

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

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

ST. LAWRENCE MARKET NEIGHBOURHOOD 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 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, 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 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.

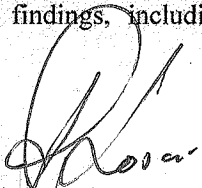
Auditor's Responsibilities for the Audit of the Financial Statements

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, 2022

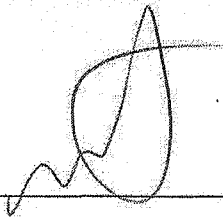

Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

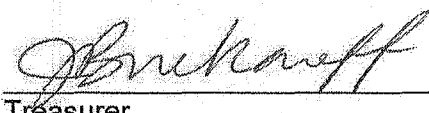
	2021 \$	2020 \$
FINANCIAL ASSETS		
Cash	152,864	286,637
Short-term investments (Note 3)	1,133,102	1,039,497
Accounts receivable		
City of Toronto – special charges (Note 4)	98,801	78,645
City of Toronto – other	37,533	
Other	62,248	73,582
	<u>1,484,548</u>	<u>1,478,361</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	22,671	201,007
Other	28,058	55,497
	<u>50,729</u>	<u>256,504</u>
NET FINANCIAL ASSETS	1,433,819	1,221,857
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	<u>167,715</u>	<u>176,073</u>
ACCUMULATED SURPLUS	<u>1,601,534</u>	<u>1,397,930</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, 2021**

	2021 \$ Budget (Note 10)	2021 \$ Actual	2020 \$ Actual
REVENUE			
City of Toronto – special charges	1,281,023	1,281,162	1,438,178
Film companies	-	23,941	4,827
Festival, grants, sponsorships and other	107,550	54,569	97,716
	<u>1,388,573</u>	<u>1,359,672</u>	<u>1,540,721</u>
EXPENSES			
Administration	499,207	460,900	305,870
Promotion and advertising	313,550	216,934	246,539
Maintenance and Improvements	193,000	225,194	289,233
Capital (Note 8)	512,000	183,179	210,856
Amortization	-	54,057	68,974
Provision for uncollected special charges (Note 4)	116,457	15,804	28,025
	<u>1,634,214</u>	<u>1,156,068</u>	<u>1,149,497</u>
SURPLUS (DEFICIT) FOR THE YEAR	(245,641)	203,604	391,224
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>1,397,930</u>	<u>1,397,930</u>	<u>1,006,706</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>1,152,289</u>	<u>1,601,534</u>	<u>1,397,930</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, 2021

	2021	2020
	\$	\$
Surplus for the year	203,604	391,224
Acquisition of tangible capital assets	(45,699)	(217,632)
Disposal of tangible capital assets	-	
Amortization of tangible capital assets	<u>54,057</u>	<u>68,974</u>
	211,962	242,566
Balance - Beginning of year	<u>1,221,857</u>	<u>979,291</u>
Balance - End of year	<u>1,433,819</u>	<u>1,221,857</u>

**THE BOARD OF MANAGEMENT FOR THE
ST. LAWRENCE MARKET NEIGHBOURHOOD BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021 \$	2020 \$
Cash flows from operating transactions		
Surplus for the year	203,604	391,224
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	54,057	68,974
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(57,689)	(45,356)
Accounts receivable – other	11,334	4,871
Accounts payable – City of Toronto	(178,336)	201,007
Accounts payable – other	(27,439)	15,216
Cash Provided by Operations	5,531	635,936
Investing Activities		
Purchase of tangible capital assets	(45,699)	(217,632)
(Increase) decrease in short-term investments	(93,605)	(212,604)
Cash, Beginning of Year	<u>286,637</u>	<u>80,937</u>
Cash, End of Year	<u>152,864</u>	<u>286,637</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, 2021**

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	Streetscape	5 years
Planters	5 years	Wellington St Project	5 years
Street Furniture	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, 2021

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 rates ranging from 0.15% to 0.50% per annum and will be maturing in 2022.

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:

	2021	2020
	\$	\$
Total special charges outstanding	173,101	210,945
Less: Allowance for uncollected special charges	<u>(74,300)</u>	<u>(132,300)</u>
Special charges receivable	<u>98,801</u>	<u>78,645</u>

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

	2021	2020
	\$	\$
Special charges written-off	73,804	37,225
Change in provision for uncollected special charges	<u>(58,000)</u>	<u>(9,200)</u>
	<u>15,804</u>	<u>28,025</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, 2021

5. CAPITAL ASSETS

	2021					
	Computers	Planters	Street Furniture	Street-scape	Wellington St. Project	Total
Cost						
Beginning	9,151	64,739	20,193	182,867	201,000	477,950
Additions					45,699	45,699
Disposals						
Ending	9,151	64,739	20,193	182,867	246,699	523,649
Amortization						
Beginning	7,794	64,739	6,277	182,867	40,200	301,877
Additions	678		4,039		49,340	54,057
Disposals						
Ending	8,472	64,739	10,316	182,867	89,540	355,934
Net Book Value	679	-	9,877	-	157,159	167,715

	2020					
	Computers	Planters	Street Furniture	Street-scape	Pole Wraps	Total
Cost						
Beginning	7,116	64,739	5,596	182,867	-	260,318
Additions	2,035		14,597		201,000	217,632
Disposals						
Ending	9,151	64,739	20,193	182,867	201,000	477,950
Amortization						
Beginning	7,116	54,589	2,238	168,960		232,903
Additions	678	10,150	4,039	13,907	40,200	68,974
Disposals						
Ending	7,794	64,739	6,277	182,867	40,200	301,877
Net Book Value	1,357	-	13,916	-	160,800	176,073

**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, 2021**

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 \$913,154 (2020 - \$675,207) was outstanding as at December 31, 2021.

10. BUDGET

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