signature</b></p>  <p><b>Signature Reference ID</b> E06AB8E4</p> <p><b>Signature Biometric Count</b> 217</p>	<p><b>Viewed At</b> 04/29/2022 11:27 EDT</p> <p><b>Identity Authenticated At</b> 04/29/2022 11:28 EDT</p> <p><b>Signed At</b> 04/29/2022 11:28 EDT</p>

# AUDITS

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March 28, 2022

Confidential

Liberty Village BIA  
67 Mowat Ave, Suite 104  
Toronto ON M6K 3E3

Attention: Julie Kaye.

Dear Julie:

The objective of our audit was to obtain reasonable assurance that the financial statements were free of material misstatement; our audit was not designed for the purpose of identifying matters to communicate. Accordingly, our audit would not usually identify all such matters that may be of interest to you and it is inappropriate to conclude that no such matters exist.

During the course of our audit of Liberty Village BIA for the year ended December 31, 2021, we did not identify any of the following matters: misstatements, other than trivial errors; fraud; misstatements that may cause future financial statements to be materially misstated; illegal or possibly illegal acts, other than ones considered inconsequential; or significant weaknesses in internal control.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours truly,

Bob Gore, CPA,CA

ROBERT GORE & ASSOCIATES

Chartered Professional Accountants