

**THE BOARD OF MANAGEMENT FOR THE
THE EGLINTON WAY
BUSINESS IMPROVEMENT AREA**

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

**THE EGLINTON WAY
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 Eglinton Way Business Improvement Area

Opinion

I have audited the financial statements of The Eglinton Way 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 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.

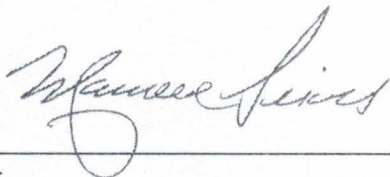
Toronto, Ontario
July 26, 2024


Chartered Professional Accountant
Licensed Public Accountant

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

	2023	2022
	\$	\$
FINANCIAL ASSETS		
Cash	94,801	209,178
Short-term investments (Note 3)	558,950	491,892
Accounts receivable		
City of Toronto – special charges (Note 4)	9,585	8,794
Other	30,230	19,727
	<u>693,566</u>	<u>729,591</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto - Other	127,223	38,290
Other	19,875	14,121
	<u>147,098</u>	<u>52,411</u>
NET FINANCIAL ASSETS	546,468	677,180
NON- FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	<u>188,988</u>	<u>45,354</u>
ACCUMULATED SURPLUS	<u>735,456</u>	<u>722,534</u>

Approved on behalf of the Board of Management:



Chair

Maureen Siros



Treasurer

Vito Marinuzzi

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

	2023 \$ Budget <small>(Note 10)</small>	2023 \$ Actual	2022 \$ Actual
REVENUE			
City of Toronto – special charges	290,037	290,037	291,344
Grants	422,890	265,406	68,543
Interest and other			15,137
	<u>712,927</u>	<u>555,443</u>	<u>375,024</u>
EXPENSES			
Administration	230,709	189,529	146,867
Promotion and advertising	228,600	197,596	115,619
Maintenance	90,350	98,758	101,749
Capital (Note 8)	205,294	53	5,879
Amortization	-	53,486	15,773
Provision for uncollected special charges (note 4)	3,796	3,099	16,344
	<u>758,749</u>	<u>542,521</u>	<u>402,231</u>
SURPLUS (DEFICIT) FOR THE YEAR	(45,822)	12,922	(27,207)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>722,534</u>	<u>722,534</u>	<u>749,741</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>676,712</u>	<u>735,456</u>	<u>722,534</u>

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

	2023	2022
	\$	\$
	<hr/>	<hr/>
Surplus (deficit) for the year	12,922	(27,207)
Acquisition of tangible capital assets	(197,120)	(32,337)
Amortization of tangible capital assets	53,486	15,773
	<hr/>	<hr/>
	(130,712)	(43,771)
Balance - Beginning of year	677,180	720,951
	<hr/>	<hr/>
Balance - End of year	<u>546,468</u>	<u>677,180</u>

**THE BOARD OF MANAGEMENT FOR THE
THE EGLINTON WAY 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	12,922	(27,207)
Non-cash changes to operations		
Add: Non-cash item amortization of capital assets	53,486	15,773
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(791)	13,623
Accounts receivable – other	(10,503)	22,290
Accounts payable – City of Toronto	88,933	32,337
Accounts payable - other	5,754	9,117
Cash Provided by Operations	149,801	65,933
Investing activities		
(Increase) decrease in short-term investments	(67,058)	43,094
Acquisition of tangible capital assets	(197,120)	(32,337)
Cash, Beginning of Year	209,178	132,488
Cash, End of Year	94,801	209,178

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

1. ESTABLISHMENT AND OPERATIONS

The Eglinton Way 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.

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	Art Sculpture	5 years
Artwalk & bike ring	5 years	Eglinton Way signage	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
THE EGLINTON WAY 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 funds invested with Credential Securities in GICs bearing interest ranging from 1.2% to 4.61% per annum and high interest savings mutual funds. These investments will be maturing in 2024 and 2025.

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. Special charges receivable from the City of Toronto are comprised of:

	2023	2022
	\$	\$
Total special charges outstanding	10,885	9,894
Less: allowance for uncollected special charges	(1,300)	(1,100)
Special charges (payable) receivable	<u>9,585</u>	<u>8,794</u>

The provision for uncollected levies reported on the Statement of Revenue, Expenses and Operating Surplus comprises:

	2023	2022
	\$	\$
Special charges written-off	2,899	18,944
Change in provision for uncollected special charges	200	(2,600)
	<u>3,099</u>	<u>16,344</u>

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

5. TANGIBLE CAPITAL ASSETS

	2023			
	Artwalk & bike ring	Art Sculpture	Eglinton Way Signage	Total
Cost				
Beginning	-	32,337	37,975	70,312
Additions	197,120		-	197,120
Disposals	-		-	-
Ending	197,120	32,337	37,975	267,432
Accumulated Amortization				
Beginning	-	6,467	18,491	24,958
Amortization	39,424	6,467	7,595	53,486
Disposals	-	-	-	-
Ending	39,424	12,934	26,086	78,444
Net Book Value	157,696	19,403	11,889	188,988
	2022			
	Artwalk & bike ring	Art Sculpture	Eglinton Way Signage	Total
Cost				
Beginning	-	-	37,975	37,975
Additions	-	32,337		32,337
Disposals	-			-
Ending	-	32,337	37,975	70,312
Accumulated Amortization				
Beginning	-	-	10,896	10,896
Amortization	-	6,467	7,595	14,062
Disposals	-			-
Ending	-	6,467	18,491	24,958
Net Book Value	-	25,870	19,484	45,354

**THE BOARD OF MANAGEMENT FOR THE
THE EGLINTON WAY 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, and accounts payable and accrued liabilities.

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. COMMITMENTS

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 \$46,120 was outstanding as at December 31, 2023.

10. BUDGET

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