

Appendix V:

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE DISTRICT
BUSINESS IMPROVEMENT AREA**

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

**RIVERSIDE DISTRICT
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 Riverside District Business Improvement Area

I have audited the accompanying financial statements of The Riverside District 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 Riverside District 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
March 1, 2018


Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE DISTRICT BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

	2017 \$	2016 \$
FINANCIAL ASSETS		
Cash	93,263	40,084
Accounts receivable		
City of Toronto – special charges (Note 3)	5,649	31,669
Other	6,293	8,667
	105,205	80,420
 LIABILITIES		
Accounts payable and accrued liabilities		
Other	9,783	7,174
	9,783	7,174
 NET FINANCIAL ASSETS	 95,422	 73,246
 NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	79,551	129,822
ACCUMULATED SURPLUS	174,973	203,068

Approved on behalf of the Board of Management:



 Chair *MITCHELL KORMAN*



 Treasurer

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE DISTRICT BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 \$ Budget (Note 7)	2017 \$ Actual	2016 \$ Actual
REVENUE			
City of Toronto – special charges	187,985	191,629	186,170
Grants, sponsorships and other	7,000	64,469	47,200
	<u>194,985</u>	<u>256,098</u>	<u>233,370</u>
EXPENSES			
Administration	104,076	102,885	97,122
Promotion	45,000	81,108	43,859
Maintenance	43,245	37,601	30,037
Amortization	-	50,271	50,271
Provision for (recovery of) uncollected special charges (Note 3)	(17,336)	12,328	(11,607)
	<u>178,985</u>	<u>284,193</u>	<u>209,682</u>
SURPLUS (DEFICIT) FOR THE YEAR	20,000	(28,095)	23,688
ACCUMULATED SURPLUS, BEGINNING OF YEAR	203,068	203,068	179,380
ACCUMULATED SURPLUS, END OF YEAR	<u>223,068</u>	<u>174,973</u>	<u>203,068</u>

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE DISTRICT BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u> \$	<u>2016</u> \$
Surplus (deficit) for the year	(28,095)	23,688
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	<u>50,271</u>	<u>50,271</u>
	22,176	73,959
Balance - Beginning of year	73,246	(713)
Balance - End of year	<u><u>95,422</u></u>	<u><u>73,246</u></u>

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

	2017	2016
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	(28,095)	23,688
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	50,271	50,271
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	26,020	(27,327)
Accounts receivable – other	2,374	16,437
Accounts payable – City of Toronto	-	(173,344)
Accounts payable – other	2,609	1,885
	<hr/>	<hr/>
Cash Provided By (Used In) Operations	53,179	(108,390)
Investing Activities		
Purchase of tangible capital assets	-	-
Cash, Beginning Of Year	<hr/>	<hr/>
	40,084	148,474
Cash, End Of Year	<hr/>	<hr/>
	93,263	40,084

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

1. ESTABLISHMENT AND OPERATIONS

The Riverside District 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:

Tree Pit	5 years
Bridge Lights	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
RIVERSIDE DISTRICT BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
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. 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	17,549	35,869
Less: allowance for uncollected special charges	(11,900)	(4,200)
Special charges receivable	<u>5,649</u>	<u>31,669</u>

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

	2017 \$	2016 \$
Special charges written-off	4,628	4,393
Change in allowance for uncollected special charges	7,700	(16,000)
	<u>12,328</u>	<u>(11,607)</u>

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

4. CAPITAL ASSETS

	2017		
	Tree Pit	Bridge Lights	Total
Cost			
Beginning	16,400	234,955	251,355
Additions	-	-	-
Disposals	-	-	-
Ending	16,400	234,955	251,355
Accumulated Amortization			
Beginning	13,120	108,413	121,533
Amortization	3,280	46,991	50,271
Disposals	-	-	-
Ending	16,400	155,404	171,804
Net Book Value	-	79,551	79,551
2016			
	Tree Pit	Bridge Lights	Total
Cost			
Beginning	16,400	234,955	251,355
Additions	-	-	-
Disposals	-	-	-
Ending	16,400	234,955	251,355
Accumulated Amortization			
Beginning	9,840	61,422	71,262
Amortization	3,280	46,991	50,271
Disposals	-	-	-
Ending	13,120	108,413	121,533
Net Book Value	3,280	126,542	129,822

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

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.

7. BUDGET

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

