

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

**Financial Statements
For the Year Ended December 31, 2017**

ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2017

CONTENTS

	<u>Page</u>
Independent auditor's report	3
Financial statements	
Statement of financial position	4
Statement of operations and Accumulated Surplus	5
Statement of changes in net Financial Assets	6
Statement of cash flows	7
Notes to financial statements	8 – 11

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, 2017 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, 2017 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 8, 2018


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, 2017**

	2017 \$	2016 \$
FINANCIAL ASSETS		
Cash	231,907	320,463
Short-term Investments (Note 3)	200,568	-
Accounts receivable		
City of Toronto – special charges (Note 4)	33,944	115,334
Other	46,458	52,933
	<u>512,877</u>	<u>488,730</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto – other	107,265	196,419
Other	25,696	77,418
	<u>132,961</u>	<u>273,837</u>
NET FINANCIAL ASSETS	379,916	214,893
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	241,275	360,522
ACCUMULATED SURPLUS	<u>621,191</u>	<u>575,415</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, 2017**

	2017 \$ Budget (Note 10)	2017 \$ Actual	2016 \$ Actual
REVENUE			
City of Toronto – special charges	1,061,830	1,102,318	1,012,495
Film companies	-	6,050	10,900
Festival, donations, sponsorships and other	65,000	35,528	40,016
	<u>1,126,830</u>	<u>1,143,896</u>	<u>1,063,411</u>
EXPENSES			
Administration	251,483	289,177	250,787
Promotion and advertising	262,000	276,193	256,039
Maintenance	232,000	224,362	239,138
Capital (Note 9)	349,000	5,221	17,096
Amortization	-	178,942	180,730
Provision for uncollected special charges (Note 4)	2,347	124,225	(19,598)
	<u>1,096,830</u>	<u>1,098,120</u>	<u>924,192</u>
SURPLUS FOR THE YEAR	30,000	45,776	139,219
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>575,415</u>	<u>575,415</u>	<u>436,196</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>605,415</u>	<u>621,191</u>	<u>575,415</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, 2017**

	<u>2017</u> \$	<u>2016</u> \$
Surplus for the year	45,776	139,219
Acquisition of tangible capital assets	(59,695)	(106,851)
Amortization of tangible capital assets	<u>178,942</u>	<u>180,730</u>
	165,023	213,098
Balance - Beginning of year	214,893	1,795
Balance - End of year	<u><u>379,916</u></u>	<u><u>214,893</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, 2017**

	2017	2016
	\$	\$
Cash flows from operating activities		
Surplus for the year	45,776	139,219
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	178,942	180,730
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	81,390	(154,926)
Accounts receivable – other	6,475	461,753
Accounts payable - City of Toronto	(89,154)	(366,769)
Accounts payable – other	(51,722)	9,130
Cash Provided By Operations	171,707	269,137
Investing Activities		
Purchase of tangible capital assets	(59,695)	(106,851)
(Increase) decrease in Short-term Investments	(200,568)	-
Cash, Beginning Of Year	320,463	158,177
Cash, End Of Year	231,907	320,463

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE NEIGHBOURHOOD MARKET BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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	Lights	5 years
Streetscape	5 years	Planters	5 years
Sound Equipment	5 years	Way Finder Pole	5 years
Pole Wraps	5 years	Computers	3 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, 2017**

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 guaranteed investment certificates with the TD Canada Trust. These investments bear interest at the rate of ranging from 0.75% to 0.95% per annum and will be maturing in 2018.

4. 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:

	2017	2016
	\$	\$
Total special charges outstanding	275,844	332,434
Less: allowance for uncollected special charges	<u>(241,900)</u>	<u>(217,100)</u>
Special charges receivable / (payable)	<u>33,944</u>	<u>115,334</u>

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

	2017	2016
	\$	\$
Special charges written-off	99,425	85,902
Change in allowance for uncollected special charges	<u>24,800</u>	<u>(105,500)</u>
	<u>124,225</u>	<u>(19,598)</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, 2017**

5. TANGIBLE CAPITAL ASSETS

	2017								
	Lights	Way Finder Pole	Streetscape	Computers	Sound Equip	Planters	Pole Wraps	Banners	Total
Cost									
Beginning	657,775	23,605	153,022	7,116	10,023	34,889	74,890	56,282	1,017,602
Additions	-	-	29,845	-	-	29,850	-	-	59,695
Disposals	-	-	-	-	-	-	-	-	-
Ending	657,775	23,605	182,867	7,116	10,023	64,739	74,890	56,282	1,077,297
Accumulated Amortization									
Beginning	476,195	9,442	60,010	2,372	8,019	16,834	29,956	54,252	657,080
Amortization	105,174	4,721	35,804	2,372	2,004	11,859	14,978	2,030	178,942
Disposals	-	-	-	-	-	-	-	-	-
Ending	581,369	14,163	95,814	4,744	10,023	28,693	44,934	56,282	836,022
Net Book Value	76,406	9,442	87,053	2,372	-	36,046	29,956	-	241,275
	2016								
	Lights	Way Finder Pole	Streetscape	Computers	Sound Equip	Planters	Pole Wraps	Banners	Total
Cost									
Beginning	657,775	23,605	55,227	-	10,023	32,949	74,890	56,282	910,751
Additions	-	-	97,795	7,116	-	1,940	-	-	106,851
Disposals	-	-	-	-	-	-	-	-	-
Ending	657,775	23,605	153,022	7,116	10,023	34,889	74,890	56,282	1,017,602
Accumulated Amortization									
Beginning	371,021	4,721	30,175	-	6,015	10,945	14,978	38,495	476,350
Amortization	105,174	4,721	29,835	2,372	2,004	5,889	14,978	15,757	180,730
Disposals	-	-	-	-	-	-	-	-	-
Ending	476,195	9,442	60,010	2,372	8,019	16,834	29,956	54,252	657,080
Net Book Value	181,580	14,163	93,012	4,744	2,004	18,055	44,934	2,030	360,522

**THE BOARD OF MANAGEMENT FOR THE
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NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2017**

6. 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.

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. 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 \$282,500 (2016 - \$158,889) was outstanding as at December 31, 2017.

9. 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.

10. BUDGET

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