

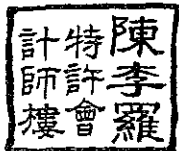
**LAKESHORE VILLAGE BUSINESS
IMPROVEMENT AREA
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Financial Statements December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Opinion

We have audited the accompanying financial statements of **LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA (BIA)**, which comprise the statements of financial position as at **December 31, 2021**, and the statements of operations, changes in accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Lakeshore Village Business Improvement Area (BIA) as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Lakeshore Village Business Improvement Area (BIA) in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 and for not-for-profit organizations 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 over-seeing the BIA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted 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 generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

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

C.C.I.

Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

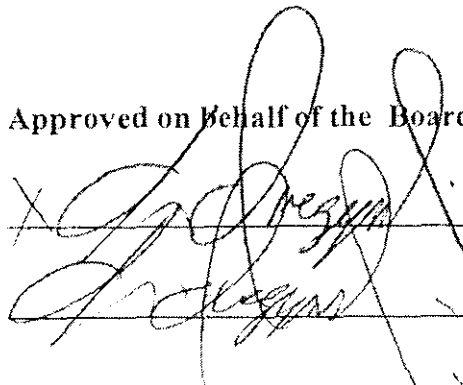
Toronto, Ontario
June 9, 2022

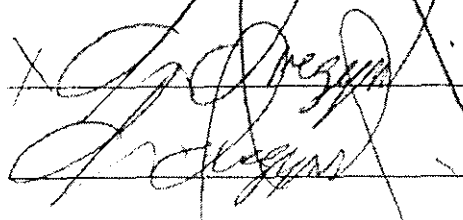
LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Financial Position December 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Financial Assets		
Cash and short-term investments	99,076	76,628
Accounts receivable		
- City of Toronto - special charges (note 3)	8,764	7,900
- Other	<u>19,567</u>	<u>10,666</u>
	<u>127,407</u>	<u>95,194</u>
 Liabilities		
Accounts payable		
- City of Toronto	574	-
- Other	<u>6,241</u>	<u>9,039</u>
	<u>6,815</u>	<u>9,039</u>
 Net Financial Assets	 120,592	 86,155
 Non-Financial Assets		
Equipment (note 4)	<u>21,845</u>	<u>15,127</u>
Accumulated Surplus	<u>142,437</u>	<u>101,282</u>

Approved on Behalf of the Board of Management


Chair


Treasurer

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Changes in Accumulated Surplus Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Accumulated Surplus		
Balance, beginning of year	101,282	62,413
Excess for the year	<u>41,155</u>	<u>38,869</u>
Balance, end of year	<u>142,437</u>	<u>101,282</u>

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Operations Year ended December 31, 2021

	Budget		
	2021	2021	2020
	\$	\$	\$
Revenue			
City of Toronto - special charges	102,269	102,436	110,332
Investment and other income	<u>-</u>	<u>38,118</u>	<u>10,272</u>
	<u>102,269</u>	<u>140,554</u>	<u>120,604</u>
Expenses			
Advertising and promotion	4,500	35,585	5,856
Amortization	-	4,109	3,784
Bank charges	150	166	134
Events	14,650	9,609	11,636
Insurance	922	906	819
Office and general	18,650	10,019	12,256
Professional fees	2,000	2,869	2,130
Repair and maintenance	32,100	17,058	14,504
Subcontractor	20,000	16,588	25,208
Utilities	-	2,260	2,514
Provision for uncollected special charges	<u>9,297</u>	<u>230</u>	<u>2,894</u>
	<u>102,269</u>	<u>99,399</u>	<u>81,735</u>
Excess for the year	<u>-</u>	<u>41,155</u>	<u>38,869</u>

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows Year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Funds provided (used):		
Operating Activities		
Excess for the year	41,155	38,869
Item not affecting cash		
- Amortization	4,109	3,784
- Grant - City of Toronto	-	(938)
Changes in other non-cash working capital components (1)	<u>(11,989)</u>	<u>5,001</u>
	<u>33,275</u>	<u>46,716</u>
Investing Activities		
Acquisition of equipment	<u>(10,827)</u>	<u>-</u>
Net increase in cash	22,448	46,716
Cash, beginning of year	<u>76,628</u>	<u>29,912</u>
Cash, end of year	<u>99,076</u>	<u>76,628</u>

(1) Changes in other non-cash working capital components represented by:

Accounts receivable - City of Toronto	(864)	1,180
Accounts receivable - Other	(8,901)	526
Accounts payable - City of Toronto	574	-
Accounts payable - Other	<u>(2,798)</u>	<u>3,295</u>
	<u>(11,989)</u>	<u>5,001</u>

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements December 31, 2021

1. Nature of the Organization

Lakeshore Village Business Improvement Area is not-for-profit volunteer-based association dedicated to create a safe and competitive business area that attract shoppers and new businesses under the management and control of a Board of Management appointed by the 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 the Council under Section 220(17) of the Municipal Act.

2. Significant Accounting Policies

The Organization follows Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB) which include the following policies:

Revenue recognition:

The Organization receives special charges from the City of Toronto, cash donations from corporate sponsors and private donors, as well as grants for operating purposes and capital projects. Revenue are being recorded upon signing of contract, and when collection can be reasonably ascertained.

Equipment:

Equipment are stated at cost and amortized using straight-line basis over the estimated useful lives of the assets at the following rates per annum:

Computer	2 years
Planters	5 years
Lights	5 years

Financial instruments:

Financial instruments are recorded at the approximated fair value. 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.

Use of Estimates:

The preparation of these financial statements in conformity with Canadian accounting standards for local governments requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements December 31, 2021

3. City of Toronto - Special Charges

Special charges levied by the City are collected from BIA members 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 net of an allowance for uncollected amounts. The special charges receivable from the City of Toronto are comprised of:

	<u>2021</u>	<u>2020</u>
	\$	\$
Total special charges outstanding	12,363	12,700
Less: allowance for uncollected special charges	<u>(3,600)</u>	<u>(4,800)</u>
Accounts receivable - City of Toronto (special charges)	<u>8,763</u>	<u>7,900</u>

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Special charges written-off	1,430	2,494
Changes in allowance for uncollected special charges	<u>(1,200)</u>	<u>400</u>
	<u>230</u>	<u>2,894</u>

4. Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	Net	
	\$	\$	<u>2021</u>	<u>2020</u>
	\$	\$	\$	\$
Computer equipment	1,070	1,068	2	4
Planters	13,714	6,903	6,811	10,642
Lights	<u>115,035</u>	<u>100,002</u>	<u>15,033</u>	<u>6,610</u>
	<u>129,819</u>	<u>107,973</u>	<u>21,846</u>	<u>17,256</u>

LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements December 31, 2021

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. Budget

Budget figures are provided for comparative purpose only and have not been audited. Accordingly, we do not express any opinion on the budget figures.



C.C.L. Chartered Professional Accountants
Professional Corporation
(Member of LAWCPA network)

Terence Chan MBA, CPA (ILL), CPA, CA
Michele Chan MBA, CPA (ILL), CPA, CA
Anne Law B.Comm, CPA, CA

July 19, 2022

City of Toronto
Accounting Services Division
14th Floor, 55 John Street
Toronto, Ontario
M5V 3C6

Dear Sir,

Re: Lakeshore Village Business Improvement Area

Please be advised that, during our audit of the December 31, 2021 financial statements of Lakeshore Village Business Improvement Area. We have identified no significant matter, which is required to be brought to the Board of the BIA.

Should you have any further questions, please do not hesitate to contact us.

Yours very truly,
C.C.L. Chartered Professional Accountants Professional Corporation

Terence Chan, MBA, CPA (ILL, US), CPA, CA