

Appendix AZ

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

**Financial Statements
For the Year Ended December 31, 2020**

ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2020

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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 Market Neighbourhood Business Improvement Area

Opinion

I have audited the financial statements of St. Lawrence Market Neighbourhood Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2020, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2020 and its financial performance and its 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).

Basis for Opinion

I conducted my audit in accordance with Canadian Auditing Standards (CAS). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the BIA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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.

In preparing the financial statements, management is responsible for assessing the BIA'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 the BIA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the BIA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 the BIA'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 the BIA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the BIA 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.

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

Toronto, Ontario
May 11, 2021

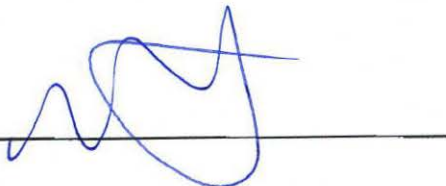
Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	286,637	80,937
Short-term investments (Note 3)	1,039,497	826,893
Accounts receivable		
City of Toronto – special charges (Note 4)	78,645	28,015
City of Toronto – other	-	5,274
Other	73,582	78,453
	<u>1,478,361</u>	<u>1,019,572</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	201,007	-
Other	55,497	40,281
	<u>256,504</u>	<u>40,281</u>
NET FINANCIAL ASSETS	1,221,857	979,291
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	<u>176,073</u>	<u>27,415</u>
ACCUMULATED SURPLUS	<u>1,397,930</u>	<u>1,006,706</u>

Approved on behalf of the Board of Management:

Chair



Treasurer



**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020 \$ Budget (Note 10)	2020 \$ Actual	2019 \$ Actual
REVENUE			
City of Toronto – special charges	1,438,421	1,438,178	1,291,518
Film companies	-	4,827	16,250
Festival, grants, sponsorships and other	92,550	97,716	311,796
	<u>1,530,971</u>	<u>1,540,721</u>	<u>1,619,564</u>
EXPENSES			
Administration	355,524	305,870	322,147
Promotion and advertising	403,550	246,539	320,767
Maintenance and Improvements	270,000	289,233	270,779
Capital (Note 8)	452,000	210,856	414,401
Amortization	-	68,974	96,300
Provision for uncollected special charges (Note 4)	130,766	28,025	62,791
	<u>1,611,840</u>	<u>1,149,497</u>	<u>1,487,185</u>
SURPLUS (DEFICIT) FOR THE YEAR	(80,869)	391,224	132,379
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,006,706</u>	<u>1,006,706</u>	<u>874,327</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>925,837</u>	<u>1,397,930</u>	<u>1,006,706</u>

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
	\$	\$
Surplus for the year	391,224	132,379
Acquisition of tangible capital assets	(217,632)	-
Disposal of tangible capital assets	-	-
Amortization of tangible capital assets	<u>68,974</u>	<u>96,300</u>
	242,566	228,679
Balance - Beginning of year	<u>979,291</u>	<u>750,612</u>
Balance - End of year	<u>1,221,857</u>	<u>979,291</u>

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
	\$	\$
Cash flows from operating transactions		
Surplus for the year	391,224	132,379
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	68,974	96,300
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(45,356)	115,273
Accounts receivable – other	4,871	(27,828)
Accounts payable – City of Toronto	201,007	(69,704)
Accounts payable – other	15,216	30,922
	<u>635,936</u>	<u>277,342</u>
Cash Provided by Operations		
	635,936	277,342
Investing Activities		
Purchase of tangible capital assets	(217,632)	-
(Increase) decrease in short-term investments	(212,604)	(321,585)
	<u>80,937</u>	<u>125,180</u>
Cash, Beginning of Year		
	<u>80,937</u>	<u>125,180</u>
Cash, End of Year	<u><u>286,637</u></u>	<u><u>80,937</u></u>

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. ESTABLISHMENT AND OPERATIONS

The St. Lawrence Market Neighbourhood 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 BIA 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 BIA 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), 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.

Short-term Investments:

Short-term investments are highly liquid financial instruments with original maturities greater than three months but less than one year and are classified as "short-term" investments. The BIA classifies short-term investments as current assets and reports them at their fair market value.

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 Furniture	5 years
Lights	5 years	Streetscape	5 years
Planters	5 years	Way Finder Pole	5 years
Pole Wraps	5 years	Wellington St Project	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
ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2020**

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. SHORT-TERM INVESTMENTS

Short-term investments consist of cashable guaranteed investment certificates with TD Canada Trust. These investments bear interest at the rate of 0.15% per annum and will be maturing in 2021.

4. CITY OF TORONTO – SPECIAL CHARGES

Special charges levied by the City are collected and remitted to the BIA by the City. The total special charges outstanding consist of amounts collected by the City not yet remitted to the BIA and amounts uncollected by the City.

The BIA records special charges receivable net of an allowance for uncollected amounts. The special charges receivable from the City of Toronto are comprised of:

	2020	2019
	\$	\$
Total special charges outstanding	210,945	169,515
Less: Allowance for uncollected special charges	<u>(132,300)</u>	<u>(141,500)</u>
Special charges receivable	<u>78,645</u>	<u>28,015</u>

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

	2020	2019
	\$	\$
Special charges written-off	37,225	137,191
Change in provision for uncollected special charges	<u>(9,200)</u>	<u>(74,400)</u>
	<u>28,025</u>	<u>62,791</u>

THE BOARD OF MANAGEMENT FOR THE
 ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2020

5. CAPITAL ASSETS

2020								
	Lights	Way Finder Pole	Street- scape	Comp- uters	Plant- ers	Wellington St. Project	Street Furnit.	Total
Cost								
Beginning	690,226	23,605	182,867	7,116	64,739	-	5,596	974,149
Additions				2,035		201,000	14,597	217,632
Disposals								
Ending	690,226	23,605	182,867	9,151	64,739	201,000	20,193	1,191,781
Accumulated Amortization								
Beginning	690,226	23,605	168,960	7,116	54,589	-	2,238	946,734
Amortization			13,907	678	10,150	40,200	4,039	68,974
Disposals								
Ending	690,226	23,605	182,867	7,794	64,739	40,200	6,277	1,015,708
Net Book Value	-	-	-	1,357	-	160,800	13,916	176,073
2019								
	Light	Way Finder Pole	Street- scape	Comp- uters	Plant- ers	Pole Wraps	Street Furnit.	Total
Cost								
Beginning	690,226	23,605	182,867	7,116	64,739	74,890	5,596	1,049,039
Additions								
Disposals								
Ending	690,226	23,605	182,867	7,116	64,739	74,890	5,596	1,049,039
Accumulated Amortization								
Beginning	664,265	18,884	132,387	7,116	41,641	59,912	1,119	925,324
Amortization	25,961	4,721	36,573	-	12,948	14,978	1,119	96,300
Disposals								
Ending	690,226	23,605	168,960	7,116	54,589	74,890	2,238	1,021,624
Net Book Value	-	-	13,907	-	10,150	-	3,358	27,415

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2020**

6. INSURANCE

The BIA 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 BIA. Insurance coverage providing \$5,000,000 for each occurrence or accident has been obtained by the BIA through the City of Toronto.

7. 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.

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. COMMITMENTS

The BIA, 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 BIA is committed to capital improvement projects of which the BIA's share of \$675,207 (2019 - \$nil) was outstanding as at December 31, 2020.

10. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures.