

**THE BOARD OF MANAGEMENT FOR THE
COLLEGE PROMENADE
BUSINESS IMPROVEMENT AREA**

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

COLLEGE PROMENADE 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 Surplus	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 College Promenade Business Improvement Area

Opinion

I have audited the financial statements of College Promenade 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 years 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 years 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 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.

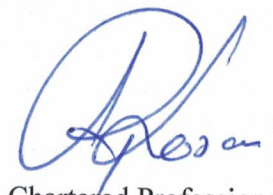
Auditor's Responsibilities for the Audit of the Financial Statements

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
June 19 , 2024

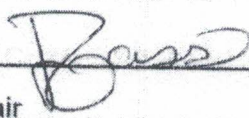


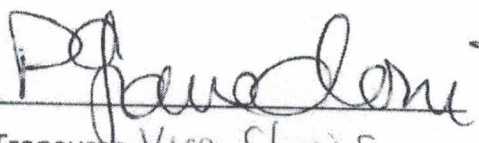
Chartered Professional Accountant
Licensed Public Accountant

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

	2023 \$	2022 \$
FINANCIAL ASSETS		
Cash	135,170	187,262
Accounts receivable		
City of Toronto – special charges (Note 3)	22,687	17,110
Other	16,416	10,872
Current portion of long-term receivable	80,682	87,435
	<u>254,955</u>	<u>302,679</u>
LONG-TERM RECEIVABLE		
Amounts to be recovered in the future (Note 4)	-	167,682
	<u>254,955</u>	<u>470,361</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto – cost share	14,115	27,043
Other	1,525	2,550
Current portion of long-term payable	80,682	87,435
	<u>96,322</u>	<u>117,028</u>
LONG-TERM PAYABLE		
Loan payable (Note 4)	-	167,682
	<u>96,322</u>	<u>284,710</u>
NET FINANCIAL ASSETS (DEFICIT)	158,633	185,651
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	14,428	21,421
ACCUMULATED SURPLUS	<u>173,061</u>	<u>207,072</u>

Approved on behalf of the Board of Management:


Chair


Treasurer Vice Chair

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

	2023 \$ Budget (Note 9)	2023 \$ Actual	2022 \$ Actual
REVENUE			
City of Toronto – special charges	234,252	234,237	235,325
Grants and other	12,500	8,400	28,189
	<u>246,752</u>	<u>242,637</u>	<u>263,514</u>
EXPENSES			
Administration	17,896	17,099	30,979
Capital (note 8)	150,000	-	-
Promotion and advertising	27,750	20,412	22,225
Maintenance	78,000	45,177	49,669
Debt repayment	-	187,000	100,000
Amortization	-	6,993	6,993
Provision for uncollected special charges (Note 3)	5,465	(33)	2,194
	<u>279,111</u>	<u>276,648</u>	<u>212,060</u>
SURPLUS (DEFICIT) FOR THE YEAR	(32,359)	(34,011)	51,454
ACCUMULATED SURPLUS, BEGINNING OF YEAR	207,072	207,072	155,618
ACCUMULATED SURPLUS, END OF YEAR	<u>174,713</u>	<u>173,061</u>	<u>207,072</u>

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

	<u>2023</u> \$	<u>2022</u> \$
Surplus (deficit) for the year	(34,011)	51,454
Acquisition of tangible capital assets	-	(24,049)
Amortization of tangible capital assets	<u>6,993</u>	<u>6,993</u>
	(27,018)	34,398
Balance - Beginning of year	185,651	151,253
Balance - End of year (deficit)	<u><u>158,633</u></u>	<u><u>185,651</u></u>

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

	2023	2022
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	(34,011)	51,454
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	6,993	6,993
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(5,577)	40,837
Accounts receivable – other	(5,544)	4,059
Accounts payable - City of Toronto other	(12,928)	12,928
Accounts payable – other	(1,025)	150
Cash Provided By Operations	(52,092)	116,421
Investing Activities		
Purchase of tangible capital assets	-	(24,049)
Financing Activities		
Loan payment	(174,435)	(84,072)
Long-term receivable	174,435	84,072
Cash, Beginning Of Year	187,262	94,890
Cash, End Of Year	135,170	187,262

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

1. ESTABLISHMENT AND OPERATIONS

The College Promenade 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:

Lights	5 years
Street & Christmas lights	5 years
Planters	5 years
Streetscape	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
COLLEGE PROMENADE 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. 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 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	23,587	18,310
Less: allowance for uncollected special charges	(900)	(1,200)
Special charges receivable	<u>22,687</u>	<u>17,110</u>

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

	2023	2022
	\$	\$
Special charges written-off	267	5,894
Change in provision for losses on assessment appeals	(300)	(3,700)
	<u>(33)</u>	<u>2,194</u>

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

4. LOAN PAYABLE

Amount to be recovered in the future

At the Annual General Meeting of May 16, 2016 the membership of the College Promenade Business Improvement Area authorized the Board to enter into a loan agreement with the City. The purpose of the loan was to finance the Board's share of the capital cost of a project involving streetscape improvements along College Street between Shaw Street and Havelock Street (the "Project").

The City agreed to loan and the Board agreed to reimburse the City, in respect of its share of the capital cost of the Project amounting to \$1,722,733 (inclusive of 1.76% non-refundable HST) plus interest, payable through the annual BIA special levies, over the course of 10 years.

The Board has made payment on the Loan in each of 2016, 2017, 2018 and 2019 from its annual BIA special levies.

Due to various factors, the final cost of the work was less than anticipated. As a result, it was necessary to amend the Loan Agreement and revise the amortization schedule for the Loan.

On November 25, 2019 the Board and the City agreed to amend the original loan agreement by reducing the original amount of \$1,722,733 to \$1,155,111. The amended loan amount will be paid by 2026 with annual blended installment of \$100,000 consisting of principal and interest.

Due to accelerated repayment plan by the Board the loan will be repaid in 2024.

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

5. CAPITAL ASSETS

	2023		
	Lights	Streetscape	Total
Cost			
Beginning	688,209	443,340	1,131,549
Additions	-	-	-
Disposals	-	-	-
Ending	688,209	443,340	1,131,549
Accumulated Amortization			
Beginning	677,130	432,998	1,110,128
Amortization	4,407	2,586	6,993
Disposals	-	-	-
Ending	681,537	435,584	1,117,121
Net Book Value	6,672	7,756	14,428
2022			
	Lights	Streetscape	Total
Cost			
Beginning	677,088	430,412	1,107,500
Additions	11,121	12,928	24,049
Disposals	-	-	-
Ending	688,209	443,340	1,131,549
Accumulated Amortization			
Beginning	672,723	430,412	1,103,135
Amortization	4,407	2,586	6,993
Disposals	-	-	-
Ending	677,130	432,998	1,110,128
Net Book Value	11,079	10,342	21,421

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

6. 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.

7. FINANCIAL INSTRUMENTS

The carrying value of the BIA's financial instruments approximates their values. 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.

8. CAPITAL EXPENSES

In order to finance major capital expenses, the BIA annually budgets certain amounts and accumulates them as 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. BUDGET

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