

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

**Financial Statements  
For the Year Ended December 31, 2011**

**EMERY VILLAGE  
BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2011**

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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 Emery Village Business Improvement Area**

I have audited the accompanying financial statements of Emery Village Business Improvement Area, which comprise the statement of financial position as at December 31, 2011 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, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

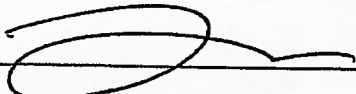
Toronto, Ontario  
July 12, 2012

  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
EMERY VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2011**

	2011 \$	2010 \$
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments	1,700,058	1,441,132
Accounts receivable		
City of Toronto – special charges (Note 3)	220,870	71,190
Other	221,693	116,776
	<u>2,142,621</u>	<u>1,629,098</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
City of Toronto	94,636	261,972
Other (note 5)	187,120	148,910
	<u>281,756</u>	<u>410,882</u>
<b>NET FINANCIAL ASSETS</b>	1,860,865	1,218,216
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	126,440	251,214
	<u>1,987,305</u>	<u>1,469,430</u>
<b>ACCUMULATED SURPLUS</b>	<u>1,987,305</u>	<u>1,469,430</u>

Approved on behalf of the Board of Management:

  
 \_\_\_\_\_  
 Chair *T. Thompson*

  
 \_\_\_\_\_  
 Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
EMERY VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>2011 \$ Budget (Note 9)</b>	<b>2011 \$ Actual</b>	<b>2010 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	2,086,139	2,102,971	1,771,826
Sponsorships and contributions	125,000	102,986	94,237
Interest and Other	30,000	30,444	28,804
	<u>2,241,139</u>	<u>2,236,401</u>	<u>1,894,867</u>
<b>EXPENSES</b>			
Administration	535,800	416,643	377,800
Promotion and advertising	522,500	535,527	525,468
Design, Maintenance & Improvements	235,000	550,125	657,909
Capital / amortization	770,000	171,240	171,708
Provision for uncollected special charges (Note 3)	177,839	44,991	109,128
	<u>2,241,139</u>	<u>1,718,526</u>	<u>1,842,013</u>
<b>SURPLUS FOR THE YEAR</b>	-	517,875	52,854
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	1,469,430	1,469,430	1,416,576
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>1,469,430</u>	<u>1,987,305</u>	<u>1,469,430</u>

**THE BOARD OF MANAGEMENT FOR THE  
EMERY VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Increase (decrease) in cash and short-term investments		
<b>Cash flows from operating transactions</b>		
Surplus for the year	517,875	52,854
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	171,240	171,708
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(149,680)	61,602
Accounts receivable – other	(104,917)	(46,744)
Accounts payable - City of Toronto	(167,336)	(360,259)
Accounts payable – other	38,210	(89,346)
<b>Cash Provided By (Used In) Operations</b>	305,392	(210,185)
<b>Capital Transactions</b>		
Purchase of tangible capital assets	(46,466)	(108,761)
<b>Cash and short-term investments, Beginning Of Year</b>	1,441,132	1,760,078
<b>Cash and short-term investments, End Of Year</b>	1,700,058	1,441,132

**THE BOARD OF MANAGEMENT FOR THE  
EMERY VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**1. ESTABLISHMENT AND OPERATIONS**

The Emery 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:
- |                        |         |
|------------------------|---------|
| Office Furniture       | 5 years |
| Street Furniture       | 5 years |
| Planters               | 5 years |
| Benches                | 5 years |
| Signs                  | 5 years |
| Lighting               | 5 years |
| Computers              | 3 years |
| Flags, Banners & Poles | 3 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  
EMERY VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

	2011 \$	2010 \$
Total special charges outstanding	601,970	463,490
Less: allowance for uncollected special charges	<u>(381,100)</u>	<u>(392,300)</u>
Special charges receivable	<u>220,870</u>	<u>71,190</u>

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

	2011 \$	2010 \$
Special charges written-off	56,191	20,428
Provision for losses on assessment appeals	<u>(11,200)</u>	<u>88,700</u>
	<u>44,991</u>	<u>109,128</u>



**THE BOARD OF MANAGEMENT FOR THE  
EMERY VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**4. TANGIBLE CAPITAL ASSETS**

	<b>2011</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net book Value</b>
Office Furniture	5,800	4,990	810
Planters	54,717	39,380	15,337
Benches	23,896	20,898	2,998
Lighting	131,727	97,533	34,194
Computer	3,512	1,170	2,342
Street Furniture	90,118	36,046	54,072
Flags, Banners & Poles	360,857	344,170	16,687
	<u>670,627</u>	<u>544,187</u>	<u>126,440</u>

	<b>2010</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net book Value</b>
Office Furniture	5,800	4,720	1,080
Planters	54,717	29,730	24,987
Benches	23,896	17,631	6,265
Signs	10,500	10,500	-
Lighting	113,802	71,188	42,614
Street Furniture	90,118	18,023	72,095
Flags, Banners & Poles	335,828	231,655	104,173
	<u>634,661</u>	<u>383,447</u>	<u>251,214</u>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER**

Accounts payable and accrued liabilities – other includes unspent funds amounting to \$89,917 (2010 - \$83,237) which were raised specifically for charitable and not-for-profit projects. These funds are retained in a separate bank account.

**THE BOARD OF MANAGEMENT FOR THE  
EMERY VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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**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.

**7. 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.

**8. 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 \$236,938 (2010 - \$nil) was outstanding as at December 31, 2011.

**9. 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.

**10. COMPARATIVE FIGURES**

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