

Baby Point Gates Business Improvement Area

Financial Statements

December 31, 2024 and 2023

AUDITORS' REPORT

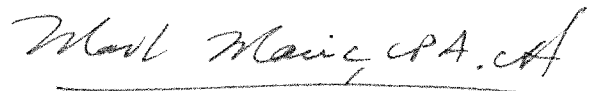
To the Council of the Corporation of the City of Toronto and the Board of Management for
Baby Point Gates Business Improvement Area

I have audited the balance sheets of Baby Point Gates Business Improvement Area (BIA) as at December 31, 2024 and 2023 and the statements of changes in net assets, revenue and expenditure and cash flows for the years then ended. These financial statements are the responsibility of management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion these financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2024 and 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

June 2, 2025
Toronto, Canada.



Mark Maric, CPA, CA

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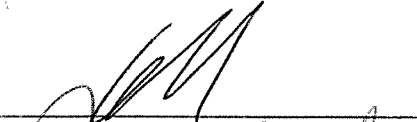
Baby Point Gates Business Improvement Area

BALANCE SHEET

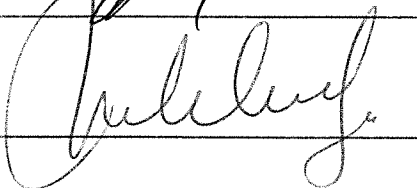
December 31

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	10,648	17,494
Short-term investment	56,028	53,785
Accounts receivable – City of Toronto special charges (Note 3)	-	4,682
HST receivable	14,404	24,858
	<u>81,080</u>	<u>100,819</u>
LIABILITIES		
Accounts payable and accrued liabilities	-	2,550
	<u>81,080</u>	<u>98,269</u>
NET ASSETS	81,080	98,269

Approved on behalf of the Board of Management:



Chair



Treasurer

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Baby Point Gates Business Improvement Area

STATEMENT OF OPERATIONS

For the years ended December 31

	<u>2024</u>	<u>2023</u>
REVENUE		
City of Toronto – special charges	64,000	59,094
Grant, interest and other	<u>6,247</u>	<u>12,755</u>
	<u>70,247</u>	<u>71,849</u>
EXPENSES		
Administration	27,805	13,210
Advertising and promotion	14,995	6,895
Other – prior years non-recoverable HST	11,310	-
Maintenance	<u>33,326</u>	<u>31,844</u>
	<u>87,436</u>	<u>51,948</u>
SURPLUS (DEFICIT) FOR THE YEAR	(17,189)	19,901
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>98,269</u>	<u>78,368</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>81,080</u>	<u>98,269</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Baby Point Gates Business Improvement Area

STATEMENT OF CASH FLOWS

For the years ended December 31

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Surplus (deficit) for the year	(17,189)	19,901
Non-cash changes to operations		
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	4,682	(2,342)
Accounts receivable – Other	10,454	(3,573)
Accounts payable	<u>(2,550)</u>	<u>1,150</u>
Cash Provided (Used in) By Operations	<u>(4,603)</u>	<u>15,136</u>
Investing Activities		
(Increase) decrease in short-term investment	<u>(2,243)</u>	<u>(1,657)</u>
Increase (decrease) in cash for the year	(6,846)	13,479
Cash, beginning of year	<u>17,494</u>	<u>4,015</u>
Cash, end of year	<u>10,648</u>	<u>17,494</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Baby Point Gates Business Improvement Area

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024 and 2023

1. Establishment and Operations

The Baby Point Gates Business Improvement Area (BIA) is established as a Business Improvement Area under the management and control of a Board of Management appointed by the 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.

Contributes 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.

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.

Baby Point Gates Business Improvement Area
NOTES TO FINANCIAL STATEMENTS
 December 31, 2024 and 2023

3. 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:

	<u>2024</u>	<u>2023</u>
Total special charges outstanding	-	5,182
Less: allowance for uncollected special charges	-	<u>(500)</u>
Special charges receivable	-	<u>4,682</u>

4. 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.

5. Financial Instruments

The carrying value of the BIA's financial instruments approximate their values. The BIA is subject to an interest rate risk with respect to its investment, however, as this instrument is a short-term investment the risk is minimal.

6. 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 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.

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June 2, 2025

Council of the Corporation of the City of Toronto
Board of Management
Baby Point Gates Business Improvement Area

Re. Audit Management Letter

This letter is being written further to the issuance of my financial statements dated June 2, 2025 with respect to the audited financial statements for Baby Point Gates Business Improvement Area.

There were no significant deficiencies noted with internal control and there are no operational inefficiencies. There are no other areas for improvement required to make note of. Finally, I have no recommendations for strengthening controls, enhancing financial practices and mitigating risk.

Yours very truly,



Mark Maric, CPA, CA