

**Board of Management for the
Waterfront District
Business Improvement Area
Financial Statements
For the year ended December 31, 2024**

Contents

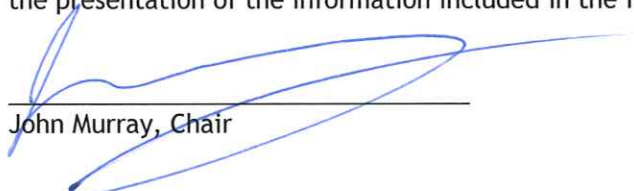
Statement of Administrative Responsibility	2
Independent Auditor's Report	3
Financial Statements	
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Changes in Net Financial Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9
Schedule - Accumulated Surplus	13

Statement of Administrative Responsibility

The management of the Board of Management for the Waterfront District Business Improvement Area have prepared the accompanying financial statements and are responsible for their accuracy and integrity. The financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board (PSAB) of CPA Canada.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that Board assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The 2024 financial statements have been reported on by the Board of Management for the Waterfront District Business Improvement Area's external auditors, MNP LLP, the auditors appointed by the Board of Directors. The auditor's report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



John Murray, Chair

To the Board of Directors of the Board of Management for the Waterfront District Business Improvement Area:

Opinion

We have audited the financial statements of the Board of Management for the Waterfront District Business Improvement Area (the "Business Improvement Area"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets 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 Business Improvement Area as at December 31, 2024, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 the Business Improvement Area 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 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 Business Improvement Area'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 Business Improvement Area or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Business Improvement Area'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 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 Business Improvement Area'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 Business Improvement Area'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 Business Improvement Area 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.

Thunder Bay, Ontario

December 8, 2025

MNP LLP

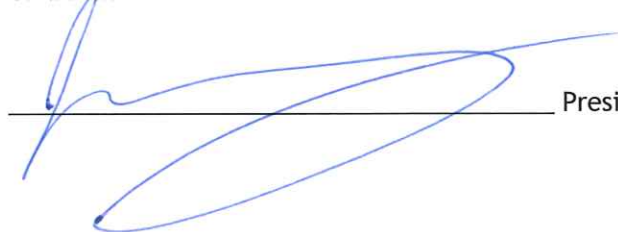
Chartered Professional Accountants

Licensed Public Accountants

**Board of Management for the
Waterfront District Business Improvement Area
Statement of Financial Position**

December 31	2024	2023
Financial assets		
Cash	\$ 104,105	\$ 72,259
Short term investment (Note 2)	5,083	-
Accounts receivable	1,300	12,104
HST receivable	2,083	4,203
Due from City of Thunder Bay	370	150
	<u>112,941</u>	<u>88,716</u>
Liabilities		
Accounts payable and accrued liabilities	31,403	24,789
Deferred revenue	5,000	-
Gift certificates payable	55,625	56,185
	<u>92,028</u>	<u>80,974</u>
Net financial assets	<u>20,913</u>	<u>7,742</u>
Non-financial assets		
Prepaid expenses	1,871	1,554
Tangible capital expenses (Note 3)	1,777	4,151
	<u>3,648</u>	<u>5,705</u>
Accumulated surplus (Schedule)	<u>\$ 24,561</u>	<u>\$ 13,447</u>

On behalf of the Board:



President

Board of Management for the Waterfront District Business Improvement Area Statement of Operations and Accumulated Surplus

For the year ended December 31	Budget 2024	Actual 2024	Actual 2023
Revenue			
Taxes levied	\$ 113,000	\$ 113,000	\$ 106,501
Contribution from City of Thunder Bay Employment and Social Development	113,000	113,000	91,500
Canada-wage subsidy	-	19,122	23,495
Contribution from other sources	-	28,036	12,173
	226,000	273,158	233,669
Expenses			
Advertising and promotion	37,000	49,921	40,765
Amortization	-	578	2,325
Bookkeeping	8,500	8,910	9,652
Digital main street	-	3,550	-
Falconry	20,000	17,857	18,430
Meetings	7,020	3,596	4,100
Other	12,500	16,407	14,096
Office	1,100	1,195	1,081
Professional fees	-	3,970	3,892
Rent	7,200	7,408	6,106
Repairs and maintenance	20,000	11,770	20,040
Salaries and benefits - maintenance and other	110,180	133,187	127,971
Telephone and utilities	2,500	1,900	1,954
	226,000	260,249	250,412
Annual surplus (deficit) before the following	-	12,909	(16,743)
Loss on disposal of tangible capital assets	-	(1,795)	-
	-	11,114	(16,743)
Annual surplus (deficit)	-	11,114	(16,743)
Accumulated surplus, beginning of year	13,447	13,447	30,190
	13,447	24,561	13,447
Accumulated surplus, end of year	\$ 13,447	\$ 24,561	\$ 13,447

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

**Board of Management for the
Waterfront District Business Improvement Area
Statement of Changes in Net Financial Assets**

For the year ended December 31	Budget 2024	Actual 2024	Actual 2023
Annual surplus (deficit)	\$ -	\$ 11,114	\$ (16,743)
Amortization of tangible capital assets	-	578	2,325
Loss on disposal of tangible capital assets	-	1,795	-
(Increase) decrease in prepaid expenses	-	(316)	1,051
Change in net financial assets	-	13,171	(13,367)
Net financial assets, beginning of year	7,742	7,742	21,109
Net financial assets, end of year	\$ 7,742	\$ 20,913	\$ 7,742

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

Board of Management for the Waterfront District Business Improvement Area Statement of Cash Flows

For the year ended December 31	2024	2023
Cash flows from operating activities		
Annual surplus (deficit)	\$ 11,114	\$ (16,743)
Item not involving cash		
Amortization	578	2,325
Loss on disposal of assets	1,795	-
	13,487	(14,418)
 Change in non-cash working capital balances		
Accounts receivable	10,804	12,380
HST receivable	2,120	(2,846)
Due to/from City of Thunder Bay	(220)	(398)
Deferred revenue	5,000	-
Prepaid expenses	(316)	1,051
Accounts payable	6,614	1,787
Gift certificates payable	(560)	6,665
	36,929	4,221
 Cash flows from investing activities		
Purchase of short term investment	(5,083)	-
 Increase in cash for the year	31,846	4,221
Cash, beginning of year	72,259	68,038
 Cash, end of year	\$ 104,105	\$ 72,259

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

Board of Management for the Waterfront District Business Improvement Area Notes to Financial Statements

December 31, 2024

The Board of Management for the Waterfront District Business Improvement Area ("BIA") is responsible for the improvement, beautification and maintenance of municipally-owned land, buildings and structures in the improvement areas which is located in the north core of City of Thunder Bay. As well, the Waterfront District BIA is responsible for the promotion of the improvement area as a business or shopping area.

1. Significant Accounting Policies

Basis of Accounting	The financial statements for the Waterfront District BIA are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants Canada.
Financial Instruments	Financial instruments are initially recorded at fair value when acquired or issued. Cash, which includes cash on hand and bank deposits, accounts and HST receivable and short term investment are reported at fair value. All other financial instruments are measured at cost or amortized cost. All financial instruments are tested for impairment annually, or more frequently if circumstances indicate potential impairment, with losses recognized in the statement of operations and accumulated surplus when declines are determined to be other than temporary. Transaction costs related to instruments measured at amortized cost are added to the carrying value, while those for instruments measured at fair value are expensed as incurred. As the fair value of cash approximates its carrying value, and all other financial instruments have been measured at cost or amortized cost, no remeasurement gains or losses have been recognized, and a statement of remeasurement gains or losses has not been presented.
Cash and cash equivalents	Cash is comprised of cash on hand and cash held in banks.
Revenue Recognition	Revenues consist of taxes levied on businesses within the business improvement area, contributions from the City of Thunder Bay, gift certificate sales, grant revenue, interest income and other sources. Revenues are recognized in the year the events giving rise to the revenues occur and the revenues are earned.

Board of Management for the Waterfront District Business Improvement Area Notes to Financial Statements

December 31, 2024

1. Significant Accounting Policies (cont'd)

- Tangible Capital Assets** Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:
- | | |
|-----------------------|---------------|
| Machinery & equipment | 3 to 10 years |
|-----------------------|---------------|
- Government transfers** Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
- Use of Estimates** The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Items requiring the use of significant estimates include the useful life of tangible capital assets, rates for amortization and the valuation of the accounts receivable.

2. Short Term Investment

Short term investment consists of a non- redeemable GIC with an interest rate of 4.5% maturing in August 2025.

Board of Management for the Waterfront District Business Improvement Area Notes to Financial Statements

December 31, 2024

3. Tangible Capital Assets

	Equipment	2024	2023
Cost, beginning of year	\$ 57,254	\$ 57,254	\$ 57,254
Less: Disposals during the year	(52,706)	(52,706)	-
Cost, end of year	\$ 4,548	\$ 4,548	\$ 57,254
Accumulated amortization, beginning of year	\$ 53,103	\$ 53,103	\$ 50,778
Amortization	578	578	2,325
Disposals	(50,910)	(50,910)	-
Accumulated amortization, end of year	\$ 2,771	\$ 2,771	\$ 53,103
Net book value of tangible capital assets	\$ 1,777	\$ 1,777	\$ 4,151

4. Financial Instruments

Financial instruments include cash, short term investment, accounts receivable, HST receivable, due to/from City of Thunder Bay and accounts payable and accrued liabilities.

Management estimates that the fair value of all financial assets and liabilities are not materially different from their carrying values.

Liquidity Risk

Liquidity risk is the risk that the BIA will not be able to meet its financial obligations as they become due. The BIA is exposed to liquidity risk through its accounts payable and accrued liabilities and due to/from City of Thunder Bay. The BIA's budgeting process helps determine the funds required for normal operating requirements on an on-going basis. The BIA ensures there are sufficient funds to meet its short term requirements by taking into account its anticipated cash flows from levies, contributions and the holding of cash. Accounts payable are primarily due and settled within 90 days of receipt of an invoice.

There have not been any changes from the prior year in the BIA's exposure to liquidity risk or the policies, procedures or methods it uses to manage and measure risk.

Board of Management for the Waterfront District Business Improvement Area Notes to Financial Statements

December 31, 2024

4. Financial Instruments (cont'd)

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The BIA is exposed to interest rate risk arising from its guaranteed investment certificates.

Credit Risk

Credit risk is the risk of financial loss to the BIA if a third party fails to meet its contractual obligations, and is primarily attributable to the BIA's accounts receivable and HST receivable. The BIA's exposure to credit risk at the financial statement date is the carrying value of its receivables as presented on the statement of financial position. The BIA's accounts receivable are as follows: current \$1,100 (2023 - \$11,304), over 60 days \$200 (2023 - \$800). The BIA's HST receivable is as follows: current \$2,083 (2023 - \$4,203). The Board has assessed that there are no significant concentrations of credit risk with respect to any class of financial instruments.

There have not been any changes from the prior year in the BIA's exposure to credit risk or the policies, and procedures or methods it uses to manage and measure risk.

5. Commitments

The BIA has leased office space for a three year period ending in April 2027. Annual lease payments amount to \$7,920 plus HST.

**Board of Management for the
Waterfront District Business Improvement Area
Schedule - Accumulated Surplus**

December 31, 2024

	2024	2023
Investment in tangible capital assets	\$ 1,777	\$ 4,151
General fund surplus	16,284	9,296
Strategic planning	6,500	-
Accumulated surplus	\$ 24,561	\$ 13,447

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