

Financial Statements of

**BOARD OF MANAGEMENT OF  
QUEENSTOWN, THE SAULT STE. MARIE  
CENTRAL BUSINESS  
DISTRICT IMPROVEMENT AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2024



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### ***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 public sector accounting standards, 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 Board'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 Board'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 auditors' 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
<b>Financial assets</b>		
Cash	\$ 150,960	\$ 140,454
Term deposit	44,922	43,181
Accounts receivable (note 2)	12,387	13,416
Total financial assets	208,269	197,051
<b>Financial liabilities</b>		
Accounts payable, accrued and lease liabilities (note 3)	22,046	16,094
Deferred revenue (note 4)	13,797	12,310
Total financial liabilities	35,843	28,404
	172,426	168,647
<b>Non-financial assets</b>		
Tangible capital assets (note 5)	14,076	12,116
Prepaid expenses	196	196
Total non-financial assets	14,272	12,312
Commitments (note 11)		
Economic dependence (note 12)		
Accumulated surplus (note 9)	\$ 186,698	\$ 180,959

The accompanying notes are an integral part of the financial statements.

On behalf of the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

# BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

## Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

		2024 Budget (note 8)		2024		2023
Annual surplus (deficit)	\$	(719)	\$	5,739	\$	30,491
Acquisition of tangible capital assets		(5,829)		(5,829)		-
Amortization of tangible capital assets		3,000		3,869		2,833
		(3,548)		3,779		33,324
Change in prepaid expenses		-		-		1,763
Change in net financial assets		(3,548)		3,779		35,087
Net financial assets, beginning of year		168,647		168,647		133,560
Net financial assets, end of year	\$	165,099	\$	172,426	\$	168,647

The accompanying notes are an integral part of the financial statements.

# BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2024

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The Board of Management of Queenstown, The Sault Ste. Marie Central Business District Improvement Area (the "Board") was established on September 28, 1976, to foster and enhance commercial interests in the downtown business improvement area of Sault Ste. Marie, Ontario.

## 1. Significant accounting policies:

The financial statements of the Board are prepared by management in accordance with Canadian generally accepted accounting principles for government organizations as recommended by the Public Sector Accounting Board (of the Chartered Professional Accountants of Canada).

Significant aspects of the accounting policies adopted by the Board are as follows:

### (a) Revenue recognition:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Assessments are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Events and rent revenues are recognized when the services are performed, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and fees are fixed or determinable. Amounts received for future events or services are deferred until the service is provided.

### (b) Financial Instruments:

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties. The Board subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity securities that are quoted in an active market or financial assets or liabilities designated to the fair value category, which are subsequently measured at fair value. Unrealized changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable, accrued and lease liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial assets, a valuation allowance is used to reflect the financial asset at the lower cost and estimated net recoverable value, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

# BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2024

**3. Accounts payable, accrued and lease liabilities:**

	2024	2023
Trade payables	\$ 3,532	\$ 1,230
Accrued liabilities	16,129	11,749
Lease liability	2,385	3,115
	\$ 22,046	\$ 16,094

Interest of \$257 (2023 – \$257) relating to lease liability has been included in miscellaneous expense.

**4. Deferred revenue:**

The balances in deferred revenue consist of:

	2024	2023
Vivid Art Festival	\$ 13,797	\$ –
Digital Main Street Program	–	12,310
	\$ 13,797	\$ 12,310

Continuity of deferred revenue is as follows:

	2024	2023
Balance, beginning of year	\$ 12,310	\$ 51,723
Contributions received	60,000	56,750
Contributions taken into revenue	(58,513)	(96,163)
Balance, end of year	\$ 13,797	\$ 12,310

# BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

## 5. Tangible capital assets (continued):

Cost	Balance at December 31, 2022			Additions	Disposals	Balance at December 31, 2023	
Furniture and equipment	\$	11,031	\$	3,795	\$	-	\$ 14,826
Photocopier		3,795		-		-	3,795
Computer equipment		12,574		-		-	12,574
Signage		15,078		-		-	15,078
Leasehold improvements		12,581		-		-	12,581
Work in process		3,795		-		(3,795)	-
<b>Total</b>	<b>\$</b>	<b>58,854</b>	<b>\$</b>	<b>3,795</b>	<b>\$</b>	<b>(3,795)</b>	<b>\$ 58,854</b>

Accumulated Amortization	Balance at December 31, 2022			Disposals	Amortization Expense	Balance at December 31, 2023	
Furniture and equipment	\$	5,704	\$	-	\$ 1,445	\$	7,149
Photocopier		63		-	759		822
Computer equipment		10,479		-	629		11,108
Signage		15,078		-	-		15,078
Leasehold improvements		12,581		-	-		12,581
<b>Total</b>	<b>\$</b>	<b>43,905</b>	<b>\$</b>	<b>-</b>	<b>\$ 2,833</b>	<b>\$</b>	<b>46,738</b>

	Net book value, December 31, 2022		Net book value, December 31, 2023	
Furniture and equipment	\$	5,327	\$	7,677
Photocopier		3,732		2,973
Computer equipment		2,095		1,466
Signage		-		-
Leasehold improvements		-		-
Work in process		3,795		-
<b>Total</b>	<b>\$</b>	<b>14,949</b>	<b>\$</b>	<b>12,116</b>

# BOARD OF MANAGEMENT OF QUEENSTOWN, THE SAULT STE. MARIE CENTRAL BUSINESS DISTRICT IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2024

## 9. Accumulated surplus:

Accumulated surplus is comprised of:

	2024	2023
Invested in tangible capital assets	\$ 11,691	\$ 9,001
Operating fund surplus	175,007	171,958
	<u>\$ 186,698</u>	<u>\$ 180,959</u>

## 10. Segmented reporting:

The Chartered Professional Accountants of Canada Public Sector Accounting Handbook Section PS2700 – Segmented Disclosures establishes standards on defining and disclosing segments in a government’s financial statements. Government organizations that apply these standards are encouraged to provide the disclosures established by this section when their operations are diverse enough to warrant such disclosures. The Board has only one identifiable segment, considered to be fostering and enhancing commercial interests in the downtown business improvement area of Sault Ste. Marie, Ontario as presented in these financial statements.

## 11. Commitments:

The Board is committed to minimum monthly office lease payments of \$1,763 through January 31, 2024. Subsequent to year end, the lease agreement has not yet been renewed and is continuing on a month to month basis at payments of \$2,045.

The Board has entered into a financing agreement for a photocopier purchase with minimum monthly payments of \$72 for a term ending on November 30, 2027. The liability has been recorded in accounts payable accrued liabilities, accrued and lease liabilities.

## 12. Economic dependence:

The Board receives approximately 70% (2023 – 56%) of its funding from membership assessments as approved in the annual operating budget. The future of the Board is reliant on the continuation of such assessments to manage the requirement of current and future years.