

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2023**

BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2023

CONTENTS

	<u>Page</u>
Independent auditor's report	3 - 4
Financial statements	
Statement of financial position	5
Statement of operations and accumulated capital fund	6
Statement of changes in net financial assets	7
Statement of cash flows	8
Notes to financial statements	9 - 13

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the
Board of Management for the Bloor Yorkville Business Improvement Area

Opinion

I have audited the financial statements of Bloor Yorkville Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2023, 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, 2023 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. 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 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.

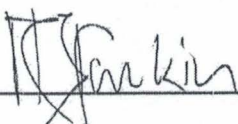
Toronto, Ontario
May 29, 2024


Chartered Professional Accountant
Licensed Public Accountant

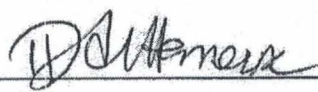
THE BOARD OF MANAGEMENT FOR THE
 BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
 STATEMENT OF FINANCIAL POSITION
 AS AT DECEMBER 31, 2023

	2023 \$	2022 \$
FINANCIAL ASSETS		
CURRENT		
Cash	83,928	64,220
Short-term investments (Note 3)	4,017,670	1,885,675
Accounts receivable		
City of Toronto (Note 4)	358,399	353,815
Other	161,681	131,719
	<u>4,621,678</u>	<u>2,435,429</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities		
Deferred revenue	-	59,500
Other (Note 6)	1,956,087	485,700
	<u>1,956,087</u>	<u>545,200</u>
NET FINANCIAL ASSETS	2,665,591	1,890,229
NON-FINANCIAL ASSETS		
Prepaid expenses	23,643	105,162
Tangible Capital Assets (Note 5)	836,463	1,575,454
ACCUMULATED SURPLUS	<u>3,525,697</u>	<u>3,570,845</u>

Approved on behalf of the Board of Management:



 Chair



 Treasurer

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023 \$ Budget (Note 10)	2023 \$ Actual	2022 \$ Actual
REVENUE			
City of Toronto – special charges	4,444,605	4,444,606	4,182,922
Interest	5,000	133,836	28,771
Sponsorships and other	40,000	87,500	29,000
	<u>4,489,605</u>	<u>4,665,942</u>	<u>4,240,693</u>
EXPENSES			
Administration	749,950	749,342	694,839
Communication and member relations	64,600	59,875	63,828
Design, improvements and maintenance Capital (Note 7)	1,785,500	1,721,317	1,510,867
Amortization	470,000	-	-
Promotion and marketing	-	817,663	810,620
Provision for (recovery of) uncollected special charges (Note 4)	1,365,500	1,323,718	1,107,266
	42,668	39,175	369,725
	<u>4,478,218</u>	<u>4,711,090</u>	<u>4,557,145</u>
SURPLUS (DEFICIT) FOR THE YEAR	11,387	(45,148)	(316,452)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>3,570,845</u>	<u>3,570,845</u>	<u>3,887,297</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>3,582,232</u>	<u>3,525,697</u>	<u>3,570,845</u>

THE BOARD OF MANAGEMENT FOR THE
 BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
 STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	\$	\$
Surplus (deficit) for the year	(45,148)	(316,452)
Decrease (increase) in prepaid expenses	81,519	(105,162)
Acquisition of tangible capital assets	(78,672)	(74,769)
Amortization of tangible capital assets	<u>817,663</u>	<u>810,620</u>
	775,362	314,237
Balance - Beginning of year	1,890,229	1,575,992
Balance - End of year	<u><u>2,665,591</u></u>	<u><u>1,890,229</u></u>

THE BOARD OF MANAGEMENT FOR THE
 BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
	\$	\$
Cash flows from operating transactions		
Surplus (deficit) for the year	(45,148)	(316,452)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	817,663	810,620
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(4,584)	(226,892)
Prepaid expenses	81,519	(105,162)
Accounts receivable – other	(29,962)	104,766
Accounts payable - City of Toronto	-	-
Deferred revenue	(59,500)	49,500
Accounts payable – other	1,470,387	344,926
	<u>2,230,375</u>	<u>661,306</u>
Cash Provided By Operations		
	2,230,375	661,306
Investing Activities		
Purchase of tangible capital assets	(78,672)	(74,769)
(Increase) decrease in short-term investment	(2,131,995)	(1,233,109)
	<u>(2,210,667)</u>	<u>(1,307,878)</u>
Cash, Beginning Of Year	<u>64,220</u>	<u>710,792</u>
Cash, End Of Year	<u>83,928</u>	<u>64,220</u>

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. ESTABLISHMENT AND OPERATIONS

The Bloor Yorkville 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 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 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 Canadian accounting standards 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. 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:

Benches	5 years	Street Signs	5 years
Bloor St. Bench/Light	5 years	Office Furniture	5 years
Computers	3 years	Planters	5 years
Lampposts	5 years	Holiday Decorations	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
 BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2023

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 cash in Tangerine High Interest Savings accounts and Guaranteed Investment certificates through BMO Nesbitt Burns, broker, in various class A financial institutions earning interest at the rate ranging from 4.85% to 5% and will be maturing in 2024.

4. CITY OF TORONTO – SPECIAL CHARGES

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

	2023	2022
	\$	\$
Total special charges outstanding	458,199	495,115
Less: allowance for uncollected special charges	(99,800)	(141,300)
Special charges receivable (payable)	<u>358,399</u>	<u>353,815</u>

The provision for (recovery of) uncollected levies reported on the Statement of Operations and Accumulated Surplus comprises of:

	2023	2022
	\$	\$
Special charges written-off	80,675	761,525
Change in provision for assessment appeals	(41,500)	(391,800)
	<u>39,175</u>	<u>369,725</u>

THE BOARD OF MANAGEMENT FOR THE
 BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2023

5. TANGIBLE CAPITAL ASSETS

2023

	Street Signs	Holiday Décor	Bloor St Bench/Light	Computers	Lamp-posts	Total
Cost						
Beginning	-	758,029	3,284,585	29,549	163,463	4,235,626
Additions	13,077	26,558	35,532	3,505		78,672
Ending	13,077	784,587	3,320,117	33,054	163,463	4,314,298
Accumulated Amortization						
Beginning	-	615,581	1,853,675	27,453	163,463	2,660,172
Amortization	2,615	147,760	664,023	3,265		817,663
Ending	2,615	763,341	2,517,698	30,718	163,463	3,477,835
Net Book Value	10,462	21,246	802,419	2,336	-	836,463

2022

	Benches	Holiday Décor	Bloor St Bench/Light	Computers	Lamp-posts	Total
Cost						
Beginning	55,616	720,785	3,247,060	29,549	163,463	4,216,473
Additions	-	37,244	37,525	-	-	74,769
Ending	55,616	758,029	3,284,585	29,549	163,463	4,291,242
Accumulated Amortization						
Beginning	55,616	463,975	1,196,758	25,356	163,463	1,905,168
Amortization	-	151,606	656,917	2,097	-	810,620
Ending	55,616	615,581	1,853,675	27,453	163,463	2,715,788
Net Book Value	-	142,448	1,430,910	2,096	-	1,575,454

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2023**

6. ACCOUNTS PAYABLE – OTHER

Accounts payable – other, amounting to \$1,823,990 includes funds held for Bloor Street capital projects to be completed.

7. 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.

8. 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.

9. FINANCIAL INSTRUMENTS

(a) Fair value

The financial instruments recognized in the statement of financial position consist of cash, short-investments, accounts receivable, prepaid expenses, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

(b) Interest rate risk

Interest rate risk is from the possibility that changes in interest rates will affect the value of investments disclosed in Note 3. As these investments are cashable on demand, the BIA is not exposed to this risk.

**THE BOARD OF MANAGEMENT FOR THE
BLOOR YORKVILLE BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2023**

(c) Liquidity risk

Liquidity risk is that the BIA will encounter difficulties in meeting obligations associated with financial liabilities. The BIA manages its liquidity risk by maintaining sufficient readily available funds in order to meet its liquidity requirements at any point in time.

10. BUDGET

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

11. COMMITMENTS

(a) The Board is committed to minimum annual operating payments for office space as follows:

Year	\$
2024	43,964
2025	45,480
2026	46,996
2027	48,512
2028	50,028
	<u>234,980</u>

(b) 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 \$27,096, was outstanding as at December 31, 2023.