

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

**Financial Statements
For the Year Ended December 31, 2013**

**EMERY VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2013

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INDEPENDENT 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, 2013 and the statements of operations and accumulated surplus, changes in net assets 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 Emery Village Business Improvement Area as at December 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
June 23, 2014


Chartered Accountant
Licensed Public Accountant

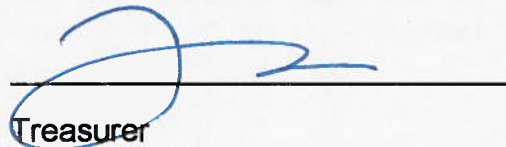
**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013	2012
	\$	\$
FINANCIAL ASSETS		
Cash and short-term investments (Note 5)	2,930,697	2,681,515
Accounts receivable		
City of Toronto – special charges (Note 3)	251,438	306,158
Other	172,522	158,663
	<u>3,354,657</u>	<u>3,146,336</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	140,198	116,701
Other (Note 5)	231,059	459,561
	<u>371,257</u>	<u>576,262</u>
NET FINANCIAL ASSETS	2,983,400	2,570,074
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	165,721	251,347
ACCUMULATED SURPLUS	<u>3,149,121</u>	<u>2,821,421</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 \$ Budget (Note 9)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	2,466,186	2,470,921	2,261,360
Sponsorships and contributions	-	10,055	94,570
Interest and Other	40,000	40,891	33,241
	<u>2,506,186</u>	<u>2,521,867</u>	<u>2,389,171</u>
EXPENSES			
Administration	609,794	476,259	439,523
Promotion and advertising	727,796	667,163	493,310
Design, Maintenance & Improvements	317,102	356,592	499,899
Capital (Note 8)	862,755	552,277	-
Amortization	-	93,684	109,564
Provision for uncollected special charges (Note 3)	(11,261)	48,192	12,759
	<u>2,506,186</u>	<u>2,194,167</u>	<u>1,555,055</u>
SURPLUS FOR THE YEAR	-	327,700	834,116
OPERATING SURPLUS, BEGINNING OF YEAR	<u>2,821,421</u>	<u>2,821,421</u>	<u>1,987,305</u>
OPERATING SURPLUS, END OF YEAR	<u>2,821,421</u>	<u>3,149,121</u>	<u>2,821,421</u>

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u> \$	<u>2012</u> \$
Surplus for the year	327,700	834,116
Acquisition of tangible capital assets	(8,058)	(234,471)
Amortization of tangible capital assets	<u>93,684</u>	<u>109,564</u>
	413,326	709,209
Balance - Beginning of year	2,570,074	1,860,865
Balance - End of year	<u>2,983,400</u>	<u>2,570,074</u>

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 \$	2012 \$
Cash flows from operating activities		
Surplus for the year	327,700	834,116
Non-cash changes to operations		
Adjustment for non-cash item		
Amortization	93,684	109,564
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	54,720	(85,288)
Accounts receivable – other	(13,859)	63,030
Accounts payable - City of Toronto	23,497	22,065
Accounts payable – other	(228,502)	272,441
Cash Provided By Operations	257,240	1,215,928
Investing Activities		
Purchase of tangible capital assets	(8,058)	(234,471)
Cash and short-term investments, Beginning Of Year	2,681,515	1,700,058
Cash and short-term investments, End Of Year	2,930,697	2,681,515

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 |
| Joseph Bannon Statue | 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 |
| Streetscape | 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
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

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:

	2013 \$	2012 \$
Total special charges outstanding	586,538	650,758
Less: allowance for uncollected special charges	(335,100)	(344,600)
Special charges receivable	<u>251,438</u>	<u>306,158</u>

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

	2013 \$	2012 \$
Special charges written-off	57,692	49,259
Change in provision for losses on assessment appeals	(9,500)	(36,500)
	<u>48,192</u>	<u>12,759</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, 2013**

4. TANGIBLE CAPITAL ASSETS

2013											
	Office Furniture	Signs	Joseph Bannon Statue	Planters	Street Scope	Benches	Lights	Computer	Street Furniture	Flags, Banners & Poles	Total
Cost											
Beginning	5,900	13,974	26,250	40,547	138,023	4,996	122,577	3,512	90,118	59,748	505,645
Additions	-	-	-	-	-	-	-	2,598	-	5,460	8,058
Disposals	-	-	-	-	-	-	-	-	-	-	-
Ending	5,900	13,974	26,250	40,547	138,023	4,996	122,577	6,110	90,118	65,208	513,703
Accumulated Amortization											
Beginning	1,720	2,795	5,250	30,214	27,604	2,997	99,049	2,341	54,070	28,258	254,298
Amortization	1,180	2,795	5,250	6,010	27,604	999	8,048	2,037	18,024	21,737	93,684
Disposals	-	-	-	-	-	-	-	-	-	-	-
Ending	2,900	5,590	10,500	36,224	55,208	3,996	107,097	4,378	72,094	49,995	347,992
Net Book Value	3,000	8,384	15,750	4,323	82,815	1,000	15,480	1,732	18,024	15,213	165,721

2012											
	Office Furniture	Signs	Joseph Bannon Statue	Planters	Street Scope	Benches	Lights	Computer	Street Furniture	Flags, Banners & Poles	Total
Cost											
Beginning	1,350	-	-	37,442	-	4,996	108,727	3,512	90,118	25,029	271,174
Additions	4,550	13,974	26,250	3,105	138,023	-	13,850	-	-	34,719	234,471
Disposals	-	-	-	-	-	-	-	-	-	-	-
Ending	5,900	13,974	26,250	40,547	138,023	4,996	122,577	3,512	90,118	59,748	505,645
Accumulated Amortization											
Beginning	540	-	-	22,105	-	1,998	74,533	1,170	36,046	8,342	144,734
Amortization	1,180	2,795	5,250	8,109	27,604	999	24,516	1,171	18,024	19,916	109,564
Disposals	-	-	-	-	-	-	-	-	-	-	-
Ending	1,720	2,795	5,250	30,214	27,604	2,997	99,049	2,341	54,070	28,258	254,298
Net Book Value	4,180	11,179	21,000	10,333	110,419	1,999	23,528	1,171	36,048	31,490	251,347

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

Accounts payable and accrued liabilities – other includes unspent funds amounting to \$92,577 (2012 - \$91,912) which were raised specifically for charitable and not-for-profit projects. These funds are retained in a separate bank account.

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. CAPITAL EXPENSES

In order to finance major capital expenses the BIA annually budgets certain amounts and accumulates them 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 expenses are financed out of the accumulated surplus.

9. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures.

