

**TORONTO FINANCIAL DISTRICT  
BUSINESS IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**TORONTO FINANCIAL DISTRICT  
BUSINESS IMPROVEMENT AREA  
DECEMBER 31, 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Council of the Corporation of the City of Toronto, the  
Board of Management and Members of the Toronto Financial District Business Improvement Area:

### Opinion

We have audited the financial statements of Toronto Financial District Business Improvement Area ("the BIA"), which comprise the statement of financial position as at December 31, 2024 and the statements of operations, net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2024 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the BIA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 these financial statements, management is responsible for assessing the BIA's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 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

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted 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 generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada  
April 23, 2025

*RMK Rosenswig McKee Rosso LLP*

Chartered Professional Accountants  
Licensed Public Accountants

**TORONTO FINANCIAL DISTRICT  
BUSINESS IMPROVEMENT AREA**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2024**

ASSETS

	<u>2024</u>	<u>2023</u>
Cash	\$ 679,960	\$ 1,649,070
Investments (Note 3)	800,000	51,496
Accounts receivable		
City of Toronto - special charges (Note 4)	152,359	158,375
Other	<u>61,565</u>	<u>61,776</u>
	<u>1,693,884</u>	<u>1,920,717</u>

LIABILITIES

Accounts payable and accrued liabilities	\$ <u>339,527</u>	\$ <u>246,205</u>
Net financial assets	<u>1,354,357</u>	<u>1,674,512</u>

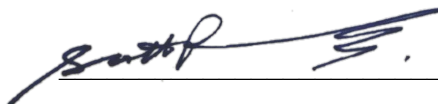
NON FINANCIAL ASSETS

Prepaid expenses and other assets	<u>13,472</u>	<u>14,247</u>
Accumulated surplus (Note 4)	\$ <u><u>1,367,829</u></u>	\$ <u><u>1,688,759</u></u>

Accumulated surplus is comprised of:

Unrestricted surplus	\$ 767,829	\$ 1,288,759
Restricted surplus (Note 4)	<u>600,000</u>	<u>400,000</u>
	<u>\$ 1,367,829</u>	<u>\$ 1,688,759</u>

Approved on behalf of the Board of Management:

 \_\_\_\_\_, Chair

 \_\_\_\_\_, Treasurer

**TORONTO FINANCIAL DISTRICT  
BUSINESS IMPROVEMENT AREA**

**STATEMENT OF OPERATIONS  
YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>		<u>2023</u>
	<u>Actual</u>	<u>Budget</u>	
		Unaudited (Note 8)	
Revenue			
City of Toronto - special charges	\$ 1,305,551	\$ 1,305,554	\$ 1,338,696
Interest income	63,223	-	76,139
Other income	<u>25,215</u>	<u>25,125</u>	<u>2,452</u>
	<u>1,393,989</u>	<u>1,330,679</u>	<u>1,417,287</u>
Expenses			
Administration	631,838	541,008	539,587
Streetscape - non cost share	590,367	674,862	516,984
Communications	262,311	342,646	249,236
Advocacy and urban realm	235,885	336,125	267,798
Provision for (recovery of) levies in appeals (Note 4)	<u>(5,483)</u>	<u>118,687</u>	<u>4,946</u>
	<u>1,714,918</u>	<u>2,013,328</u>	<u>1,578,551</u>
Annual deficit	\$ <u><u>(320,929)</u></u>	\$ <u><u>(682,649)</u></u>	\$ <u><u>(161,264)</u></u>

**TORONTO FINANCIAL DISTRICT  
BUSINESS IMPROVEMENT AREA  
STATEMENT OF NET FINANCIAL ASSETS  
YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
Annual deficit	\$ (320,929)	\$ (161,264)
(Increase) decrease in prepaid expense and other assets	<u>774</u>	<u>(1,588)</u>
Change in net financial assets	(320,155)	(162,852)
Net financial assets, beginning of year	<u>1,674,512</u>	<u>1,837,364</u>
Net financial assets, end of year	\$ <u><u>1,354,357</u></u>	\$ <u><u>1,674,512</u></u>

**TORONTO FINANCIAL DISTRICT  
BUSINESS IMPROVEMENT AREA**

**STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
Cash from operating activities:		
Annual deficit	\$ (320,929)	\$ (161,264)
Changes in non-cash working capital balances:		
Decrease (increase) in accounts receivable		
- City of Toronto - special charges	6,016	23,650
- Other	209	7,580
(Increase) decrease in prepaid expenses and other assets	775	(1,588)
Increase (decrease) in accounts payable and accrued liabilities	<u>93,322</u>	<u>140,745</u>
	<u>(220,607)</u>	<u>9,123</u>
Cash flows used in investing activities		
Acquisition of investments	<u>(748,503)</u>	<u>(1,364)</u>
Increase (decrease) in cash	(969,110)	7,759
Cash, beginning of year	<u>1,649,070</u>	<u>1,641,311</u>
Cash, end of year	\$ <u><u>679,960</u></u>	\$ <u><u>1,649,070</u></u>



**TORONTO FINANCIAL DISTRICT  
BUSINESS IMPROVEMENT AREA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

1. Establishment of operations

The Toronto Financial District Business Improvement Area was designated as a business improvement area by By-Law 1126-2011 enacted on September 22, 2011. The appointment of members to a Board of Management ("Board") to manage the Business Improvement Area ("BIA") was approved by Council of the City of Toronto on November 9, 2011.

The BIA promotes economic development in the financial district and strives to ensure that the financial district is connected, well-maintained, integrated, and accessible. Funding is provided by property owners of the BIA who are levied a special charge, through property tax billings, based on an annual operating budget prepared by the Board and approved by Council as required by Section 220 (17) of the Municipal Act, as amended.

2. Significant accounting policies

The financial statements of the BIA are prepared by management in accordance with Canadian public sector accounting standards ("CPSAS") as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Chartered Professional Accountants. The significant accounting policies are summarized as follows:

a) Accrual basis of accounting

Expenditures are recorded on the accrual basis of accounting, whereby they are reflected in the financial statements in the period in which they have been incurred, whether or not such transaction have been finally settled by the payment of money.

b) Revenue recognition

City of Toronto special charges revenue is recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Interest income is recognized when earned.

c) Use of estimates

The preparation of financial statements in conformity with CPSAS require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

# **TORONTO FINANCIAL DISTRICT BUSINESS IMPROVEMENT AREA**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

2. Significant accounting policies (continued)

d) Cost-share expenditures

The Board, in co-operation with the City, agrees to cost-shared capital improvement projects on publicly owned property. The projects are long-term in nature and are usually incorporated in a multi-year tender by the city. The BIAs share of the cost are not invoiced by the City until contracts are closed. The BIA accrues the costs in the financial statements when the invoices are received from the City. These amounts are identified in Note 7.

e) Investments

Investments are recorded at cost which approximates their fair value on the date of acquisition.

3. Investments

Investments consist of guaranteed investment certificates earning interest between 3.25% and 4.66% annually, maturing between January and May 2025.

4. City of Toronto - special charges

Special charges levied by the City of Toronto ("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:

	<u>2024</u>	<u>2023</u>
Total special charges outstanding	\$ 169,259	\$ 182,175
Less: Allowance for special charges in appeals	<u>(16,900)</u>	<u>(23,800)</u>
Special charges receivable	<u>\$ 152,359</u>	<u>\$ 158,375</u>

The City decreased allowances for special charges by \$6,900 (2023 - increased by \$9,300) for uncollectable amounts. The City also wrote off \$1,417 of levies during the year (2023 - \$14,246) .

**TORONTO FINANCIAL DISTRICT  
BUSINESS IMPROVEMENT AREA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

5. Restricted surplus

The Board has internally restricted \$600,000 as a reserve for operations.

6. Insurance

The BIA is required to deposit with the City 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 \$10,000,000 for each occurrence or accident has been obtained by the Board, through the City of Toronto.

7. Contractual commitments

- a) As at December 31, 2024 the BIA had no estimated commitments outstanding relating to their previous cost-shared capital improvement projects expenditures (2023 - \$nil).
- b) The BIA has contractual commitments to minimum annual operating payments for equipment, office leases and other contractual obligations of \$130,162 in fiscal 2025 and \$10,367 in fiscal 2026.

8. Financial instruments risks

a) Fair value

The financial instruments recognized in the statement of financial position consist of cash, investments, accounts receivable, prepaid expenses and other assets 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.

**TORONTO FINANCIAL DISTRICT  
BUSINESS IMPROVEMENT AREA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

8. Financial instruments risks (continued)

b) Liquidity risk

Liquidity risk is the risk 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.

9. 2024 Budget

The 2024 budget figures on the statement of operations are presented for information purposes only and are not commented on by the opinion of Rosenswig McRae Thorpe LLP dated April 23, 2025.

**TORONTO FINANCIAL DISTRICT  
BUSINESS IMPROVEMENT AREA**

**SCHEDULE OF EXPENSES**

**YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
Salaries and benefits	\$ 692,019	\$ 558,211
Streetscape - non-cost share	590,367	516,984
Occupancy costs	100,801	96,461
Marketing and promotion	93,383	95,776
Public realm	60,639	113,538
Professional fees	43,547	18,310
Utilities	38,733	39,835
Travel	23,434	26,099
Advocacy	22,308	16,442
Meeting expenses	18,617	13,089
Consultants	14,447	23,844
Memberships	8,404	9,651
Insurance	6,009	5,821
General office	5,681	6,966
Interest and bank charges	2,011	2,051
Research	-	30,528
Provision for (recovery of) levies in appeals	<u>(5,483)</u>	<u>4,946</u>
	<u>1,714,918</u>	<u>1,578,551</u>

April 23, 2025

Board of Management and Members of  
Toronto Financial District Business Improvement Area  
100 King Street West Suite 5700  
Toronto, Ontario  
M5F 1C7

Dear Board of Management and Members of Toronto Financial District Business Improvement Area:

As part of our annual audit of your financial statements for the year ended December 31, 2024 we wish to report to you on our findings.

We wish to thank Amy Harrell and the organization's staff for assisting us during the audit. Based on our materiality of \$37,000, there are no material differences nor were there any significant unrecorded items.

We would like to report to you the following financial reporting matters:

*Related party transactions*

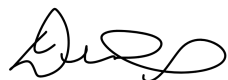
We have not identified any related party transaction in the course of our audit.

*Internal controls*

We have not noted any significant internal control matters. Though the segregation of duties is important to having a high degree of internal controls, we understand that this may not be feasible due to the limited number of personnel in the accounting and finance areas.

Yours very truly,

RMR ROSENSWIG McRAE ROSSO LLP



Dustin Jainaraine, CPA, CA  
DJ/dj