

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

**Financial Statements  
For the Year Ended December 31, 2009**

**RIVERSIDE  
BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2009**

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## AUDITOR'S REPORT


### **To the Council of the Corporation of the City of Toronto and the Board of Management for the Riverside Business Improvement Area**

I have audited the statement of financial position of the Board of Management for the Riverside Business Improvement Area as at December 31, 2009 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2009 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

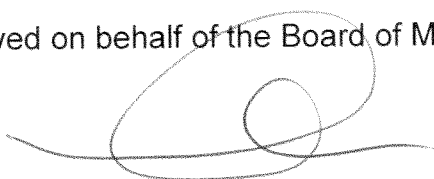
Toronto, Ontario

  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
RIVERSIDE BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2009**

	2009 \$	2008 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments	92,842	88,470
Accounts receivable		
City of Toronto - special charges (Note 4)	10,390	14,262
Other	3,958	3,467
	107,190	106,199
<b>Capital Assets, net (note 5)</b>	10,659	33,488
	117,849	139,687
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		
City of Toronto	6,084	5,189
Other	5,151	2,334
	11,235	7,523
<b>ACCUMULATED SURPLUS</b>		
Restricted	10,659	33,488
Unrestricted	95,955	98,676
	106,614	132,164
	117,849	139,687

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
RIVERSIDE BUSINESS IMPROVEMENT AREA  
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>2009 \$ Budget</b>	<b>2009 \$ Actual</b>	<b>2008 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	137,026	139,741	136,692
Grants	-	1,654	1,915
Interest	-	1,858	539
Contributions, sponsorships and other	6,400	2,500	4,761
	<u>143,426</u>	<u>145,753</u>	<u>143,907</u>
<b>EXPENDITURE</b>			
Administration	50,965	47,999	48,099
Promotion	43,200	42,373	26,227
Maintenance	56,100	50,554	35,660
Amortization of capital assets	-	24,029	23,628
Provision for uncollected special charges (Note 4)	(239)	6,348	700
	<u>150,026</u>	<u>171,303</u>	<u>134,314</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	(6,600)	(25,550)	9,593
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u>98,676</u>	<u>132,164</u>	<u>122,571</u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>92,076</u>	<u>106,614</u>	<u>132,164</u>

**THE BOARD OF MANAGEMENT FOR THE  
RIVERSIDE BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Excess of revenue over expenditure for the year	(25,550)	9,593
Add: Non-cash item Amortization of capital assets	24,029	23,628
 Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	3,872	(5,823)
Accounts receivable – Other	(491)	561
Accounts payable – City of Toronto	895	5,189
Accounts payable – Other	2,817	1,284
	<hr/>	<hr/>
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>	5,572	34,432
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(1,200)	(5,189)
 <b>CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR</b>	<hr/>	<hr/>
	88,470	59,227
 <b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<hr/>	<hr/>
	92,842	88,470

**THE BOARD OF MANAGEMENT FOR THE  
RIVERSIDE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**1. ESTABLISHMENT AND OPERATIONS**

The Riverside 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. CHANGE IN BASIS OF PRESENTATION FOR 2009**

For fiscal year commencing on January 1, 2009 the Canadian Institute of Chartered Accountants (CICA) has required that the accounting recommendations and disclosure requirements, as prescribed by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants, be adopted for use by Ontario municipalities and their local boards and agencies. As a result, the Board has implemented accounting policies as recommended. The implementation of these policies has resulted in the Board changing its method of accounting for capital assets, on a retroactive basis, from expensing them when purchased to capitalizing and amortizing them over their estimated useful lives.

The effect of these changes has been to increase capital assets and surplus by \$10,659 as at December 31, 2009 (2008 – increase \$33,488), and increase expenses by \$22,829 for the year ended December 31, 2009 (2008 – increase expenses by \$18,439). In addition, the opening 2008 comparative figures have been adjusted to reflect the retroactive application of the recommendations, resulting in an increase in surplus by \$51,927.

**THE BOARD OF MANAGEMENT FOR THE  
RIVERSIDE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**3. 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 expenditures 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:
 

Computers	3 years
Street & Christmas lights	5 years
Street furniture	5 years
Planters	5 years
- (c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

**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:

	2009	2008
	\$	\$
Total special charges outstanding	20,890	21,662
Less: allowance for uncollected special charges	(10,500)	(7,400)
Special charges receivable	10,390	14,262



**THE BOARD OF MANAGEMENT FOR THE  
RIVERSIDE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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The provision for uncollected levies reported on the Statement of Revenue, Expenditure and Operating Surplus comprises:

	2009 \$	2008 \$
Special charges written-off	3,248	-
Change in allowance for uncollected special charges	3,100	700
	<u>6,348</u>	<u>700</u>

**5. CAPITAL ASSETS**

	2009		2008	
	Cost	Accumulated Amortization	Net book Value	Net book value
Computer	1,200	400	800	-
Street& Christmas lights	84,410	81,297	3,113	9,654
Street furniture	12,390	9,912	2,478	4,956
Planters	21,340	17,072	4,268	8,536
	<u>119,340</u>	<u>108,681</u>	<u>10,659</u>	<u>23,146</u>

**6. 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 \$nil (2008 – \$5,200) was outstanding as at December 31, 2009.

**THE BOARD OF MANAGEMENT FOR THE  
RIVERRSIDE BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**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. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to current year's presentation.