Appendix AI

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

Financial Statements
For the Year Ended December 31, 2013

ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2013

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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 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, 2013 and the statements of operations and accumulated surplus, changes in net assets 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, 2013 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 8, 2014

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, 2013

	2013 $	2012 $
FINANCIAL ASSETS		
Cash and short-term investments	129,227	515,783
Accounts receivable		
City of Toronto – special charges (Note 3)	5,423	11,571
Other	487,283	26,655
	621,933	554,009
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto – other	139,958	65,721
Other	97,207	29,553
	237,165	95,274
NET FINANCIAL ASSETS	384,768	458,735
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	199,879	83,312
ACCUMULATED SURPLUS	584,647	542,047

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 AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 $ Budget (Note 9)	2013 $ Actual	2012 $ Actual
REVENUE			
City of Toronto – special charges	708,965	707,701	709,699
Film companies	-	8,250	16,460
Advertising, contributions and other	40,000	29,288	43,373
	748,965	745,239	769,532
EXPENSES			
Administration	161,790	163,356	141,549
Promotion and advertising	207,600	244,171	200,729
Maintenance	142,000	146,926	171,668
Capital (Note 8)	377,000	9,605	-
Amortization	-	73,123	35,185
Provision for uncollected special charges (Note 3)	60,575	65,458	61,400
	948,965	702,639	610,531
SURPLUS (DEFICIT) FOR THE YEAR	(200,000)	42,600	159,001
SURPLUS, BEGINNING OF YEAR	383,046	542,047	383,046
SURPLUS, END OF YEAR	183,046	584,647	542,047

THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 $	2012 $
Surplus for the year	42,600	159,001
Acquisition of tangible capital assets	(189,690)	(61,016)
Amortization of tangible capital assets	73,123	35,185
	(73,967)	133,170
Balance - Beginning of year	458,735	325,565
Balance - End of year	384,768	458,735

THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 $	2012 $
Cash flows from operating activities		
Surplus for the year	42,600	159,001
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	73,123	35,185
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	6,148	(11,571)
Accounts receivable – other	(460,628)	(9,938)
Accounts payable - City of Toronto	74,237	24,970
Accounts payable – other	67,654	(1,086)
Cash Provided By (Used In) Operations	(196,866)	196,561
Investing Activities		
Purchase of tangible capital assets	(189,690)	(61,016)
Cash and short-term investments, Beginning Of Year	515,783	380,238
Cash and short-term investments, End Of Year	129,227	515,783

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.

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:

	2013 $	2012 $
Total special charges outstanding	220,823	215,271
Less: allowance for uncollected special charges	(215,400)	(203,700)
Special charges receivable (payable)	5,423	11,571

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

	2013 $	2012 $
Special charges written-off	53,758	27,300
Change in allowance for uncollected special charges	11,700	34,100
	65,458	61,400

4. TANGIBLE CAPITAL ASSETS

2013

	Streetscape	Sound Equipment	Banners	Street Furniture	Computers	Lights	Planters	Total
Cost								
Beginning	-	-	9,011	3,850	3,105	146,436	5,444	167,846
Additions	25,187	10,023	-	3,690	-	150,790		189,690
Disposals	-	-	-	-	-	-	-	-
Ending	**25,187**	**10,023**	**9,011**	**7,540**	**3,105**	**297,226**	**5,444**	**357,536**
Accumulated Amortization								
Beginning	-	-	6,007	1,540	2,070	72,739	2,178	84,534
Amortization	5,037	2,005	3,004	1,508	1,035	59,445	1,089	73,123
Disposals	-	-	-	-	-	-	-	-
Ending	**5,037**	**2,005**	**9,011**	**3,048**	**3,105**	**132,184**	**3,267**	**157,657**
Net Book Value	**20,150**	**8,018**	**-**	**4,492**	**-**	**165,042**	**2,177**	**199,879**

2012

	Streetscape	Sound Equipment	Banners	Street Furniture	Computers	Lights	Planters	Total
Cost								
Beginning			9,011	3,850	3,105	85,420	5,444	106,830
Additions			-	-	-	61,016	-	61,016
Disposals	-	-	-	-	-	-	-	-
Ending	**-**	**-**	**9,011**	**3,850**	**3,105**	**146,436**	**5,444**	**167,846**
Accumulated Amortization								
Beginning			3,003	770	1,035	43,452	1,089	49,349
Amortization			3,004	770	1,035	29,287	1,089	35,185
Disposals	-	-	-	-	-	-	-	-
Ending	**-**	**-**	**6,007**	**1,540**	**2,070**	**72,739**	**2,178**	**84,534**
Net Book Value	**-**	**-**	**3,004**	**2,310**	**1,035**	**73,697**	**3,266**	**83,312**

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 $180,343 (2012 - $363,018) was outstanding as at December 31, 2013.

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.