

**THE BOARD OF MANAGEMENT FOR THE
MOUNT PLEASANT
BUSINESS IMPROVEMENT AREA**

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

**MOUNT PLEASANT
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 Mount Pleasant Business Improvement Area

Opinion

I have audited the financial statements of Mount Pleasant 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 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.

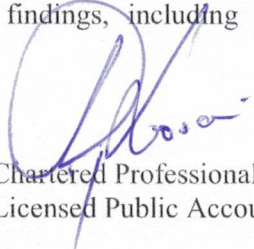
Auditor's Responsibilities for the Audit of the Financial Statements

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
September 2, 2024


Chartered Professional Accountant
Licensed Public Accountant

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

	2023 \$	2022 \$
FINANCIAL ASSETS		
Cash	340,988	100,989
Short-term investments (Note 3)	48,344	291,153
Accounts receivable		
City of Toronto – special charges (Note 4)	17,003	-
Other	16,934	61,533
	<u>423,269</u>	<u>453,675</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto –Special charges (Note 4)	-	9,834
-other	-	51,265
Other	5,101	38,416
	<u>5,101</u>	<u>99,515</u>
NET FINANCIAL ASSETS	418,168	354,160
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	34,123	47,740
ACCUMULATED SURPLUS	<u>452,291</u>	<u>401,900</u>

Approved on behalf of the Board of Management:



Gregory Heller
Chairperson



David Zammit
Treasurer

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

	2023 \$ Budget (Note 8)	2023 \$ Actual	2022 \$ Actual
REVENUE			
City of Toronto – special charges	233,435	231,625	222,157
Sponsorship, grants and other	165,100	161,625	217,641
	<u>398,535</u>	<u>393,250</u>	<u>439,798</u>
EXPENDITURE			
Administration	117,233	110,208	121,752
Promotion and advertising	98,150	127,606	164,982
Maintenance	80,700	87,218	65,938
Capital	101,250	-	-
Amortization	-	13,617	13,617
Provision for uncollected special charges (Note 4)	32,763	4,210	31,782
	<u>430,096</u>	<u>342,859</u>	<u>398,071</u>
SURPLUS (DEFICIT) FOR THE YEAR	(31,561)	50,391	41,727
ACCUMULATED SURPLUS, BEGINNING OF YEAR	401,900	401,900	360,173
ACCUMULATED SURPLUS, END OF YEAR	<u>370,339</u>	<u>452,291</u>	<u>401,900</u>

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

	<u>2023</u> \$	<u>2022</u> \$
Surplus for the year	50,391	41,727
Acquisition of tangible capital assets	-	(51,265)
Amortization of tangible capital assets	<u>13,617</u>	<u>13,617</u>
	64,008	4,079
Balance - Beginning of year	354,160	350,081
Balance - End of year	<u><u>418,168</u></u>	<u><u>354,160</u></u>

THE BOARD OF MANAGEMENT FOR THE
MOUNT PLEASANT 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	50,391	41,727
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	13,617	13,617
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(17,003)	7,790
Accounts receivable – other	44,599	(24,979)
Accounts payable - City of Toronto	(61,099)	61,099
Accounts payable – other	(33,315)	22,687
Cash Provided By (Used in) Operations	(2,810)	121,941
Investing Activities		
Purchase of tangible capital assets	-	(51,265)
(Increase) decrease in short-term investments	242,809	(79,772)
Cash, Beginning Of Year	100,989	110,085
Cash, End Of Year	340,988	100,989

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

1. ESTABLISHMENT AND OPERATIONS

The Mount Pleasant 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:

Banners	3 years	Planters	5 years
Lights	5 years	Street Signs	5 years
Holiday Decoration	3 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
MOUNT PLEASANT 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

Funds held in high interest saving account and cashable at a short notice.

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 (payable to) the City of Toronto are comprised of:

	2023	2022
	\$	\$
Total special charges outstanding	29,403	6,166
Less: allowance for uncollected special charges	(12,400)	(16,000)
Special charges receivable (payable)	<u>17,003</u>	<u>(9,834)</u>

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

	2023	2022
	\$	\$
Special charges written-off	7,810	46,282
Change in provision for losses on assessment appeals	(3,600)	(14,500)
	<u>4,210</u>	<u>31,782</u>

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

5. CAPITAL ASSETS

	2023			
	Banners	Holiday Decorations	Street Scape	Total
Cost				
Beginning	31,640	17,670	68,085	117,395
Additions				
Disposals				
Ending	31,640	17,670	68,085	117,395
Accumulated Amortization				
Beginning	31,640	17,670	20,345	69,655
Amortization			13,617	13,617
Disposals				
Ending	31,640	17,670	33,962	83,272
Net Book Value	-	-	34,123	34,123

	2022			
	Banners	Holiday Decorations	Street Scape	Total
Cost				
Beginning	31,640	17,670	16,820	66,130
Additions			51,265	51,265
Disposals				
Ending	31,640	17,670	68,085	117,395
Accumulated Amortization				
Beginning	31,640	17,670	6,728	56,038
Amortization			13,617	13,617
Disposals				
Ending	31,640	17,670	20,345	69,655
Net Book Value	-	-	47,740	47,740

**THE BOARD OF MANAGEMENT FOR THE
MOUNT PLEASANT 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 financial instruments recognized in the statement of financial position consist of cash, accounts receivable, and 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. BUDGET

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