

Appendix F:

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

**Financial Statements
For the Year Ended December 31, 2010**

**EMERY VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2010

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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, 2010 and the statements of revenue, expenditure and operating surplus and changes in financial position 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.

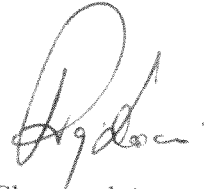
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2010 and its results of financial activities and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
March 11, 2011


Chartered Accountant
Licensed Public Accountant


THE BOARD OF MANAGEMENT FOR THE
 EMERY VILLAGE BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2010

	2010	2009
	\$	\$
ASSETS		
Current		
Cash and short-term investments	1,441,132	1,760,078
Accounts receivable		
City of Toronto – special charges (Note 3)	71,190	132,792
Other	116,776	70,032
	<u>1,629,098</u>	<u>1,962,902</u>
Capital assets, net (note 4)	<u>251,214</u>	<u>314,161</u>
	<u>1,880,312</u>	<u>2,277,063</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	261,972	622,231
Other (Note 5)	148,910	238,256
	<u>410,882</u>	<u>860,487</u>
ACCUMULATED SURPLUS		
Restricted	251,214	314,161
Unrestricted	1,218,216	1,102,415
	<u>1,469,430</u>	<u>1,416,576</u>
	<u>1,880,312</u>	<u>2,277,063</u>

Approved on behalf of the Board of Management:



 Chair



 Treasurer

THE BOARD OF MANAGEMENT FOR THE
 EMERY VILLAGE BUSINESS IMPROVEMENT AREA
 STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	2010 \$ Budget (Note 9)	2010 \$ Actual	2009 \$ Actual
REVENUE			
City of Toronto – special charges	1,767,335	1,771,826	1,800,241
Sponsorships and contributions	-	94,237	132,232
Interest and Other	90,000	28,804	57,954
	1,857,335	1,894,867	1,990,427
EXPENDITURE			
Administration	451,800	377,800	446,477
Promotion and advertising	452,500	525,468	494,865
Design, Maintenance & Improvements	730,000	657,909	768,295
Amortization of capital assets	180,000	171,708	151,956
Provision for uncollected special charges (Note 3)	43,035	109,128	155,018
	1,857,335	1,842,013	2,016,611
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	52,854	(26,184)
OPERATING SURPLUS, BEGINNING OF YEAR	1,416,576	1,416,576	1,442,760
OPERATING SURPLUS, END OF YEAR	1,416,576	1,469,430	1,416,576

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010 \$	2009 \$
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess (Deficiency) of revenue over expenditure for the year	52,854	(26,184)
Add: non-cash item Amortization of capital assets	171,708	151,956
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	61,602	115,376
Accounts receivable – other	(46,744)	12,014
Accounts payable - City of Toronto	(360,259)	232,230
Accounts payable – other	(89,346)	175,991
CASH PROVIDED BY (USED IN) OPERATIONS	(210,185)	661,383
INVESTING ACTIVITY		
Purchase of capital assets	(108,761)	(335,625)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	1,760,078	1,434,320
CASH, AND SHORT-TERM INVESTMENTS, END OF YEAR	1,441,132	1,760,078

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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 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:

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, 2010

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:

	2010	2009
	\$	\$
Total special charges outstanding	463,490	436,392
Less: allowance for uncollected special charges	(392,300)	(303,600)
Special charges receivable	<u>71,190</u>	<u>132,792</u>

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

	2010	2009
	\$	\$
Special charges written-off	20,428	19,718
Provision for losses on assessment appeals	88,700	135,300
	<u>109,128</u>	<u>155,018</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, 2010

4. CAPITAL ASSETS

	2010		
	Cost	Accumulated Amortization	Net book Value
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>

	2009		
	Cost	Accumulated Amortization	Net book Value
Office Furniture	4,450	3,560	890
Planters	42,420	18,787	23,633
Benches	18,900	12,852	6,048
Signs	10,500	8,400	2,100
Lighting	113,802	48,428	65,374
Computer	6,000	6,000	-
Flags, Banners & Poles	335,828	119,712	216,116
	<u>531,900</u>	<u>217,739</u>	<u>314,161</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

Accounts payable and accrued liabilities – other includes unspent funds amounting to \$83,237 (2009 - \$88,761) 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, 2010**

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. 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 (2009 - \$384,000) was outstanding as at December 31, 2010.

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. 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.