

**Mirvish Village Business Improvement Area**

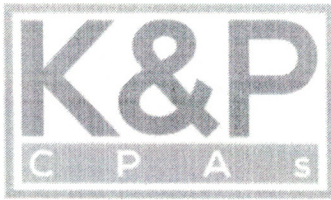
**Financial Statements**

December 31, 2024

**Mirvish Village Business Improvement Area**  
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**December 31, 2024**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Management of Mirvish Village Business Improvement Area,  
Council, Inhabitants and Ratepayers of the Corporation of the City of Toronto.

### *Opinion*

We have audited the financial statements of Mirvish Village Business Improvement Area (the "BIA"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, changes in 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 financial performance and 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*

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 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.

### *Other Matter – Comparative Information*

The financial statements of Mirvish Village Business Improvement Area for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on June 24, 2024.

### *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 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.

**INDEPENDENT AUDITOR'S REPORT (CONT'D)***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.

A handwritten signature in cursive script that reads 'Kostioutchenko & Patel'.

Toronto, Ontario  
September 15, 2025


Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario

# MIRVISH VILLAGE BUSINESS IMPROVEMENT AREA


Statements of Financial Position  
As at December 31, 2024

	Note	2024	2023
		\$	\$
<b>FINANCIAL ASSETS</b>			
Cash		64,943	215,234
Accounts and other receivables			
City of Toronto - special charges	5	3,345	4,204
Accrued interest	6	8,551	-
Investment	6	200,000	-
		<b>276,839</b>	<b>219,438</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts payable and accrued liabilities			
Account payable - City of Toronto	11	1,526	1,526
Account payable - other		10,443	1,325
		<b>11,969</b>	<b>2,851</b>
<b>NET FINANCIAL ASSETS</b>		<b>264,870</b>	<b>216,587</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	10	3,586	5,275
<b>ACCUMULATED SURPLUS</b>	3, 4	<b>268,456</b>	<b>221,862</b>

Approved on behalf of the Board of Management



\_\_\_\_\_ Chair



\_\_\_\_\_ Board Member

The accompanying notes form an integral part of, and should be read in conjunction with, these financial statements.

**MIRVISH VILLAGE BUSINESS IMPROVEMENT AREA**Statement of Operations and Accumulated Surplus  
For the year ended December 31, 2024

	Note	2024 Budget (Note 9) \$	2024 Actual \$	2023 Actual \$
<b>REVENUE</b>				
City of Toronto - special charges		86,302	<b>86,326</b>	81,814
Grant		7,500	<b>1,380</b>	-
Interest		-	<b>8,551</b>	643
		93,802	<b>96,257</b>	82,457
<b>EXPENSES</b>				
Administration		22,312	<b>22,464</b>	16,438
Maintenance		16,350	<b>20,119</b>	16,789
Amortization		-	<b>3,215</b>	3,063
Provision for uncollected special charges	5	-	<b>2,935</b>	2,835
Promotion and Marketing		17,600	<b>930</b>	819
Capital	7	107,500	-	-
Provision for tax appeal expenditures		7,846	-	-
		171,608	<b>49,663</b>	39,944
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		<b>(77,806)</b>	<b>46,594</b>	42,513
<hr/>				
Accumulated surplus, beginning of year		221,862	<b>221,862</b>	179,349
<hr/>				
Accumulated surplus, end of year		<b>144,056</b>	<b>268,456</b>	<b>221,862</b>

The accompanying notes form an integral part of, and should be read in conjunction with, these financial statements.

## MIRVISH VILLAGE BUSINESS IMPROVEMENT AREA

Statements of Changes in Net Financial Assets  
For the year ended December 31, 2024

	2024	2023
	\$	\$
Annual surplus	46,594	42,513
Additions to tangible capital assets	(1,526)	(1,526)
Amortization of tangible capital assets	3,215	3,063
Change in net financial assets	48,283	44,050
Net financial assets, beginning of the year	228,491	184,441
Net financial assets, end of year	276,774	228,491

*The accompanying notes form an integral part of, and should be read in conjunction with, these financial statements.*

**MIRVISH VILLAGE BUSINESS IMPROVEMENT AREA**

## Statements of Cash Flows

For the year ended December 31, 2024

	2024	2023
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	46,594	42,513
<i>Adjustment for non-cash items</i>		
Amortization of tangible assets	3,215	3,063
Adjustment to accumulated surplus	-	(11,904)
	3,215	(8,841)
<i>Net change in non-cash working capital:</i>		
Accounts and other receivables	859	24,419
Investments	(200,000)	-
Accounts payable and accrued liabilities	9,118	1,601
Accrued interest	(8,551)	-
	(198,574)	26,020
	(148,765)	59,692
<b>CASH FLOWS INVESTING ACTIVITIES</b>		
Purchase of tangible capital asset	(1,526)	(1,526)
	(1,526)	(1,526)
<b>NET CHANGE IN CASH</b>	<b>(150,291)</b>	<b>58,166</b>
Cash, beginning of year	215,234	157,068
<b>CASH, END OF YEAR</b>	<b>64,943</b>	<b>215,234</b>

The accompanying notes form an integral part of, and should be read in conjunction with, these financial statements.

# MIRVISH VILLAGE BUSINESS IMPROVEMENT AREA

Notes to the Financial Statements  
December 31, 2024

## 1. ESTABLISHMENT AND OPERATIONS

On July 21, 2005, the Council of The Corporation of the City of Toronto (the "City") passed a by-law pursuant to the Municipal Act, to designate an area as an improvement area to be known as the Mirvish Village Business Improvement Area (the "BIA").

The BIA was entrusted with the improvement, beautification, and maintenance of municipally owned lands, buildings, and structures in the area, beyond such improvement, beautification and maintenance as provided at the expense of the municipality at large, and 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 the Municipal Act, as amended.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Mirvish Village Business Improvement Area are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

### (a) Basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as it becomes available and measurable. Expenses are the cost of goods or services acquired in the year, whether or not the payment has been made or invoices received.

### (b) Revenue recognition

The special levy on business assessment represents the amounts levied by the City on behalf of the BIA. Fundraising and interest revenue is recognized on an accrual basis. Government grants are recognized in the financial statements as revenues in the period in which the events giving rise to the grants occur, providing the grants are approved, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

### (c) Investments

Investments consists of a guaranteed investment certificate with original maturity date of 91 days or longer and is recorded at amortized cost.

### (d) Tangible capital assets

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives beyond the current year and are not intended for sale in the ordinary course of business.

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and are recorded as contributed assets in the statement of operations and accumulated surplus.

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization of tangible capital assets is provided on a straight-line basis as follows:

Street signage	4 years
Flags and banners	4 years
Streetscape	5 years

## MIRVISH VILLAGE BUSINESS IMPROVEMENT AREA

Notes to the Financial Statements  
December 31, 2024

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Use of estimates

The preparation of the financial statements requires 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 revenue and expenses during the year. Actual results could differ from those estimates.

(f) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2024, and therefore have not been applied in preparing these financial statements. Management is currently assessing the impact of these standards on the future financial statements

*1. Conceptual Framework for Financial Reporting in the Public Sector*

In June 2022, PSAB issued a revised Conceptual Framework, which replaces the previous framework and introduces new definitions, recognition criteria, and measurement bases for financial statement elements. Effective for fiscal years beginning on or after April 1, 2026.

*2. PS 1202 – Financial Statement Presentation*

Issued in conjunction with the revised Conceptual Framework, PS 1202 replaces PS 1201 and introduces updated presentation standards and additional disclosures, including a statement of changes in net assets and enhanced reporting of budget figures. Effective for fiscal years beginning on or after April 1, 2026.

*3. Elevation of Application Guidance to GAAP*

In 2023, PSAB approved the elevation of certain appendices to authoritative GAAP, including Appendix A to PS 3450 – Financial Instruments, Appendix A to PS 3400 – Revenue, Appendix A to PS 3280 – Asset Retirement Obligations, Appendix A to PS 1202 – Financial Statement Presentation. Effective for fiscal years beginning on or after April 1, 2026, with early adoption permitted.

*4. PS 3150 – Tangible Capital Assets (Amendments for GNFPOs)*

Amendments to PS 3150 were issued to incorporate guidance for government not-for-profit organizations (GNFPOs) formerly under the PS 4200 series. Effective for fiscal years beginning on or after April 1, 2023 (already effective). For all other entities: Fiscal years beginning on or after April 1, 2030.

(g) Adoption of new accounting policies

Effective January 1, 2024, the BIA adopted the following standards issued by PSAB:

*1. PS 3450 – Financial Instruments*

PS 3450 establishes recognition, measurement, and disclosure standards for financial instruments, including derivatives. It introduces the concepts of fair value measurement for certain instruments and requirements for impairment, derecognition, and presentation. Opening balances were not restated, and any transitional adjustments were recorded in the current period. For the year ended December 31, 2024, the entity did not hold any financial instruments that are subject to fair value measurement subsequent to initial recognition. As a result, a Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

# MIRVISH VILLAGE BUSINESS IMPROVEMENT AREA

Notes to the Financial Statements

December 31, 2024

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (g) Adoption of new accounting policies (cont'd)

#### 2. PS 1201 – Financial Statement Presentation

PS 1201 replaces Section PS 1200 and is required to be adopted with PS 3450. It revises the presentation of financial statements to accommodate changes introduced by the financial instruments standard and other related standards. Required changes to the statement of financial position, particularly related to the presentation of financial assets and liabilities. Comparative figures have not been restated. For the year ended December 31, 2024, the entity did not hold any financial instruments that are subject to fair value measurement subsequent to initial recognition. As a result, a Statement of Remeasurement Gains and Losses has not been presented in these financial statements.

#### 3. PS 3041 – Portfolio Investments

PS 3041 replaces Section PS 3040 and aligns the accounting for portfolio investments with PS 3450. It removes the distinction between temporary and portfolio investments and requires fair value measurement where appropriate. No material impact on the financial statements for the year ended December 31, 2024.

## 3. ADJUSTMENT TO ACCUMULATED SURPLUS

During the current year, the BIA identified an error in the financial statements of a prior year. The error related to an overstatement of accounts receivable arising from an HST rebate that was recorded but ultimately not collectible, as the required HST rebate filing had not been submitted.

The error has been corrected retroactively, and the comparative figures have been restated. As a result of the correction, the opening accumulated surplus as at December 31, 2024 has been adjusted as follows:

	2024
	\$
Previously reported accumulated surplus	\$ 233,766
Adjustment	\$ (11,904)
Restated accumulated surplus	\$ 221,862

The financial impact of the error correction on the prior year comparative figures results in a decrease in assets.

## 4. ACCUMULATED SURPLUS

Accumulated Surplus at December 31, 2024 comprises the following:

	2024	2023
	\$	\$
Invested in tangible capital assets	\$ 3,586	\$ 5,275
Reserve for working capital needs	264,870	216,587
	\$ 268,456	\$ 221,862

# MIRVISH VILLAGE BUSINESS IMPROVEMENT AREA

Notes to the Financial Statements

December 31, 2024

## 5. 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 the following:

	2024	2023
	\$	\$
Total special charges outstanding	5,045	5,304
Less: allowance for uncollected special charges	(1,700)	(1,100)
	3,345	4,204

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

	2024	2023
	\$	\$
Special charges written off	2,335	2,935
Change in provision for assessment appeals	(600)	(100)
	1,735	2,835

## 6. INVESTMENTS

The BIA consists of one guaranteed investment certificate bearing interest at 5.1% with a maturity date of April 30, 2025. A total of \$8,551 (2023 - \$Nil) has been recognized as interest income as at December 31, 2024.

## 7. CAPITAL EXPENSES

In order to finance major capital expenses, the BIA annually budgets certain amounts and accumulates them as operating surplus. Once adequate funds have accumulated, the BIA undertakes cost-shared capital improvements 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.

## 8. 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.

## 9. BUDGET DATA

The budget information presented in these financial statements is based on a budget approved by City Council on February 6<sup>th</sup>, 2024. The budget information is provided for comparative purposes only.

**MIRVISH VILLAGE BUSINESS IMPROVEMENT AREA**

Notes to the Financial Statements

December 31, 2024

**10. TANGIBLE CAPITAL ASSETS**

<i>Cost</i>	<i>Street Scape</i>	<i>Total</i>
	\$	\$
Balance, December 31, 2022	13,787	13,787
Additions	1,526	1,526
Disposals	-	-
Impairment	-	-
Balance, December 31, 2023	15,313	15,313
Additions	1,526	1,526
Disposals	-	-
Impairment	-	-
Balance, December 31, 2024	16,839	16,839
<i>Accumulated amortization</i>		
	\$	\$
Balance, December 31, 2022	6,975	6,975
Amortization	3,063	3,063
Disposals	-	-
Impairment	-	-
Balance, December 31, 2023	10,038	10,038
Amortization	3,215	3,215
Disposals	-	-
Impairment	-	-
Balance, December 31, 2024	13,253	13,253
<i>Net book value</i>		
	\$	\$
Balance, December 31, 2022	6,812	6,812
Balance, December 31, 2023	5,275	5,275
Balance, December 31, 2024	3,586	3,586

**11. COMMITMENTS**

The Board, in co-operation with the City, has implemented a cost-shared capital improvement project on publicly owned property for several years. The projects are long-term in nature and usually completed subsequent to the year of Council's approval. The value of Street Scape work to be continued in future years is \$773,299. As at December 31, 2024, the BIA had \$1,526 payable to the City of Toronto relating to the Street Scape project.

**12. RELATED PARTY TRANSACTIONS**

The entity is required to disclose related party transactions in accordance with PSAB standards section PS 2200, *Related Party Disclosures*.

Related parties include key management personnel, close family members, and organizations controlled or significantly influenced by these individuals. Transactions with related parties are recorded at the exchange amount.

For the year ended December 31, 2024, the entity did not enter into any related party transactions that require disclosure under PS 2200.

# MIRVISH VILLAGE BUSINESS IMPROVEMENT AREA

Notes to the Financial Statements

December 31, 2024

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## 13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The BIA has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk.

### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the BIA. The BIA has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from cash with banks as well as credit exposure to outstanding receivables. The carrying amounts represent the BIA's maximum exposure to credit risk. The BIA's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The BIA establishes an allowance for doubtful accounts that represents its estimate of expected losses in respect to accounts receivable. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance for doubtful accounts was \$1,700 as of December 31, 2024 (December 31, 2023 – \$1,100).

### (b) Liquidity risk

Liquidity risk is the risk that the BIA will encounter difficulty in meeting obligations associated with financial liabilities. The BIA is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The BIA manages liquidity risk by continuously monitoring forecasted and actual cash flows and matching maturity profiles of financial assets and liabilities. The BIA seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations and cash on hand.

The BIA's cash flow is generated from special levy charges to business and property owners within the business improvement area boundaries. The BIA monitors cash on a regular basis and reviews accounts payable, expenses, taxes, and overhead to ensure costs and commitments are being paid in a timely manner.

Management has maintained payment terms with vendors to ensure payment arrangements are satisfactory to all parties and that monthly cash commitments are managed within the BIA's operating cash flow capabilities.

### (c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The BIA manages its interest rate risk by maintaining a fixed income investment that is not subject to fair valuation fluctuations.



**KOSTIOUTCHENKO AND PATEL**  
**CPAs, Professional Corporation**

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416-440-1600  
info@kpcpa.ca

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September 10, 2025

Client Number: 5295

Mirvish Village Business Improvement Area  
P.O. Box 414 Station P  
Toronto ON M5S 2S9

Attention: Mr. Brian Burchell.

Dear Brian:

During the course of our audit of Mirvish Village Business Improvement Area for the year ended December 31, 2024, we identified matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management. Accordingly, an audit would not usually identify all such matters.

**Opening accumulated surplus**

**Restatement of accumulated surplus**

The opening accumulated surplus for the organization was restated to write-off the accounts receivable - other account. The account was written off as it was determined that the \$11,904 in A/R was related to the HST/GST Public Service Bodies rebate, a rebate available for public service bodies including charities, NPO's, municipalities and other separate legal entities. The rebate was determined not to be collectible due to the fact that the Mirvish Village Business Improvement Area has not filed the appropriate form to claim the rebate.

**Implications**

The write-off of the Accounts receivable - other balance will result in a decrease in accumulated surplus and a restatement of prior period comparative figures. According to PSAB Section 2120 - Accounting Changes, accounting guidelines require misstatements to be corrected retrospectively by restating prior period figures and adjusting accumulated surplus.

**Recommendations**

The accumulated surplus and comparative prior period figures will be adjusted and restated.

Mirvish Village Business Improvement Area

Attention: Mr. Brian Burchell,

September 10, 2025



**Conclusion**

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We trust you will implement our recommendations; however, should you require further clarification or information, please contact the undersigned.

Yours truly,

*Kostioutchenko & Patel*

Igor Kostioutchenko, CPA, CA, CD, CFE, CIA, LPA

Partner

K&P CPAs