

**THE BOARD OF MANAGEMENT FOR
THE WATERFRONT
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2021**

THE WATERFRONT BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2021

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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 Waterfront Business Improvement Area

Opinion

I have audited the financial statements of The Waterfront Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2021, 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, 2021 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 generally accepted auditing standards. 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 Board 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.

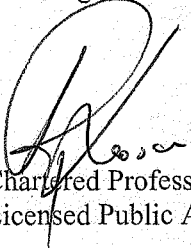
Auditor's Responsibilities for the Audit of the Financial Statements

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 skepticism 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
April 28, 2022


Chartered Professional Accountant
Licensed Public Accountant

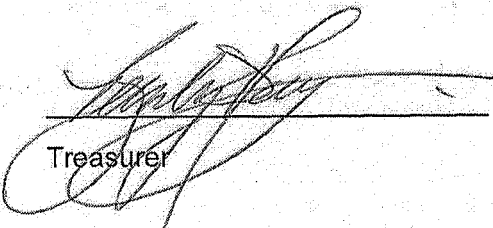
THE BOARD OF MANAGEMENT FOR
 THE WATERFRONT BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash	678,549	805,816
Short-term investments (Note 3)	276,833	281,522
Accounts receivable		
City of Toronto- Special charges (Note 4)	-	93,493
Other	45,551	1,825
	<u>1,000,933</u>	<u>1,182,656</u>
LIABILITIES		
Accounts payable		
City of Toronto – Special charges (Note 3)	141,725	-
Other	51,102	16,296
	<u>192,827</u>	<u>16,296</u>
NET FINANCIAL ASSETS	808,106	1,166,360
NON-FINANCIAL ASSETS		
Prepaid expenses	209,792	79,350
Tangible Capital Assets (Note 5)	32,880	9,261
	<u>242,672</u>	<u>88,611</u>
ACCUMULATED SURPLUS	<u>1,050,778</u>	<u>1,254,971</u>

Approved on behalf of the Board of Management:



 Chair



 Treasurer

**THE BOARD OF MANAGEMENT FOR
THE WATERFRONT BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021 \$ Budget (Note 9)	2021 \$ Actual	2020 \$ Actual
REVENUE			
City of Toronto – special charges	1,690,875	1,697,517	1,289,413
Grants, sponsorships, interest and other	50,000	97,223	38,367
	<u>1,740,875</u>	<u>1,794,740</u>	<u>1,327,780</u>
EXPENSES			
Administration	587,372	628,700	498,384
Promotion and advertising	1,087,640	872,657	503,590
Maintenance	230,000	173,212	177,098
Capital (Note 8)	364,901	70,000	-
Amortization	-	17,538	19,176
Provision for uncollected special charges (Note 4)	(5,038)	236,826	28,959
	<u>2,264,875</u>	<u>1,998,933</u>	<u>1,227,207</u>
SURPLUS (DEFICIT) FOR THE YEAR	(524,000)	(204,193)	100,573
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,254,971</u>	<u>1,254,971</u>	<u>1,154,398</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>730,971</u>	<u>1,050,778</u>	<u>1,254,971</u>

THE BOARD OF MANAGEMENT FOR
 THE WATERFRONT BUSINESS IMPROVEMENT AREA
 STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 \$	2020 \$
Surplus (deficit) for the year	(204,193)	100,573
Acquisition of tangible capital assets	(49,320)	-
Disposal of tangible capital assets	8,163	-
Increase in prepaid expenses	(130,442)	(79,350)
Amortization of tangible capital assets	17,538	19,176
	(358,254)	39,688
Balance - Beginning of year	1,166,360	1,126,672
Balance - End of year	808,106	1,166,360

**THE BOARD OF MANAGEMENT FOR
THE WATERFRONT BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021 \$	2020 \$
Cash flows from operating activities		
Surplus (deficit) for the year	(204,193)	100,573
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	17,538	19,176
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	93,493	49,865
Accounts receivable – other	(43,726)	48,350
Prepaid expenses	(130,442)	(79,350)
Accounts payable – City of Toronto	141,725	-
Accounts payable – other	34,806	(118,656)
Cash Provided By Operations	(90,799)	19,958
Investing Activities		
Purchase of tangible capital assets	(49,320)	(711)
Disposal of capital assets	8,163	
(Increase) decrease in short-term investments	4,689	(5,558)
Cash, Beginning of Year	805,816	792,127
Cash, End of Year	678,549	805,816

THE BOARD OF MANAGEMENT FOR
 THE WATERFRONT BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2021

5. CAPITAL ASSETS

	2021				
	Office Furniture	Computers	Banners	Lights	Total
Cost					
Beginning	51,867	20,169	44,747	26,965	143,748
Additions		4,214	45,106		49,320
Disposals	(8,163)				(8,163)
Ending	43,704	24,383	89,853	26,965	184,905
Accumulated Amortization					
Beginning	43,966	18,809	44,747	26,965	134,487
Amortization	(262)	2,7365	15,035		17,538
Disposals					
Ending	43,704	21,574	59,782	26,965	152,025
Net Book Value	-	2,809	30,071	-	32,880

	2020				
	Office Furniture	Computers	Banners	Lights	Total
Cost					
Beginning	51,156	20,169	44,747	26,965	143,037
Additions	711				711
Disposals					
Ending	51,867	20,169	44,747	26,965	143,748
Accumulated Amortization					
Beginning	33,735	12,761	41,850	26,965	115,311
Amortization	10,231	6,048	2,897		19,176
Disposals					
Ending	43,966	18,809	44,747	26,965	134,487
Net Book Value	7,901	1,360	-	-	9,261

**THE BOARD OF MANAGEMENT FOR
THE WATERFRONT BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2021**

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. 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.

10. 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 \$139,325 was outstanding as at December 31, 2021.