

**THE BOARD OF MANAGEMENT FOR THE
CORSO ITALIA
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2024**

**CORSO ITALIA
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2024

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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 Corso Italia Business Improvement Area

Opinion

I have audited the financial statements of Corso Italia Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2024, 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, 2024 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 Board'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.

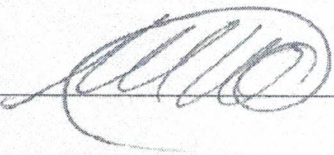
Toronto, Ontario
June 19, 2025


Chartered Professional Accountant
Licensed Public Accountant

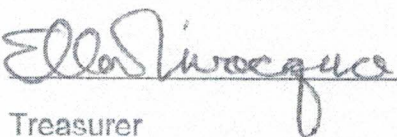
**THE BOARD OF MANAGEMENT FOR THE
CORSO ITALIA BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash	126,581	42,530
Short term Investment (Note 8)	151,748	201,206
Accounts receivable		
City of Toronto – levy (Note 3)	19,261	19,197
Other	18,025	23,640
	<u>315,615</u>	<u>286,573</u>
LIABILITIES		
Accounts payable – City others	91,971	-
Accounts payable and accrued liabilities	6,131	6,382
	<u>98,102</u>	<u>6,382</u>
NET FINANCIAL ASSETS	217,513	280,191
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	75,922	770
ACCUMULATED SURPLUS	<u>293,435</u>	<u>280,961</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
 CORSO ITALIA BUSINESS IMPROVEMENT AREA
 STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
 FOR THE YEAR ENDED DECEMBER 31, 2024**

	2024 \$ Budget (Note 9)	2024 \$ Actual	2023 \$ Actual
REVENUE			
Levy	252,674	252,673	251,440
Grants and Interest	-	25,542	26,119
	<u>252,674</u>	<u>278,215</u>	<u>277,559</u>
EXPENSES			
Administration	95,528	77,660	73,383
Promotion and advertising	79,050	88,991	142,479
Maintenance	71,500	75,991	91,209
Capital (Note 7)	65,250	-	-
Amortization (Note 4)	-	19,269	385
Provision for uncollected levy (Note 3)	3,846	3,830	3,598
	<u>315,174</u>	<u>265,741</u>	<u>311,054</u>
SURPLUS (DEFICIT) FOR THE YEAR	(62,500)	12,474	(33,495)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>280,961</u>	<u>280,961</u>	<u>314,456</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>218,461</u>	<u>293,435</u>	<u>280,961</u>

THE BOARD OF MANAGEMENT FOR THE
 CORSO ITALIA BUSINESS IMPROVEMENT AREA
 STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 \$	2023 \$
Surplus (deficit) for the year	12,474	(33,495)
Acquisition of tangible capital assets	(94,421)	(1,155)
Amortization of tangible capital assets	19,269	385
	(62,678)	(34,265)
Balance, Beginning of Year	280,191	314,456
Balance, End of Year	217,513	280,191

THE BOARD OF MANAGEMENT FOR THE
 CORSO ITALIA BUSINESS IMPROVEMENT AREA
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	12,474	(33,495)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	19,269	385
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(64)	(2,994)
Prepaid expenses	-	-
Accounts receivable – other	5,615	5,939
Accounts payable - City of Toronto	91,971	-
Accounts payable – other	(251)	656
Cash provided by operations	129,014	(29,509)
Investing activities		
Purchase of tangible capital assets	(94,421)	(1,155)
(Increase) decrease in short-term investment	49,458	(201,206)
Cash, Beginning of Year	42,530	274,400
Cash, End of Year	126,581	42,530

THE BOARD OF MANAGEMENT FOR THE
CORSO ITALIA BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. ESTABLISHMENT AND OPERATIONS

The Corso Italia 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 levy from its members which is collected by the City of Toronto. It may also receive cash donations and sponsorships from corporate and private donors and grants from local, provincial and federal governments for events and festivals. Revenue is 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:

Street & Christmas lights	5 years	Banners	3 years
Planters	5 years	Pole Wraps	5 years
Tree Grates	3 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
 CORSO ITALIA BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2024

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 – LEVY

The City collects levy from BIA members and remits the amount collected to the Board. The total levy outstanding consists of amounts collected by the City but not yet remitted to the Board and amounts uncollected by the City.

The Board records levy receivable net of an allowance for uncollected amounts. The levy receivable from the City of Toronto is comprised of:

	2024	2023
	\$	\$
Total levy outstanding	25,461	22,497
Less: Allowance for uncollected levy	(6,200)	(3,300)
Levy receivable	<u>19,261</u>	<u>19,197</u>

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

	2024	2023
	\$	\$
Levy written-off	930	3,698
Change in allowance for uncollected levy	2,900	(100)
	<u>3,830</u>	<u>3,598</u>

THE BOARD OF MANAGEMENT FOR THE
 CORSO ITALIA BUSINESS IMPROVEMENT AREA
 NOTES TO THE FINANCIAL STATEMENTS, CONT'D
 FOR THE YEAR ENDED DECEMBER 31, 2024

4. CAPITAL ASSETS

	2024			
	Streetscape	Pole Wraps	Tree Grates	Total
Cost				
Beginning	-	16,360	1,155	17,515
Additions	91,971	2,450	-	94,421
Disposals	-	-	-	-
Ending	91,971	18,810	1,155	111,936
Accumulated Amortization				
Beginning	-	16,360	385	16,745
Amortization	18,394	490	385	19,269
Disposals	-	-	-	-
Ending	18,394	16,850	770	36,014
Net Book Value	73,577	1,960	385	75,922

	2023			
	Streetscape	Pole Wraps	Tree Grates	Total
Cost				
Beginning	-	16,360	-	16,360
Additions	-	-	1,155	1,155
Disposals	-	-	-	-
Ending	-	16,360	1,155	17,515
Accumulated Amortization				
Beginning	-	16,360	-	16,360
Amortization	-	-	385	385
Disposals	-	-	-	-
Ending	-	16,360	385	16,745
Net Book Value	-	-	770	770

5. 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.

6. FINANCIAL INSTRUMENTS

(a) Fair value

The financial instruments recognized in the statement of financial position consist of cash, short-investments, 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. Tangible capital assets are also reflected at fair value, with appropriate amortization calculated based on the organization's accounting policy. The amortization method and schedule (note 4) for these assets are determined according to their expected useful life, ensuring an accurate representation of their value over time in the financial statements.

(b) Interest rate risk

Interest rate risk is from the possibility that changes in interest rates will affect the value of investments disclosed in Note 8. As these investments are cashable on demand, the BIA is not exposed to this risk.

(c) Liquidity risk

Liquidity risk is 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.

7. 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.

**THE BOARD OF MANAGEMENT FOR THE
CORSO ITALIA BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2024**

8. SHORT-TERM INVESTMENT

Short-term investment consists of a high interest savings account with IC Savings Credit Union. It is cashable on demand.

9. BUDGET

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

10. COMMITMENTS

The Board, 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 Board is committed to capital improvement projects of which the Board's share of \$203,648 was outstanding as at December 31, 2024.

RAFIQ DOSANI, B.Comm. CPA, CA
CHARTERED PROFESSIONAL ACCOUNTANT

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June 10, 2025

Mr. Mike Di Sapia, Chair
Corso Italia Business Improvement Area
Toronto, Ontario

Dear Mr. Mike Di Sapia,

YEAR ENDED DECEMBER 31, 2024

The audit of the financial statements of the Corso Italia Business Improvement Area (BIA) for the year ended December 31, 2024 has been completed. The primary purpose of the audit was to express an opinion on the financial position of the BIA as at that date and on the results of its operations for the year then ended.

Given the test nature of my audit, you will appreciate that reliance must be placed on adequate methods of internal control as the Board's principal safeguard against irregularities which a test examination may not disclose.

This letter provides my observations and recommendations on matters arising from the 2024 audit for your consideration.

Employee Health Tax

Observation:

In Ontario all entities are required to pay the Employee Health Tax (EHT) to Minister of Finance. Presently the first million-dollars of the payroll are exempt for all employers except Municipalities and its Boards and Agencies. Presently the BIA is not paying the EHT to the Minister of Finance.

Recommendation:

- 1. In order to comply with the Province of Ontario guidelines and avoid penalties, the BIA should register with the Ministry of Finance and pay the EHT.**

Management Response:

Effective immediately the BIA will register with the Ministry of Finance and pay applicable EHT.

Workers' Safety Insurance

Observation:

In Ontario all employers are required to register with the Workers' Safety Insurance Board (WSIB) to protect employees with work related injuries. At the present time the BIA is not registered with the WSIB.

Recommendation:

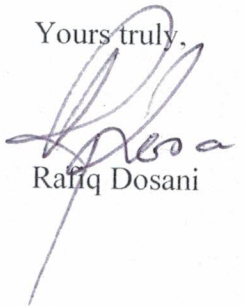
- 2. In order to comply with the Province of Ontario WSIB's guidelines the BIA should consider registering with the WSIB to protect its employees from work related injuries.**

Management Response:

- 3. The Board will follow-up with the recommendation and register with the WSIB.**

I will be available to discuss my observations and recommendations with the Board members at a mutually convenient time.

Yours truly,



Rafiq Dosani