

**THE BOARD OF MANAGEMENT FOR
ST. LAWRENCE MARKET NEIGHBOURHOOD
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2011**

ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2011

CONTENTS

	<u>Page</u>
Independent auditor's report	3
Financial statements	
Statement of financial position	4
Statement of operations	5
Statement of cash flows	6
Notes to financial statements	7 – 10

AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the Board of Management for the St. Lawrence Neighbourhood Market Business Improvement Area

I have audited the accompanying financial statements of St. Lawrence Neighbourhood Market Business Improvement Area, which comprise the statement of financial position as at December 31, 2011 and the statements of operations and 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 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, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

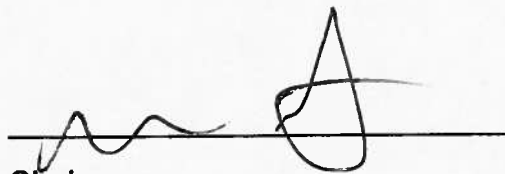
Toronto, Ontario
May 4, 2012

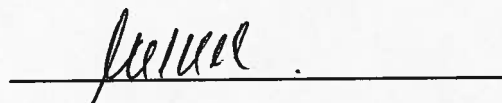

Chartered Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011**

	2011 \$	2010 \$
FINANCIAL ASSETS		
Cash and short-term investments	380,238	191,343
Accounts receivable		
City of Toronto – special charges (Note 3)	-	10,784
Other	16,717	4,784
	<u>396,955</u>	<u>206,911</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto – special charges (Note 3)	26,296	-
City of Toronto – other	14,455	54,765
Other	30,639	10,212
	<u>71,390</u>	<u>64,977</u>
NET FINANCIAL ASSETS	325,565	141,934
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	57,481	39,552
	<u>383,046</u>	<u>181,486</u>
ACCUMULATED SURPLUS	<u>383,046</u>	<u>181,486</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011 \$ Budget (Note 7)	2011 \$ Actual	2010 \$ Actual
REVENUE			
City of Toronto – special charges	651,110	652,374	257,568
Film companies	-	11,950	2,057
Advertising, contributions and other	15,000	7,499	54,698
	<u>666,110</u>	<u>671,823</u>	<u>314,323</u>
EXPENSES			
Administration	178,450	138,018	109,185
Promotion and advertising	143,500	108,760	40,055
Maintenance	154,000	109,235	75,238
Capital / amortization	207,536	22,981	13,184
Provision for uncollected special charges (Note 3)	52,924	91,269	14,023
	<u>736,410</u>	<u>470,263</u>	<u>251,685</u>
SURPLUS FOR THE YEAR	70,300	201,560	62,638
SURPLUS, BEGINNING OF YEAR	<u>181,486</u>	<u>181,486</u>	<u>118,848</u>
SURPLUS, END OF YEAR	<u>251,786</u>	<u>383,046</u>	<u>181,486</u>

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011	2010
	\$	\$
Increase (decrease) in cash and short-term investments		
Cash flows from operating transactions		
Surplus (Deficit) for the year	201,560	62,638
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	22,981	13,184
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	10,784	(10,784)
Accounts receivable – other	(11,933)	(1,356)
Accounts payable - City of Toronto	(14,014)	(3,080)
Accounts payable – other	20,427	640
Cash Provided By Operations	229,805	61,242
Capital Transactions		
Purchase of tangible capital assets	(40,910)	-
Cash and short-term investments, Beginning Of Year	191,343	130,101
Cash and short-term investments, End Of Year	380,238	191,343

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

1. ESTABLISHMENT AND OPERATIONS

The St. Lawrence Neighbourhood Market 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 expenses 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
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2011**

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 (payable to) the City of Toronto are comprised of:

	2011 \$	2010 \$
Total special charges outstanding	143,304	102,084
Less: allowance for uncollected special charges	<u>(169,600)</u>	<u>(91,300)</u>
Special charges receivable (payable)	<u>(26,296)</u>	<u>10,784</u>

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

	2011 \$	2010 \$
Special charges written-off	12,969	4,623
Change in allowance for uncollected special charges	<u>78,300</u>	<u>9,400</u>
	<u>91,269</u>	<u>14,023</u>

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2011**

4. TANGIBLE CAPITAL ASSETS

	2011		
	Cost	Accumulated Amortization	Net book Value
Lights	85,420	43,452	41,968
Computers	3,105	1,035	2,070
Street Furniture	3,850	770	3,080
Planters	5,444	1,089	4,355
Banners	9,011	3,003	6,008
	106,830	49,349	57,481

	2010		
	Cost	Accumulated Amortization	Net book Value
Lights	65,920	26,368	39,552
	65,920	26,368	39,552

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.

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2011**

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.

8. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.