

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

**Financial Statements
For the Year Ended December 31, 2015**

**EMERY VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2015

CONTENTS

	<u>Page</u>
Independent auditor's report	3
Financial statements	
Statement of financial position	4
Statement of operations and Accumulated Surplus	5
Statement of changes in net financial assets	6
Statement of cash flows	7
Notes to financial statements	8 – 11

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, 2015 and the statement of operations and accumulated surplus, statement of changes in net financial assets and statement of cash flows for the year then ended, and the related notes which comprises 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 accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB) 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, 2015 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB).


Toronto, Ontario
July 3, 2016


Chartered Professional Accountant
Licensed Public Accountant

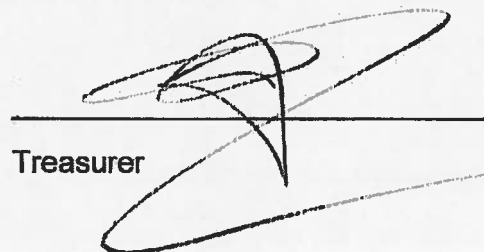
**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash and short-term investments (Note 5)	3,857,921	3,296,103
Accounts receivable		
City of Toronto – special charges (Note 3)	368,309	458,521
Other	175,460	182,929
	<u>4,401,690</u>	<u>3,937,553</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	205,367	95,915
Other (Note 5)	200,006	217,999
	<u>405,373</u>	<u>313,914</u>
NET FINANCIAL ASSETS	3,996,317	3,623,639
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	113,764	154,928
ACCUMULATED SURPLUS	<u>4,110,081</u>	<u>3,778,567</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, 2015**

	2015 \$ Budget (Note 9)	2015 \$ Actual	2014 \$ Actual
REVENUE			
City of Toronto – special charges	2,505,010	2,513,386	2,678,848
Sponsorships and contributions	-	32,172	928
Interest and Other	5,000	31,841	24,991
	<u>2,510,010</u>	<u>2,577,399</u>	<u>2,704,767</u>
EXPENSES			
Administration	610,564	485,251	420,155
Promotion and advertising	1,153,000	957,244	863,001
Design, Maintenance & Improvements	313,094	322,600	345,015
Capital (Note 8)	696,232	406,008	352,703
Amortization	-	79,057	101,508
Provision for (recovery of) uncollected special charges (Note 3)	(102,880)	(4,275)	(7,061)
	<u>2,670,010</u>	<u>2,245,885</u>	<u>2,075,321</u>
SURPLUS (DEFICIT) FOR THE YEAR	(160,000)	331,514	629,446
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,778,567	3,778,567	3,149,121
ACCUMULATED SURPLUS, END OF YEAR	3,618,567	4,110,081	3,778,567

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
	\$	\$
Surplus for the year	331,514	629,446
Acquisition of tangible capital assets	(37,893)	(90,715)
Amortization of tangible capital assets	79,057	101,508
	372,678	640,239
Balance - Beginning of year	3,623,639	2,983,400
Balance - End of year	<u>3,996,317</u>	<u>3,623,639</u>

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
	\$	\$
Cash flows from operating activities		
Surplus for the year	331,514	629,446
Non-cash changes to operations		
Adjustment for non-cash item		
Amortization	79,057	101,508
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	90,212	(207,083)
Accounts receivable – other	7,469	(10,407)
Accounts payable - City of Toronto	109,452	(44,283)
Accounts payable – other	(17,993)	(13,060)
Cash Provided By Operations	599,711	456,121
Investing Activities		
Purchase of tangible capital assets	(37,893)	(90,715)
Cash and short-term investments, Beginning Of Year	3,296,103	2,930,697
Cash and short-term investments, End Of Year	3,857,921	3,296,103

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB), the most significant of which are as follows:

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.

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:

Streetscape	5 years	Office Furniture	5 years
Lighting	5 years	Joseph Bannon Statue	5 years
Signs	5 years	Flags, Banners & Poles	3 years
Computers	3 years	Benches	5 years
Street Furniture	5 years	Planters	5 years

Contributed services:

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

Financial instruments:

Financial instruments are recorded at the approximated fair value.

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2015**

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 uncollectible levies and accounts receivable and contingent liabilities. Actual results could differ from management's best estimates, as additional information becomes available in the future.

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:

	2015	2014
	\$	\$
Total special charges outstanding	658,109	819,821
Less: allowance for uncollected special charges	(289,800)	(361,300)
Special charges receivable	<u>368,309</u>	<u>458,521</u>

The provision for (recovery of) uncollected levies reported on the Statement of Operations and Accumulated Surplus comprises:

	2015	2014
	\$	\$
Special charges written-off (recovered)	67,225	(33,261)
Change in provision for losses on assessment appeals	(71,500)	26,200
	<u>(4,275)</u>	<u>(7,061)</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, 2015**

4. TANGIBLE CAPITAL ASSETS

2015											
	Office Furniture	Signs	Joseph Bannon Statue	Planters	Street Scape	Benches	Lights	Computer	Street Furniture	Flags, Banners & Poles	Total
Cost											
Beginning	5,900	23,946	26,250	67,517	138,023	4,996	31,775	2,598	90,118	68,807	459,930
Additions	-	3,500	-	-	-	-	9,665	16,060	-	8,668	37,893
Disposals	-	-	-	-	-	-	-	-	-	-	-
Ending	5,900	27,446	26,250	67,517	138,023	4,996	41,440	18,658	90,118	77,475	497,823
Accumulated Amortization											
Beginning	4,080	10,379	15,750	24,583	82,813	4,996	22,650	1,732	90,118	47,901	305,002
Amortization	910	5,489	5,250	11,044	27,605	-	8,288	6,219	-	14,252	79,057
Disposals	-	-	-	-	-	-	-	-	-	-	-
Ending	4,990	15,868	21,000	35,627	110,418	4,996	30,938	7,951	90,118	62,153	384,059
Net Book Value	910	11,578	5,250	31,890	27,605	-	10,502	10,707	-	15,322	113,764

2014											
	Office Furniture	Signs	Joseph Bannon Statue	Planters	Street Scape	Benches	Lights	Computer	Street Furniture	Flags, Banners & Poles	Total
Cost											
Beginning	5,900	13,974	26,250	15,402	138,023	4,996	31,775	2,598	90,118	40,179	513,703
Additions	-	9,972	-	52,115	-	-	-	-	-	28,628	90,715
Disposals	-	-	-	-	-	-	-	-	-	-	-
Ending	5,900	23,946	26,250	67,517	138,023	4,996	31,775	2,598	90,118	68,807	604,418
Accumulated Amortization											
Beginning	2,900	5,590	10,500	11,079	55,208	3,996	16,295	866	72,094	24,966	347,982
Amortization	1,180	4,789	5,250	13,504	27,605	1,000	6,355	866	18,024	22,935	101,508
Disposals	-	-	-	-	-	-	-	-	-	-	-
Ending	4,080	10,379	15,750	24,583	82,813	4,996	22,650	1,732	90,118	47,901	449,490
Net Book Value	1,820	13,567	10,500	42,934	55,210	-	9,125	866	-	20,906	154,928

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2015**

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

Accounts payable and accrued liabilities – other includes unspent funds amounting to \$23,320 (2014 - \$69,686) 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 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.

10. 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 \$91,068 (2014 - \$nil) was outstanding as at December 31, 2015.