

Appendix O:

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

**Financial Statements
For the Year Ended December 31, 2010**

RIVERSIDE BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2010

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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 accompanying financial statements of The Riverside Business Improvement Area, which comprise the statement of financial position as at December 31, 2010 and the statements of revenue, expenditure and operating surplus and changes in financial position 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, 2010 and its results of financial activities and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

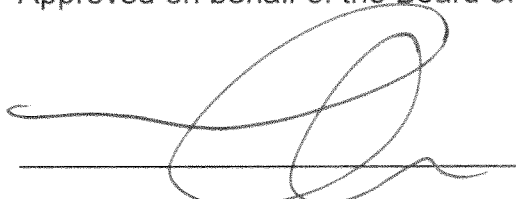
Toronto, Ontario
March 10, 2011


Chartered Accountant
Licensed Public Accountant

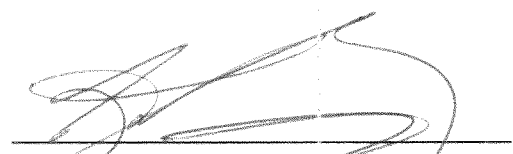
THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010

	2010 \$	2009 \$
ASSETS		
Current		
Cash and short-term investments	86,359	92,842
Accounts receivable		
City of Toronto - special charges (Note 4)	15,971	10,390
Other	5,847	3,958
	108,177	107,190
Capital Assets, net (note 5)	400	10,659
	108,577	117,849
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	3,699	6,084
Other	10,853	5,151
	14,552	11,235
ACCUMULATED SURPLUS		
Restricted	400	10,659
Unrestricted	93,625	95,955
	94,025	106,614
	108,577	117,849

Approved on behalf of the Board of Management:



Chair
M. Karman



Treasurer
R. Broderick

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE BUSINESS IMPROVEMENT AREA
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010 \$ Budget (Note 7)	2010 \$ Actual	2009 \$ Actual
REVENUE			
City of Toronto – special charges	137,026	137,026	139,741
Grants	-	1,000	1,654
Interest	-	-	1,858
Contributions, sponsorships and other	4,600	10,950	2,500
	141,626	148,976	145,753
EXPENDITURE			
Administration	50,805	45,999	47,999
Promotion	48,500	59,663	42,373
Maintenance	43,100	45,404	50,554
Capital / amortization	15,000	10,259	24,029
Provision for uncollected special charges (Note 4)	5,821	240	6,348
	163,226	161,565	171,303
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	(21,600)	(12,589)	(25,550)
OPERATING SURPLUS, BEGINNING OF YEAR	106,614	106,614	132,164
OPERATING SURPLUS, END OF YEAR	85,014	94,025	106,614

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010 \$	2009 \$
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess of revenue over expenditure for the year	(12,589)	(25,550)
Add: Non-cash item Amortization of capital assets	10,259	24,029
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(5,581)	3,872
Accounts receivable – Other	(1,889)	(491)
Accounts payable – City of Toronto	(2,385)	895
Accounts payable – Other	5,702	2,817
CASH PROVIDED BY (USED IN) OPERATIONS	(6,483)	5,572
INVESTING ACTIVITY		
Purchase of capital assets	-	(1,200)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	92,842	88,470
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	86,359	92,842

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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. 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.

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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:

	2010 \$	2009 \$
Total special charges outstanding	24,571	20,890
Less: allowance for uncollected special charges	(8,600)	(10,500)
Special charges receivable	<u>15,971</u>	<u>10,390</u>

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

	2010 \$	2009 \$
Special charges written-off	2,140	3,248
Change in allowance for uncollected special charges	(1,900)	3,100
	<u>240</u>	<u>6,348</u>

THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2010

4. CAPITAL ASSETS

	2010		
	Cost	Accumulated Amortization	Net book Value
Computer	1,200	800	400
Street& Christmas lights	84,410	84,410	-
Street furniture	12,390	12,390	-
Planters	21,340	21,340	-
	119,340	118,940	400

	2009		
	Cost	Accumulated Amortization	Net book Value
Computer	1,200	400	800
Street& Christmas lights	84,410	81,297	3,113
Street furniture	12,390	9,912	2,478
Planters	21,340	17,072	4,268
	119,340	108,681	10,659

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. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures. Accordingly, I do not express any opinion regarding the budget figures.