

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

**Financial Statements  
For the Year Ended December 31, 2016**

# **EMERY VILLAGE BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2016**

## **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, 2016 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.

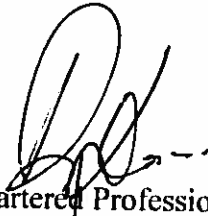
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2016 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).

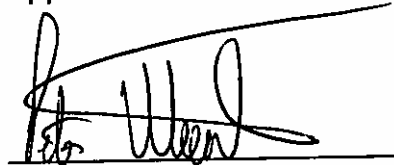
Toronto, Ontario  
June 12, 2017

  
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, 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>FINANCIAL ASSETS</b>		
Cash	1,549,215	588,387
Short-term Investments (Note 3)	2,566,764	3,269,534
Accounts receivable		
City of Toronto – special charges (Note 4)	356,610	368,309
Other	385,561	175,460
	<u>4,858,150</u>	<u>4,401,690</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
City of Toronto	213,369	205,367
Other (Note 6)	265,708	200,006
	<u>479,077</u>	<u>405,373</u>
<b>NET FINANCIAL ASSETS</b>	<b>4,379,073</b>	<b>3,996,317</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 5)	40,979	113,764
<b>ACCUMULATED SURPLUS</b>	<u><b>4,420,052</b></u>	<u><b>4,110,081</b></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, 2016**

	<b>2016 \$ Budget (Note 10)</b>	<b>2016 \$ Actual</b>	<b>2015 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	2,500,034	2,504,330	2,513,386
Sponsorships and contributions	-	164,775	32,172
Interest and Other	-	19,285	31,841
	<u>2,500,034</u>	<u>2,688,390</u>	<u>2,577,399</u>
<b>EXPENSES</b>			
Administration	586,442	470,560	485,251
Promotion and advertising	1,183,000	1,073,498	957,244
Design, Maintenance & Improvements	303,094	339,295	322,600
Capital (Note 9)	1,701,232	440,020	406,008
Amortization	-	72,785	79,057
Provision for (recovery of) uncollected special charges (Note 4)	(33,734)	(17,739)	(4,275)
	<u>3,740,034</u>	<u>2,378,419</u>	<u>2,245,885</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	(1,240,000)	309,971	331,514
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>4,110,081</u>	<u>4,110,081</u>	<u>3,778,567</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>2,870,081</u>	<u>4,420,052</u>	<u>4,110,081</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, 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Surplus for the year	309,971	331,514
Acquisition of tangible capital assets	-	(37,893)
Amortization of tangible capital assets	72,785	79,057
	382,756	372,678
Balance - Beginning of year	3,996,317	3,623,639
Balance - End of year	<u>4,379,073</u>	<u>3,996,317</u>

**THE BOARD OF MANAGEMENT FOR THE  
EMERY VILLAGE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Surplus for the year	309,971	331,514
<b>Non-cash changes to operations</b>		
Adjustment for non-cash item		
Amortization	72,785	79,057
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	11,699	90,212
Accounts receivable - other	(210,101)	7,469
Accounts payable - City of Toronto	8,002	109,452
Accounts payable - other	65,702	(17,993)
<b>Cash Provided By Operations</b>	<b>258,058</b>	<b>599,711</b>
<b>Investing Activities</b>		
Purchase of tangible capital assets	-	(37,893)
(Increase) decrease in short-term investments	702,770	(1,110,541)
<b>Cash, Beginning Of Year</b>	<b>588,387</b>	<b>1,137,110</b>
<b>Cash, End Of Year</b>	<b>1,549,215</b>	<b>588,387</b>

**THE BOARD OF MANAGEMENT FOR THE  
EMERY VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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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 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.

**Short-term investments:**

Short-term investments are highly liquid financial instruments with original maturities greater than three months but less than one year and are classified as "short-term" investments. BIA classifies short-term investments as current assets and reports them at their fair market value.

**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, 2016**

**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. SHORT-TERM INVESTMENTS**

Short-term investments consist of cashable guaranteed investment certificates with the TD Bank. These investments bear interest at the rate of ranging from 0.75% - 0.90% per annum and will be maturing in 2017.

**4. 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:

	2016	2015
	\$	\$
Total special charges outstanding	575,210	658,109
Less: allowance for uncollected special charges	(218,600)	(289,800)
Special charges receivable	<u>356,610</u>	<u>368,309</u>

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

	2016	2015
	\$	\$
Special charges written-off (recovered)	53,461	67,225
Change in provision for losses on assessment appeals	(71,200)	(71,500)
	<u>(17,739)</u>	<u>(4,275)</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, 2016**

**5. TANGIBLE CAPITAL ASSETS**

	2015								
	Office Furniture	Signs	Joseph Bannon Statue	Planters	Street Scape	Lights	Computer	Flags, Banners & Poles	Total
<b>Cost</b>									
Beginning	5,900	27,446	26,250	67,517	138,023	41,440	18,658	77,475	402,709
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
<b>Ending</b>	<b>5,900</b>	<b>27,446</b>	<b>26,250</b>	<b>67,517</b>	<b>138,023</b>	<b>41,440</b>	<b>18,658</b>	<b>77,475</b>	<b>402,709</b>
<b>Accumulated Amortization</b>									
Beginning	4,990	15,868	21,000	35,627	110,418	30,938	7,951	62,153	288,945
Amortization	910	5,488	5,250	11,044	27,605	4,703	5,353	12,432	72,785
Disposals	-	-	-	-	-	-	-	-	-
<b>Ending</b>	<b>5,900</b>	<b>21,356</b>	<b>26,250</b>	<b>46,671</b>	<b>138,023</b>	<b>35,641</b>	<b>13,304</b>	<b>74,585</b>	<b>361,730</b>
<b>Net Book Value</b>	<b>-</b>	<b>6,090</b>	<b>-</b>	<b>20,846</b>	<b>-</b>	<b>5,799</b>	<b>5,354</b>	<b>2,890</b>	<b>40,979</b>

	2014								
	Office Furniture	Signs	Joseph Bannon Statue	Planters	Street Scape	Lights	Computer	Flags, Banners & Poles	Total
<b>Cost</b>									
Beginning	5,900	23,946	26,250	67,517	138,023	31,775	2,598	68,807	459,930
Additions	-	3,500	-	-	-	9,665	16,060	8,668	37,893
Disposals	-	-	-	-	-	-	-	-	-
<b>Ending</b>	<b>5,900</b>	<b>27,446</b>	<b>26,250</b>	<b>67,517</b>	<b>138,023</b>	<b>41,440</b>	<b>18,658</b>	<b>77,475</b>	<b>497,823</b>
<b>Accumulated Amortization</b>									
Beginning	4,080	10,379	15,750	24,583	82,813	22,650	1,732	47,901	305,002
Amortization	910	5,489	5,250	11,044	27,605	8,288	6,219	14,252	79,057
Disposals	-	-	-	-	-	-	-	-	-
<b>Ending</b>	<b>4,990</b>	<b>15,868</b>	<b>21,000</b>	<b>35,627</b>	<b>110,418</b>	<b>30,938</b>	<b>7,951</b>	<b>62,153</b>	<b>384,059</b>
<b>Net Book Value</b>	<b>910</b>	<b>11,578</b>	<b>5,250</b>	<b>31,890</b>	<b>27,605</b>	<b>10,502</b>	<b>10,707</b>	<b>15,322</b>	<b>113,764</b>

**THE BOARD OF MANAGEMENT FOR THE  
EMERY VILLAGE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

Accounts payable and accrued liabilities – other includes unspent funds amounting to \$76,323 (2015 - \$67,082) which were raised specifically for charitable and not-for-profit projects. These funds are retained in a separate bank account.

**7. 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.

**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. 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.

**10. BUDGET**

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

**11. 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 \$302,575 (2015 - \$91,068) was outstanding as at December 31, 2016.

