

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

Financial Statements

For the year ended December 31, 2021

and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Directors of Riversdale Business Improvement District:

Opinion

We have audited the accompanying financial statements of Riversdale Business Improvement District, which comprise the statement of financial position as at December 31, 2021, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Riversdale Business Improvement District as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Riversdale Business Improvement District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing Riversdale Business Improvement District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Riversdale Business Improvement District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Riversdale Business Improvement District's financial reporting process.

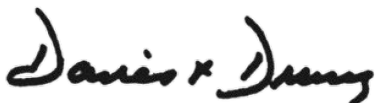
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Riversdale Business Improvement District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Riversdale Business Improvement District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Riversdale Business Improvement District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
Saskatoon, Saskatchewan

March 30, 2022

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS: | | |
| Cash | \$ 344,835 | \$ 312,572 |
| Accounts receivable | 25,810 | 18,915 |
| GST receivable | 5,513 | 1,928 |
| Temporary Wage Subsidy receivable | - | 2,515 |
| Prepaid expenses | 1,525 | 781 |
| | <u>377,683</u> | <u>336,711</u> |
| PROPERTY AND EQUIPMENT (Note 3) | <u>1,801</u> | <u>2,251</u> |
| | <u>\$ 379,484</u> | <u>\$ 338,962</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued liabilities | \$ 1,164 | \$ 2,161 |
| Deferred revenue | 75,000 | 41,600 |
| | <u>76,164</u> | <u>43,761</u> |
| NET ASSETS: | | |
| General fund | <u>303,320</u> | <u>295,201</u> |
| | <u>\$ 379,484</u> | <u>\$ 338,962</u> |

Approved by the Board:

| | |
|----------------|------------|
| _____ Director | _____ Date |
| _____ Director | _____ Date |

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|-----------------|------------------|
| REVENUE: | | |
| Business tax levy | \$ 198,280 | \$ 198,635 |
| Grant - parking | 41,600 | 41,300 |
| Grant - other | 29,309 | 20,508 |
| Project reimbursements | 44,817 | - |
| Interest income | 1,757 | 2,303 |
| Temporary Wage Subsidy | - | 2,515 |
| | <u>315,763</u> | <u>265,261</u> |
| EXPENDITURES: | | |
| Advertising and promotion | 8,806 | 23,127 |
| Amortization | 450 | 563 |
| Bank charges and interest | 918 | 261 |
| Board meetings and education | 2,938 | 1,608 |
| Events expense | 3,000 | 5,000 |
| Insurance | 2,232 | 1,972 |
| Memberships and dues | 1,753 | 1,413 |
| Office expenses | 12,558 | 6,142 |
| Professional fees | 8,097 | 9,169 |
| Project expense | 77,583 | 7,773 |
| Rent | 5,400 | 5,400 |
| Repairs and maintenance | 4,409 | 2,773 |
| Telephone | 2,914 | 3,719 |
| Travel and conventions | 1,771 | 2,759 |
| Wages and salaries | 174,815 | 156,203 |
| | <u>307,644</u> | <u>227,882</u> |
| EXCESS OF REVENUE OVER EXPENDITURES | <u>\$ 8,119</u> | <u>\$ 37,379</u> |

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>General fund</u> | <u>Internally restricted net assets</u> | <u>2021</u> | <u>2020</u> |
|-------------------------------------|---------------------|---|-------------------|-------------------|
| Net assets, beginning of the year | \$ 295,201 | \$ - | \$ 295,201 | \$ 257,822 |
| Excess of revenue over expenditures | <u>8,119</u> | <u>-</u> | <u>8,119</u> | <u>37,379</u> |
| Net assets, end of the year | <u>\$ 303,320</u> | <u>\$ -</u> | <u>\$ 303,320</u> | <u>\$ 295,201</u> |

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM (TO) OPERATING ACTIVITIES: | | |
| Excess of revenue over expenditures | \$ 8,119 | \$ 37,379 |
| Amortization | 450 | 563 |
| Change in assets and liabilities: | | |
| Accounts receivable | (6,895) | (5,424) |
| GST receivable | (3,585) | 1,863 |
| Temporary Wage Subsidy receivable | 2,515 | (2,515) |
| Prepaid expenses | (744) | - |
| Accounts payable and accrued liabilities | (997) | (310) |
| Deferred revenue | <u>33,400</u> | <u>41,600</u> |
| CHANGE IN CASH DURING THE YEAR | 32,263 | 73,156 |
| CASH AT BEGINNING OF THE YEAR | <u>312,572</u> | <u>239,416</u> |
| CASH AT END OF THE YEAR | <u>\$ 344,835</u> | <u>\$ 312,572</u> |

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. NATURE OF OPERATIONS:

Riversdale Business Improvement District is an unincorporated entity set up to revitalize the business district in the Riversdale area of Saskatoon, Saskatchewan. The District's mission statement is as to provide a mutually-beneficial business environment for participating members in the Riversdale Business Improvement District by promoting area development and celebrating our uniqueness and cultural diversity.

2. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash and Cash Equivalents

Cash and cash equivalents includes chequing and savings accounts with Canadian financial institutions. Cash, subject to restrictions that prevent its use for current purposes, is included in the Restricted Fund.

Property and Equipment

Property and equipment are recorded at cost. The District provides for amortization using the declining balance method at rates designed to amortize the cost of property and equipment over their estimated useful lives. The annual amortization rates are as follows:

| | |
|-------------------------------|-----|
| Office equipment | 20% |
| Office furniture and fixtures | 20% |
| Computer equipment | 45% |
| Maintenance equipment | 20% |

Revenue Recognition

The District follows the deferral method of accounting for contributions, which include grants and surtaxes. Contributions are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is assured. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenditures are recognized.

Event revenue and interest revenues are recognized as revenue when earned.

Income Taxes

No provision for income taxes has been made in these financial statements as the entity is a not-for-profit organization. To the extent the District maintains its not-for-profit status, no income taxes will be payable.

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2021****2. SIGNIFICANT ACCOUNTING POLICIES - continued:****Financial Instruments****Measurement of Financial Instruments**

The District initially measures its financial assets and liabilities at fair value.

The District subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Assumptions underlying deferred cost valuations are limited by the availability of reliable comparable data and the uncertainty concerning future events.

By nature, asset valuations are subjective and do not necessarily result in precise determinations. Should underlying assumptions change, the estimated net recoverable amount could change by a material amount.

3. PROPERTY AND EQUIPMENT:

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | |
|-------------------------------|------------------|-------------------------------------|-----------------------|-----------------|
| | | | <u>2021</u> | <u>2020</u> |
| Office equipment | \$ 14,624 | \$ 14,624 | \$ - | \$ - |
| Office furniture and fixtures | 7,815 | 6,014 | 1,801 | 2,251 |
| Computer equipment | 3,604 | 3,604 | - | - |
| Maintenance equipment | 12,306 | 12,306 | - | - |
| | <u>\$ 38,349</u> | <u>\$ 36,548</u> | <u>\$ 1,801</u> | <u>\$ 2,251</u> |

RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2021****4. ECONOMIC DEPENDENCE:**

The District's principal sources of revenue consist of grants and an allocation of property taxes from the City of Saskatoon. The city levies a surtax on property taxes based upon the District's budget for the following year. The District is dependent upon the city for the collection and transfer of this revenue.

5. FINANCIAL INSTRUMENTS:

The District, as part of its operations, carries financial instruments. It is management's opinion that the District is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as follows:

Credit Risk

The District is exposed to credit risk in connection with its accounts receivable because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. At year end, accounts receivable is substantially all due from the City of Saskatoon.

Liquidity Risk

Liquidity risk is the risk that the District will encounter difficulty in meeting obligations associated with financial liabilities. The District enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

The District manages the liquidity risk resulting from its accounts payable by constantly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash.