

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

Financial Statements

For the year ended December 31, 2017

and Independent Auditors' Report

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Riversdale Business Improvement District:

We have audited the accompanying financial statements of Riversdale Business Improvement District, which comprise the statement of financial position as at December 31, 2017 and the statements of operations, of changes in net assets and of cash flows 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 accounting standards for not-for-profit organizations (ASNFPO) 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Riversdale Business Improvement District as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian ASNFPO.



Chartered Professional Accountants  
Saskatoon, Saskatchewan

March 8, 2018

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
CURRENT ASSETS:		
Cash	\$ 155,098	\$ 172,297
Cash - internally restricted	53	113
Temporary investments (Note 3)	40,489	39,993
Accounts receivable	8,476	14,249
Prepaid expenses	3,330	4,968
	<u>207,446</u>	<u>231,620</u>
CAPITAL ASSETS (Note 4)	<u>5,962</u>	<u>1,957</u>
	<u>\$ 213,408</u>	<u>\$ 233,577</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 852	\$ 231
Deferred revenue	-	35,900
	<u>852</u>	<u>36,131</u>
NET ASSETS:		
General fund	212,503	197,333
Internally restricted fund	53	113
	<u>212,556</u>	<u>197,446</u>
	<u>\$ 213,408</u>	<u>\$ 233,577</u>

Approved by the Board:

 Director

 Director

The accompanying notes are an integral part of the financial statements.

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
REVENUE:		
Business tax levy	\$ 173,772	\$ 167,120
Grant - parking	35,900	35,900
Grant - other	12,767	11,546
Events	26,645	19,231
Interest income	2,091	1,811
	<u>251,175</u>	<u>235,608</u>
EXPENDITURES:		
Advertising and promotion	20,658	9,698
Amortization	879	847
Bank charges and interest	383	465
Board meetings and education	2,579	3,166
Continuing education	1,280	1,596
Events expense	33,119	39,213
Insurance	3,830	2,884
Memberships and dues	2,392	1,365
Office expenses	4,670	3,693
Professional fees	7,799	7,323
Rent	5,400	5,400
Repairs and maintenance	1,217	1,496
Telephone	3,147	3,603
Travel and conventions	12,364	11,090
Wages and salaries	136,348	130,797
	<u>236,065</u>	<u>222,636</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER ITEM	15,110	12,972
OTHER ITEM - Gain on sale of capital assets	<u>-</u>	<u>1,207</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 15,110</u>	<u>\$ 14,179</u>

The accompanying notes are an integral part of the financial statements.

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General fund</u>	<u>Internally restricted net assets</u>	<u>2017</u>	<u>2016</u>
Net assets, beginning of the year	\$ 197,333	\$ 113	\$ 197,446	\$ 183,267
Excess of revenue over expenditures	<u>15,170</u>	<u>(60)</u>	<u>15,110</u>	<u>14,179</u>
Net assets, end of the year	<u>\$ 212,503</u>	<u>\$ 53</u>	<u>\$ 212,556</u>	<u>\$ 197,446</u>

The accompanying notes are an integral part of the financial statements.

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM (TO) OPERATING ACTIVITIES:		
Excess of revenue over expenditures	\$ 15,110	\$ 14,179
Amortization	879	847
Loss on sale of property and equipment	-	(1,207)
Change in assets and liabilities:		
Accounts receivable	5,773	5,646
Prepaid expenses	1,638	(3,669)
Accounts payable and accrued liabilities	621	(1,488)
Deferred revenue	(35,900)	35,900
	<u>(11,879)</u>	<u>50,208</u>
CASH FLOWS FROM (TO) CAPITAL TRANSACTIONS:		
Acquisition of capital assets	(4,884)	-
Proceeds from sale of capital assets	-	1,500
	<u>(4,884)</u>	<u>1,500</u>
CHANGE IN CASH AND TEMPORARY INVESTMENTS DURING THE YEAR	(16,763)	51,708
CASH AND TEMPORARY INVESTMENTS AT BEGINNING OF THE YEAR	<u>212,403</u>	<u>160,695</u>
CASH AND TEMPORARY INVESTMENTS AT END OF THE YEAR	<u>\$ 195,640</u>	<u>\$ 212,403</u>
CASH CONSISTS OF:		
Cash	\$ 155,098	\$ 172,297
Cash - internally restricted	53	113
Temporary investments	40,489	39,993
	<u>\$ 195,640</u>	<u>\$ 212,403</u>

The accompanying notes are an integral part of the financial statements.



## **RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

### **NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

#### **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 follows: *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.*

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.

#### **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:

##### **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%

##### **Temporary Investments**

Temporary investments consists of term deposits. The District follows the cost method of accounting for its investments, written down for any impairment in value that is considered other than temporary.

##### **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. Interest income or expense on restricted cash is recorded as a direct increase or decrease to internally restricted net assets.

##### **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 restricted cash, temporary investments and accounts receivable.

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

**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT****NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2017****2. SIGNIFICANT ACCOUNTING POLICIES - continued:****Financial Instruments - continued****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. TEMPORARY INVESTMENTS:**

	<u>2017</u>	<u>2016</u>
Term #2, non-redeemable at 1.15% interest	\$ 28,192	\$ 27,830
Term #5, non-redeemable at 1.10% interest	12,297	12,163
	<u>\$ 40,489</u>	<u>\$ 39,993</u>

**4. PROPERTY AND EQUIPMENT:**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2017</u>	<u>2016</u>
Office equipment	14,624	13,890	734	917
Office furniture and fixtures	7,815	3,419	4,396	-
Computer equipment	3,604	3,604	-	-
Maintenance equipment	12,306	11,474	832	1,040
	<u>\$ 38,349</u>	<u>\$ 32,387</u>	<u>\$ 5,962</u>	<u>\$ 1,957</u>

**5. 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.



**RIVERSDALE BUSINESS IMPROVEMENT DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**6. 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.

**Interest Rate Risk**

The District is exposed to interest rate risk on the term deposits, that have interest rates of 1.10% to 1.15%.

**7. COMPARATIVE FIGURES:**

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