

Appendix AH:

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

**Financial Statements
For the Year Ended December 31, 2015**

ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2015

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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, 2015 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 the related notes which comprises 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 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.

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.

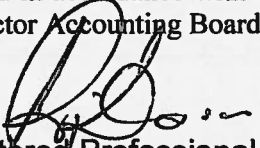
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 St. Lawrence Neighbourhood Market Business Improvement Area as at December 31, 2015 and the results of its operations and 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).

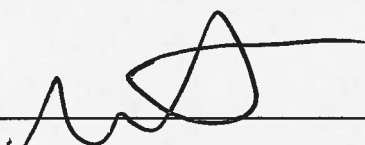
Toronto, Ontario
May 10, 2016


Chartered Professional 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, 2015**

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Cash and short-term investments	158,177	170,769
Accounts receivable		
City of Toronto – special charges (Note 3)	-	10,720
Other	514,686	491,176
	<u>672,863</u>	<u>672,665</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto – special charges (Note 3)	39,592	-
City of Toronto – other	563,188	464,568
Other	68,288	79,513
	<u>671,068</u>	<u>544,081</u>
NET FINANCIAL ASSETS	1,795	128,584
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	434,401	435,866
ACCUMULATED SURPLUS	<u>436,196</u>	<u>564,450</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 AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 \$ Budget (Note 9)	2015 \$ Actual	2014 \$ Actual
REVENUE			
City of Toronto – special charges	956,439	955,175	783,906
Film companies	-	2,150	3,100
Advertising, contributions and other	31,000	52,145	54,537
	<u>987,439</u>	<u>1,009,470</u>	<u>841,543</u>
EXPENSES			
Administration	234,667	227,926	174,157
Promotion and advertising	253,000	325,251	251,182
Maintenance	251,000	211,903	162,179
Capital (Note 8)	250,000	75,241	47,148
Amortization	-	169,565	152,233
Provision for uncollected special charges (Note 3)	78,772	127,838	74,841
	<u>1,067,439</u>	<u>1,137,724</u>	<u>861,740</u>
SURPLUS (DEFICIT) FOR THE YEAR	(80,000)	(128,254)	(20,197)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>564,450</u>	<u>564,450</u>	<u>584,647</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>484,450</u>	<u>436,196</u>	<u>564,450</u>

**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, 2015**

	<u>2015</u> \$	<u>2014</u> \$
(Deficit) for the year	(128,254)	(20,197)
Acquisition of tangible capital assets	(168,100)	(388,220)
Amortization of tangible capital assets	<u>169,565</u>	<u>152,233</u>
	(126,789)	(256,184)
Balance - Beginning of year	128,584	384,768
Balance - End of year	<u><u>1,795</u></u>	<u><u>128,584</u></u>

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
	\$	\$
Cash flows from operating activities		
(Deficit) for the year	(128,254)	(20,197)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	169,565	152,233
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	10,720	(5,297)
Accounts receivable – other	(23,510)	(3,893)
Accounts payable - City of Toronto	138,212	324,610
Accounts payable – other	(11,225)	(17,694)
Cash Provided By Operations	155,508	429,762
Investing Activities		
Purchase of tangible capital assets	(168,100)	(388,220)
Cash and short-term investments, Beginning Of Year	170,769	129,227
Cash and short-term investments, End Of Year	158,177	170,769

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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), 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.

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:

Banners & Flags	3 years
Streetscape	5 years
Sound Equipment	5 years
Street Furniture	5 years
Lights	5 years
Planters	5 years
Way Finder Pole	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 NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2015**

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. 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 / (payable) net of an allowance for uncollected amounts. The special charges receivable from the City of Toronto are comprised of:

	2015 \$	2014 \$
Total special charges outstanding	283,008	251,920
Less: allowance for uncollected special charges	<u>(322,600)</u>	<u>(251,200)</u>
Special charges receivable / (payable)	<u>(39,592)</u>	<u>10,720</u>

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

	2015 \$	2014 \$
Special charges written-off	46,438	49,041
Change in allowance for uncollected special charges	<u>81,400</u>	<u>25,800</u>
	<u>127,838</u>	<u>74,841</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, 2015**

4. TANGIBLE CAPITAL ASSETS

	2015							Total
	Lights	Way Finder Pole	Streetscape	Sound Equip	Planters	Pole Wraps	Banners	
Cost								
Beginning	621,765	-	55,227	10,023	5,444	-	50,192	742,651
Additions	36,010	23,605	-	-	27,505	74,890	6,090	168,100
Disposals	-	-	-	-	-	-	-	-
Ending	657,775	23,605	55,227	10,023	32,949	74,890	56,282	910,751
Accumulated Amortization								
Beginning	256,550	-	19,130	4,010	4,357	-	22,738	306,785
Amortization	114,471	4,721	11,045	2,005	6,588	14,978	15,757	169,565
Disposals	-	-	-	-	-	-	-	-
Ending	371,021	4,721	30,175	6,015	10,945	14,978	38,495	476,350
Net Book Value	286,754	18,884	25,052	4,008	22,004	59,912	17,787	434,401
	2014							
	Lights	Way Finder Pole	Streetscape	Sound Equip	Planters	Pole Wraps	Banners	Total
Cost								
Beginning	297,226	-	32,727	10,023	5,444	-	9,011	354,431
Additions	324,539	-	22,500	-	-	-	41,181	388,220
Disposals	-	-	-	-	-	-	-	-
Ending	621,765	-	55,227	10,023	5,444	-	50,192	742,651
Accumulated Amortization								
Beginning	132,184	-	8,085	2,005	3,267	-	9,011	154,552
Amortization	124,366	-	11,045	2,005	1,090	-	13,727	152,233
Disposals	-	-	-	-	-	-	-	-
Ending	256,550	-	19,130	4,010	4,357	-	22,738	306,785
Net Book Value	365,215	-	36,097	6,013	1,087	-	27,454	435,866

**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, 2015**

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 \$67,165 (2014 - \$228,675) was outstanding as at December 31, 2015.

8. CAPITAL EXPENSES

In order to finance major capital expenses the BIA annually budgets certain amounts and accumulates them as 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.