

**THE BOARD OF MANAGEMENT FOR THE
ROSEDALE MAIN STREET
BUSINESS IMPROVEMENT AREA**

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

ROSEDALE MAIN STREET BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2013

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

RAFIQ DOSANI, B.Comm. CPA, CA.
CHARTERED ACCOUNTANT

90 Risebrough Avenue
Toronto, Ontario M2M 2E3
Telephone: (416) 221 - 4095
Fax: (416) 221 - 4160

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the Rosedale Main Street Business Improvement Area

I have audited the accompanying financial statements of the Rosedale Main Street 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.

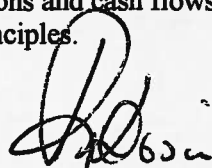
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Board 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
April 23, 2014


Chartered Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
ROSDALE MAIN STREET BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013	2012
	\$	\$
FINANCIAL ASSETS		
Cash and short-term investments	167,833	147,487
Accounts receivable		
City of Toronto – special charges (Note 3)	12,263	18,450
Other	32,223	21,925
	<u>212,319</u>	<u>187,862</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	5,953
Other	38,889	14,220
	<u>38,889</u>	<u>20,173</u>
NET FINANCIAL ASSETS	173,430	167,689
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	26,312	41,360
ACCUMULATED SURPLUS	<u>199,742</u>	<u>209,049</u>

Approved on behalf of the Board of Management:

Chair



Treasurer



**THE BOARD OF MANAGEMENT FOR THE
ROSDALE MAIN STREET BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 \$ Budget (Note 8)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	262,799	262,799	262,864
Interest and miscellaneous	6,000	20,298	18,355
	<u>268,799</u>	<u>283,097</u>	<u>281,219</u>
EXPENSES			
Administration	65,326	62,879	63,837
Promotion and advertising	92,300	110,004	70,610
Maintenance	119,500	92,613	112,239
Capital (Note 7)	30,000	-	-
Amortization	-	15,048	15,048
Provision for uncollected special charges (Note 3)	5,673	11,860	8,494
	<u>312,799</u>	<u>292,404</u>	<u>270,228</u>
SURPLUS (DEFICIT) FOR THE YEAR	(44,000)	(9,307)	10,991
OPERATING SURPLUS, BEGINNING OF YEAR	<u>209,049</u>	<u>209,049</u>	<u>198,058</u>
OPERATING SURPLUS, END OF YEAR	<u>209,049</u>	<u>199,742</u>	<u>209,049</u>

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

	2013	2012
	\$	\$
Surplus (deficit) for the year	(9,307)	10,991
Acquisition of tangible capital assets	-	(5,950)
Amortization of tangible capital assets	<u>15,048</u>	<u>15,048</u>
	5,741	20,089
Balance - Beginning of year	167,689	147,600
Balance - End of year	<u><u>173,430</u></u>	<u><u>167,689</u></u>

**THE BOARD OF MANAGEMENT FOR THE
ROSEDALE MAIN STREET BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	(9,307)	10,991
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	15,048	15,048
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	6,187	13,963
Accounts receivable – other	(10,298)	9,879
Accounts payable - City of Toronto	(5,953)	(27,827)
Accounts payable – other	24,669	741
	<hr/>	<hr/>
Cash Provided By Operations	20,346	22,795
Investing activities		
Purchase of tangible capital assets	-	(5,950)
Cash and short-term investments, Beginning Of Year	<hr/> 147,487	<hr/> 130,642
Cash and short-term investments, End Of Year	<hr/> 167,833	<hr/> 147,487

**THE BOARD OF MANAGEMENT FOR THE
ROSEDALE MAIN STREET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

1. ESTABLISHMENT AND OPERATIONS

The Rosedale Main Street Business Improvement Area (BIA), formerly known as Rosedale-Summerhill Business Improvement Area, 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:

Banners	3 years
Streetscape	5 years
Lights	5 years
Planters	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
ROSEDALE MAIN STREET 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	47,663	45,850
Less: allowance for uncollected special charges	<u>(35,400)</u>	<u>(27,400)</u>
Special charges receivable	<u>12,263</u>	<u>18,450</u>

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

	2013 \$	2012 \$
Special charges written-off	3,860	7,594
Change in allowance for uncollected special charges	<u>8,000</u>	<u>900</u>
	<u>11,860</u>	<u>8,494</u>

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

4. CAPITAL ASSETS

	2013		
	Lights	Street Scape	Total
Cost			
Beginning	24,880	50,362	75,242
Additions	-	-	-
Disposals	-	-	-
Ending	24,880	50,362	75,242
Accumulated Amortization			
Beginning	14,928	18,954	33,882
Amortization	4,976	10,072	15,048
Disposals	-	-	-
Ending	19,904	29,026	48,930
Net Book Value	4,976	21,336	26,312

	2012		
	Lights	Street Scape	Total
Cost			
Beginning	24,880	44,412	69,292
Additions	-	5,950	5,950
Disposals	-	-	-
Ending	24,880	50,362	75,242
Accumulated Amortization			
Beginning	9,952	8,882	18,834
Amortization	4,976	10,072	15,048
Disposals	-	-	-
Ending	14,928	18,954	33,882
Net Book Value	9,952	31,408	41,360

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

5. 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.

6. 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.

7. 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.

8. BUDGET

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

11

