

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

**Financial Statements
For the Year Ended December 31, 2017**

**EMERY VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2017

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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, 2017 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.

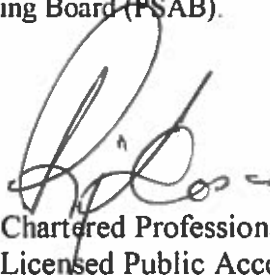
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2017 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
May 10, 2018


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, 2017**

	2017 \$	2016 \$
FINANCIAL ASSETS		
Cash	1,135,834	1,549,215
Short-term Investments (Note 3)	4,096,825	2,566,764
Accounts receivable		
City of Toronto – special charges (Note 4)	128,167	356,610
Other	151,831	385,561
	<u>5,512,657</u>	<u>4,858,150</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	356,696	213,369
Other (Note 6)	282,312	265,708
	<u>639,008</u>	<u>479,077</u>
NET FINANCIAL ASSETS	4,873,649	4,379,073
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	11,500	40,979
ACCUMULATED SURPLUS	<u>4,885,149</u>	<u>4,420,052</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, 2017**

	2017 \$ Budget (Note 10)	2017 \$ Actual	2016 \$ Actual
REVENUE			
City of Toronto – special charges	2,525,779	2,538,732	2,504,330
Sponsorships and contributions	-	162,981	164,775
Interest and Other	-	30,795	19,285
	<u>2,525,779</u>	<u>2,732,508</u>	<u>2,688,390</u>
EXPENSES			
Administration	595,859	491,202	470,560
Promotion and advertising	972,000	853,693	1,073,498
Design, Maintenance & Improvements Capital (Note 9)	330,000	329,973	339,295
Amortization	-	29,479	72,785
Provision for (recovery of) uncollected special charges (Note 4)	(302,928)	168,084	(17,739)
	<u>2,896,163</u>	<u>2,267,411</u>	<u>2,378,419</u>
SURPLUS (DEFICIT) FOR THE YEAR	(370,384)	465,097	309,971
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>4,420,052</u>	<u>4,420,052</u>	<u>4,110,081</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>4,049,668</u>	<u>4,885,149</u>	<u>4,420,052</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, 2017**

	2017	2016
	\$	\$
Surplus for the year	465,097	309,971
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	<u>29,479</u>	<u>72,785</u>
	494,576	382,756
Balance - Beginning of year	4,379,073	3,996,317
Balance - End of year	<u><u>4,873,649</u></u>	<u><u>4,379,073</u></u>

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
	\$	\$
Cash flows from operating activities		
Surplus for the year	465,097	309,971
Non-cash changes to operations		
Adjustment for non-cash item		
Amortization	29,479	72,785
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	228,443	11,699
Accounts receivable – other	233,730	(210,101)
Accounts payable - City of Toronto	143,327	8,002
Accounts payable – other	16,604	65,702
Cash Provided By Operations	1,116,680	258,058
Investing Activities		
Purchase of tangible capital assets	-	-
(Increase) decrease in short-term investments	(1,530,061)	702,770
Cash, Beginning Of Year	1,549,215	588,387
Cash, End Of Year	1,135,834	1,549,215

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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, 2017**

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 0.90% - 1.45% per annum and will be maturing in 2018.

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:

	2017	2016
	\$	\$
Total special charges outstanding	466,567	575,210
Less: allowance for uncollected special charges	(338,400)	(218,600)
Special charges receivable	<u>128,167</u>	<u>356,610</u>

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

	2017	2016
	\$	\$
Special charges written-off (recovered)	48,284	53,461
Change in provision for losses on assessment appeals	119,800	(71,200)
	<u>168,084</u>	<u>(17,739)</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, 2017

5. TANGIBLE CAPITAL ASSETS

	2017								Total
	Office Furniture	Signs	Joseph Bannon Statue	Planters	Street Scape	Lights	Computer	Flags, Banners & Poles	
Cost									
Beginning	-	27,446	-	67,517	-	41,440	18,658	77,475	232,536
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Ending	-	27,446	-	67,517	-	41,440	18,658	77,475	232,536
Accumulated Amortization									
Beginning	-	21,356	-	46,671	-	35,641	13,304	74,585	191,557
Amortization	-	5,488	-	11,044	-	4,703	5,354	2,890	29,479
Disposals	-	-	-	-	-	-	-	-	-
Ending	-	26,844	-	57,715	-	40,344	18,658	77,475	221,036
Net Book Value	-	602	-	9,802	-	1,096	-	-	11,500

	2016								Total
	Office Furniture	Signs	Joseph Bannon Statue	Planters	Street Scape	Lights	Computer	Flags, Banners & Poles	
Cost									
Beginning	5,900	27,446	26,250	67,517	138,023	41,440	18,658	77,475	402,709
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Ending	5,900	27,446	26,250	67,517	138,023	41,440	18,658	77,475	402,709
Accumulated Amortization									
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	-	-	-	-	-	-	-	-	-
Ending	5,900	21,356	26,250	46,671	138,023	35,641	13,304	74,585	361,730
Net Book Value	-	6,090	-	20,846	-	5,799	5,354	2,890	40,979

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2017**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

Accounts payable and accrued liabilities – other includes unspent funds amounting to \$77,488 (2016 - \$76,323) 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 \$124,900 (2016 - \$302,575) was outstanding as at December 31, 2017.