

**THE BOARD OF MANAGEMENT FOR THE
DUKE HEIGHTS
BUSINESS IMPROVEMENT AREA**

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

**DUKE HEIGHTS
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2023

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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 DUKE Heights Business Improvement Area

Opinion

I have audited the financial statements of DUKE Heights 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 (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.

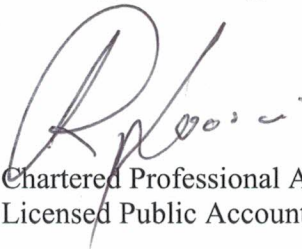
Auditor's Responsibilities for the Audit of the Financial Statements

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 skepticism 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
April 24, 2024


Chartered Professional Accountant
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE
DUKE HEIGHTS BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	46,547	60,975
Short-term investments (Note 3)	8,399,622	6,850,705
Accounts receivable		
City of Toronto – special charges (Note 4)	207,837	207,422
Other	147,293	125,372
	<u>8,801,299</u>	<u>7,244,474</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	115,434	8,927
Other	125,146	50,990
	<u>240,580</u>	<u>59,917</u>
NET FINANCIAL ASSETS	8,560,719	7,184,557
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	<u>833,866</u>	<u>1,191,841</u>
ACCUMULATED SURPLUS	<u>9,394,585</u>	<u>8,376,398</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
DUKE HEIGHTS 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	3,135,318	3,135,319	3,137,668
Grants, sponsorships, contributions and other	60,000	26,346	27,645
Interest	200,000	298,918	127,539
	<u>3,395,318</u>	<u>3,460,583</u>	<u>3,292,852</u>
EXPENSES			
Administration	580,065	456,905	541,226
Promotion and advertising	483,500	439,256	360,954
Maintenance	360,800	329,975	281,350
Capital (Note 8)	1,838,700	464,164	1,511
Amortization	-	731,992	665,440
Provision uncollected special charges (Note 4)	19,426	20,104	101,379
	<u>3,282,491</u>	<u>2,442,396</u>	<u>1,951,860</u>
SURPLUS FOR THE YEAR	112,827	1,018,187	1,340,992
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>8,376,398</u>	<u>8,376,398</u>	<u>7,035,406</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>8,489,225</u>	<u>9,394,585</u>	<u>8,376,398</u>

**THE BOARD OF MANAGEMENT FOR THE
DUKE HEIGHTS BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
	\$	\$
Surplus for the year	1,018,187	1,340,992
Acquisition of tangible capital assets	(374,018)	(537,003)
Amortization of tangible capital assets	731,993	665,440
	1,376,162	1,469,429
Balance - Beginning of year	7,184,557	5,715,128
Balance - End of year	<u>8,560,719</u>	<u>7,184,557</u>

**THE BOARD OF MANAGEMENT FOR THE
DUKE HEIGHTS BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	2023	2022
	\$	\$
Cash flows from operating activities		
Surplus for the year	1,018,187	1,340,992
Non-cash changes to operations		
Add: Non-cash item - Amortization of capital assets	731,992	665,440
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(415)	15,369
Accounts receivable – other	(21,921)	(16,321)
Accounts payable - City of Toronto	106,507	(256,108)
Accounts payable – other	74,156	(72,710)
Cash Provided By Operations	1,908,506	1,676,662
Investing activities		
Purchase of tangible capital assets	(374,017)	(537,003)
Decrease (increase) in short-term investment	(1,548,917)	(1,537,450)
Cash, Beginning of Year	60,975	458,766
Cash, End of Year	46,547	60,975

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

1. ESTABLISHMENT AND OPERATIONS

The DUKE Heights 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 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:

Pole Wraps	5 years	Street-scape Imp.	5 years	Radio Mast	5 years
Dufferin-Finch Gateway	5 years	Capital Markers	5 years	Steeles/ Keele Gateway	5 years
Allen Road Walkway	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
DUKE HEIGHTS 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 INVESTMENT

Short-term investment consists of funds invested with BMO Wealth Management. These investments are cashable on demand and are recorded at fair market value.

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:

	2023	2022
	\$	\$
Total special charges outstanding	245,137	253,122
Less: allowance for uncollected special charges	(37,300)	(45,700)
Special charges receivable	<u>207,837</u>	<u>207,422</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	28,504	128,479
Change in provision for uncollected special charges	(8,400)	(27,100)
	<u>20,104</u>	<u>101,379</u>

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

5. TANGIBLE CAPITAL ASSETS

2023								
	Pole Wraps	Dufferin-Finch Gateway	Allen Road Walkway	Steeles/Keele Gateway	Radio Mast	Street-scape Imp.	Capital Markers	Total
Cost								
Beginning	72,518	266,085	-	-	431,087	367,158	2,174,001	3,310,849
Additions	-	297,037	30,658	22,514	23,809	-	-	374,018
Disposals	-	-	-	-	-	-	-	-
Ending	72,518	563,122	30,658	22,514	454,896	367,158	2,174,001	3,684,867
Accumulated Amortization								
Beginning	62,995	53,217	-	-	138,655	126,459	1,737,682	2,119,008
Amortization	9,523	112,624	6,132	4,503	90,979	73,432	434,800	731,993
Disposals	-	-	-	-	-	-	-	-
Ending	72,518	165,841	6,132	4,503	229,634	199,891	2,172,483	2,851,001
Net Book Value	-	397,281	24,526	18,011	225,262	167,267	1,519	833,866
2022								
	Pole Wraps	Dufferin-Finch Gateway	Allen Road Walkway	Steeles/Keele Gateway	Radio Mast	Street-scape Imp.	Capital Markers	Total
Cost								
Beginning	72,518	-	-	-	262,192	265,135	2,174,001	2,773,846
Additions	-	266,085	-	-	168,895	102,023	-	537,003
Disposals	-	-	-	-	-	-	-	-
Ending	72,518	266,085	-	-	431,087	367,158	2,174,001	3,310,849
Accumulated Amortization								
Beginning	48,491	-	-	-	52,438	53,027	1,302,882	1,456,838
Amortization	14,504	53,217	-	-	86,217	73,432	434,800	662,170
Disposals	-	-	-	-	-	-	-	-
Ending	62,995	53,217	-	-	138,655	126,459	1,737,682	2,119,008
Net Book Value	9,523	212,868	-	-	292,432	240,699	436,319	1,191,841

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

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 financial instruments recognized in the statement of financial position consist of cash, accounts receivable, 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.

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

a) Capital cost-share with City of Toronto

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 \$3,149,694

b) Office lease

The BIA is committed to annual lease payments for office space as follows:

		2026	\$79,602	
	2024	\$77,267	2027	\$80,795
	2025	\$78,426	2028	<u>\$82,007</u>
				<u>\$398,097</u>

10. BUDGET

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