

Appendix U:

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

**Financial Statements
For the Year Ended December 31, 2014**

**RIVERSIDE DISTRICT
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2014

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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, 2014 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.

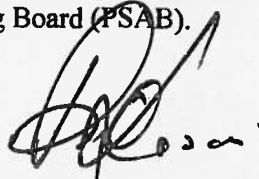
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

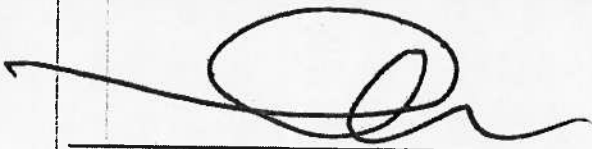
Toronto, Ontario
May 4, 2015


Chartered Professional Accountant
Licensed Public Accountant


**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014**

	2014 \$	2013 \$
FINANCIAL ASSETS		
Cash and short-term investments	93,857	39,884
Accounts receivable		
City of Toronto – special charges (Note 3)	15,802	15,168
Other	8,985	25,167
	<u>118,644</u>	<u>80,219</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	69,157	-
Other	4,069	6,525
	<u>73,226</u>	<u>6,525</u>
NET FINANCIAL ASSETS	45,418	73,694
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	67,564	13,120
ACCUMULATED SURPLUS	<u>112,982</u>	<u>86,814</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE DISTRICT BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014 \$ Budget (Note 9)	2014 \$ Actual	2013 \$ Actual
REVENUE			
City of Toronto – special charges	168,905	168,905	143,298
Contributions, sponsorships and other	26,000	49,129	23,450
	<u>194,905</u>	<u>218,034</u>	<u>166,748</u>
EXPENSES			
Administration	79,317	89,984	69,262
Promotion	16,120	50,503	43,001
Maintenance	22,500	17,951	36,500
Capital (Note 8)	100,000	383	-
Amortization	-	17,711	3,280
Provision for (recovery of) uncollected special charges (Note 3)	15,968	15,334	(9,020)
	<u>233,905</u>	<u>191,866</u>	<u>143,023</u>
SURPLUS (DEFICIT) FOR THE YEAR	(39,000)	26,168	23,725
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>86,814</u>	<u>86,814</u>	<u>63,089</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>47,814</u>	<u>112,982</u>	<u>86,814</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, 2014**

	2014	2013
	\$	\$
Surplus for the year	26,168	23,725
Acquisition of tangible capital assets	(72,155)	(16,400)
Amortization of tangible capital assets	17,711	3,280
	(28,276)	10,605
Balance - Beginning of year	73,694	63,089
Balance - End of year	<u>45,418</u>	<u>73,694</u>

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE DISTRICT BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	2014	2013
	\$	\$
Cash flows from operating activities		
Surplus for the year	26,168	23,725
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	17,711	3,280
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(634)	(15,044)
Accounts receivable – other	16,182	(7,239)
Accounts payable – City of Toronto	69,157	-
Accounts payable – other	(2,456)	(5,478)
	<hr/>	<hr/>
Cash Provided By (Used In) Operations	126,128	(756)
Investing Activities		
Purchase of tangible capital assets	(72,155)	(16,400)
Cash and short-term investments, Beginning Of Year	<hr/>	<hr/>
	39,884	57,040
Cash and short-term investments, End Of Year	<hr/>	<hr/>
	93,857	39,884

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE DISTRICT BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 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, 2014**

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:

	2014 \$	2013 \$
Total special charges outstanding	31,002	25,568
Less: allowance for uncollected special charges	<u>(15,200)</u>	<u>(10,400)</u>
Special charges receivable	<u>15,802</u>	<u>15,168</u>

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

	2014 \$	2013 \$
Special charges written-off	10,534	1,880
Change in allowance for uncollected special charges	<u>4,800</u>	<u>(10,900)</u>
	<u>15,334</u>	<u>(9,020)</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, 2014**

4. CAPITAL ASSETS

	2014		
	Tree Pit	Bridge Lights	Total
Cost			
Beginning	16,400	-	16,400
Additions	-	72,155	72,155
Disposals	-	-	-
Ending	16,400	72,155	88,555
Accumulated Amortization			
Beginning	3,280	-	3,280
Amortization	3,280	14,431	17,711
Disposals	-	-	-
Ending	6,560	14,431	20,991
Net Book Value	9,840	57,724	67,564

	2013		
	Tree Pit	Bridge Lights	Total
Cost			
Beginning	-	-	-
Additions	16,400	-	16,400
Disposals	-	-	-
Ending	16,400	-	16,400
Accumulated Amortization			
Beginning	-	-	-
Amortization	3,280	-	3,280
Disposals	-	-	-
Ending	3,280	-	3,280
Net Book Value	13,120	-	13,120

**THE BOARD OF MANAGEMENT FOR THE
RIVERSIDE DISTRICT BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2014**

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. 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 \$355,848 (2013 - \$7,023) was outstanding as at December 31, 2014.

8. 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.

9. BUDGET

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