

Appendix AE:

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

**Financial Statements
For the Year Ended December 31, 2015**

**ROSEDALE MAIN STREET
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2015

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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 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, 2015 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 Rosedale Main Street Business Improvement Area as at December 31, 2015 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 10, 2016



Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
ROSDALE MAIN STREET BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash and short-term investments	169,829	172,357
Accounts receivable		
City of Toronto – special charges (Note 3)	11,075	6,219
Other	28,225	26,357
	<u>209,129</u>	<u>204,933</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	7,439	13,723
	<u>7,439</u>	<u>13,723</u>
NET FINANCIAL ASSETS	201,690	191,210
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	1,192	11,264
ACCUMULATED SURPLUS	<u>202,882</u>	<u>202,474</u>

Approved on behalf of the Board of Management:

Chair 

For Treasurer 

**THE BOARD OF MANAGEMENT FOR THE
ROSEDALE MAIN STREET BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 \$ Budget (Note 8)	2015 \$ Actual	2014 \$ Actual
REVENUE			
City of Toronto – special charges	262,798	262,798	262,436
Interest and miscellaneous	15,000	23,304	28,387
	<u>277,798</u>	<u>286,102</u>	<u>290,823</u>
EXPENSES			
Administration	67,305	67,220	64,333
Promotion and advertising	112,000	119,201	116,099
Maintenance	87,800	77,347	73,486
Capital (Note 7)	30,000	-	-
Amortization	-	10,072	15,048
Provision for uncollected special charges (Note 3)	16,693	11,854	19,125
	<u>313,798</u>	<u>285,694</u>	<u>288,091</u>
SURPLUS (DEFICIT) FOR THE YEAR	(36,000)	408	2,732
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>202,474</u>	<u>202,474</u>	<u>199,742</u>
ACCUMULATED OPERATING SURPLUS, END OF YEAR	<u>166,474</u>	<u>202,882</u>	<u>202,474</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, 2015**

	2015	2014
	\$	\$
Surplus for the year	408	2,732
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	<u>10,072</u>	<u>15,048</u>
	10,480	17,780
Balance - Beginning of year	191,210	173,430
Balance - End of year	<u><u>201,690</u></u>	<u><u>191,210</u></u>

**THE BOARD OF MANAGEMENT FOR THE
ROSEDALE MAIN STREET BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	408	2,732
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	10,072	15,048
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(4,856)	6,044
Accounts receivable – other	(1,868)	5,866
Accounts payable - City of Toronto	-	-
Accounts payable – other	(6,284)	(25,166)
	<hr/>	<hr/>
Cash Provided By (Used In) Operations	(2,528)	4,524
Investing activities		
Purchase of tangible capital assets	-	-
Cash and short-term investments, Beginning Of Year	<hr/> 172,357	<hr/> 167,833
Cash and short-term investments, End Of Year	<hr/> 169,829	<hr/> 172,357

**THE BOARD OF MANAGEMENT FOR THE
ROSEDALE MAIN STREET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 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:

Lights	5 years
Streetscape	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
ROSEDALE MAIN STREET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2015**

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:

	2015 \$	2014 \$
Total special charges outstanding	67,475	48,119
Less: allowance for uncollected special charges	(56,400)	(41,900)
Special charges receivable	<u>11,074</u>	<u>6,219</u>

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

	2015 \$	2014 \$
Special charges written-off (recovered)	(2,646)	12,625
Change in allowance for uncollected levies	14,500	6,500
	<u>11,854</u>	<u>19,125</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, 2015**

4. CAPITAL ASSETS

	2015		
	Lights	Street Scope	Total
Cost			
Beginning	24,880	50,362	75,242
Additions	-	-	-
Disposals	-	-	-
Ending	24,880	50,362	75,242
Accumulated Amortization			
Beginning	24,880	39,098	63,978
Amortization	-	10,072	10,072
Disposals	-	-	-
Ending	24,880	49,170	74,050
Net Book Value	-	1,192	1,192

	2014		
	Lights	Street Scope	Total
Cost			
Beginning	24,880	50,362	75,242
Additions	-	-	-
Disposals	-	-	-
Ending	24,880	50,362	75,242
Accumulated Amortization			
Beginning	19,904	29,026	48,930
Amortization	4,976	10,072	15,048
Disposals	-	-	-
Ending	24,880	39,098	63,978
Net Book Value	-	11,264	11,264

**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, 2015**

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 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.