

2/19

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

**Financial Statements
For the Year Ended December 31, 2021**

**EMERY VILLAGE
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2021

CONTENTS

	<u>Page</u>
Independent auditor's report	3 - 4
Financial statements	
Statement of financial position	5
Statement of operations and Accumulated Surplus	6
Statement of changes in net financial assets	7
Statement of cash flows	8
Notes to financial statements	9 - 13

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

Opinion

I have audited the financial statements of Emery Village Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2021, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2021 and its financial performance and its 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).

Basis for Opinion

I conducted my audit in accordance with Canadian auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the BIA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the BIA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BIA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the BIA's financial reporting process.

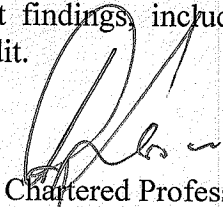
Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 BIA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BIA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the BIA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Toronto, Ontario
June 20, 2022


Chartered Professional Accountant
Licensed Public Accountant

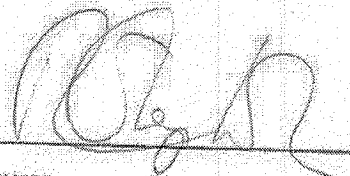
**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

	2021 \$	2020 \$
FINANCIAL ASSETS		
Cash		
Short-term investments (Note 3)	2,364,010	1,524,999
Accounts receivable	5,214,836	5,720,615
City of Toronto – special charges (Note 4)	114,632	256,574
Other	81,705	96,189
	<u>7,775,183</u>	<u>7,598,377</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	435,397
Other	162,847	249,140
	<u>162,847</u>	<u>684,537</u>
NET FINANCIAL ASSETS	7,612,336	6,913,840
NON-FINANCIAL ASSETS		
Prepaid expenses	2,510	2,510
Tangible Capital Assets (Note 5)	47,783	73,182
ACCUMULATED SURPLUS	<u>7,662,629</u>	<u>6,989,532</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, 2021**

	2021 \$ Budget (Note 9)	2021 \$ Actual	2020 \$ Actual
REVENUE			
City of Toronto – special charges	2,541,638	2,581,543	2,677,108
Sponsorships and grants	-	22,500	4,000
Interest and Other	-	27,158	122,537
	2,541,638	2,631,201	2,803,645
EXPENSES			
Administration	650,148	532,430	554,508
Promotion and advertising	407,200	297,979	457,811
Security and Patrol	460,000	497,877	537,184
Design, Maintenance & Improvements	437,000	356,643	360,072
Capital (Note 8)	1,291,232	82,917	508,951
Amortization	-	25,399	35,866
Provision for (recovery of) uncollected special charges (Note 4)	(16,993)	164,859	(14,279)
	3,228,587	1,958,104	2,440,113
SURPLUS (DEFICIT) FOR THE YEAR	(686,949)	673,097	363,532
ACCUMULATED SURPLUS, BEGINNING OF YEAR	6,989,532	6,989,532	6,626,000
ACCUMULATED SURPLUS, END OF YEAR	6,302,583	7,662,629	6,989,532

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021	2020
	\$	\$
Surplus for the year	673,097	363,532
Prepaid expenses	-	(2,510)
Acquisition of tangible capital assets	-	(12,470)
Amortization of tangible capital assets	25,399	35,866
	698,496	384,418
Balance - Beginning of year	6,913,840	6,529,422
Balance - End of year	<u>7,612,336</u>	<u>6,913,840</u>

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021	2020
	\$	\$
Cash flows from operating activities		
Surplus for the year	673,097	363,532
Non-cash changes to operations		
Adjustment for non-cash item		
Amortization	25,399	35,866
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	141,942	(24,768)
Accounts receivable – other	14,484	(7,137)
Accounts payable - City of Toronto	(435,397)	435,397
Accounts payable – other	(86,293)	(32,246)
Cash Provided By Operations	333,232	770,644
Investing Activities		
Purchase of tangible capital assets	-	(12,470)
(Increase) decrease in short-term investments	505,779	140,409
Cash, Beginning Of Year	1,524,999	626,416
Cash, End Of Year	2,364,010	1,524,999

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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, 2021**

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 0.41% - 0.75% per annum and will be maturing in 2022.

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:

	2021	2020
	\$	\$
Total special charges outstanding	168,232	383,174
Less: allowance for uncollected special charges	(53,600)	(126,600)
Special charges receivable	<u>114,632</u>	<u>256,574</u>

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

	2021	2020
	\$	\$
Special charges written-off (recovered)	237,859	(11,379)
Change in provision for losses on assessment appeals	(73,000)	(2,900)
	<u>164,859</u>	<u>(14,279)</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, 2021

5. TANGIBLE CAPITAL ASSETS

	2021					
	Signs	Planters	Lights	Computer	Flags, Banners & Poles	Total
Cost						
Beginning	22,998	80,249	8,090	9,393	108,876	229,606
Additions						
Disposals						
Ending	22,998	80,249	8,090	9,393	108,876	229,606
Accumulated Amortization						
Beginning	9,200	32,100	1,876	4,372	108,876	156,424
Amortization	4,600	16,050	1,618	3,131	-	25,399
Disposals						
Ending	13,800	48,150	3,494	7,503	108,876	181,823
Net Book Value	9,198	32,099	4,596	1,890	-	47,783
	2020					
	Signs	Planters	Lights	Computer	Flags, Banners & Poles	Total
Cost						
Beginning	22,998	80,249	1,290	3,723	108,876	217,136
Additions	-	-	6,800	5,670	-	12,470
Disposals	-	-	-	-	-	-
Ending	22,998	80,249	8,090	9,393	108,876	229,606
Accumulated Amortization						
Beginning	4,600	16,050	258	1,241	98,409	120,558
Amortization	4,600	16,050	1,618	3,131	10,467	35,866
Disposals	-	-	-	-	-	-
Ending	9,200	32,100	1,876	4,372	108,876	156,424
Net Book Value	13,798	48,149	6,214	5,021	-	73,182

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 RISKS

(a) Fair value

The financial instruments recognized in the statement of financial position consist of cash, short-investments, accounts receivable, prepaid expenses, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

(b) Interest rate risk

Interest rate risk is from the possibility that changes in interest rates will affect the value of investments disclosed in Note 3. As these investments are cashable on demand, the BIA is not exposed to this risk.

(c) Liquidity risk

Liquidity risk is that the BIA will encounter difficulties in meeting obligations associated with financial liabilities. The BIA manages its liquidity risk by maintaining sufficient readily available funds in order to meet its liquidity requirements at any point in time.

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.

**THE BOARD OF MANAGEMENT FOR THE
EMERY VILLAGE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2021**

10. COMMITMENTS

The Board is committed to minimum annual operating payments for office space as follows:

	\$
2022	55,200
2023	55,200
2024	55,200
2025	<u>32,200</u>
	<u>197,800</u>