

**COLLEGE PROMENADE BUSINESS
IMPROVEMENT AREA
FINANCIAL STATEMENTS
DECEMBER 31, 2024**

COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA

Financial Statements December 31, 2024

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C.C.L. Chartered Professional Accountants
Professional Corporation
(Member of LAWCPA network)

Terence Chan MBA, CPA (ILL), CPA, CA
Michele Chan MBA, CPA (ILL), CPA, CA
Anne Law B.Comm, CPA, CA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA

Opinion

We have audited the accompanying financial statements of **COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA (the "BIA")**, which comprise the statements of financial position and net financial assets as at **December 31, 2024**, and the statements of operations, changes in accumulated surplus 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 its cash flows for the year then ended in accordance with Canadian accounting standards for local government 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 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 the financial statements in accordance with Canadian accounting standards for local governments as prescribed by the 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 over-seeing 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 judgement 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.

C.C.L.

Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

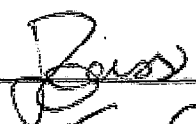
Toronto, Ontario
August 5, 2025

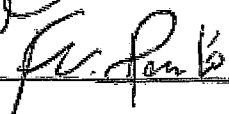
COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA

Statement of Financial Position and Net Financial Assets December 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
Financial Assets		
Cash and cash equivalents	217,083	135,170
Accounts receivable		
- City of Toronto - special charges (note 3)	36,194	22,687
- Others	22,106	16,416
Current portion of long-term receivable (note 4)	<u>-</u>	<u>80,682</u>
	<u>275,383</u>	<u>254,955</u>
Financial Liabilities		
Accounts payable and accrued liabilities		
- City of Toronto - cost share	14,115	14,115
- Others	9,268	1,525
Current portion of long-term payable (note 4)	<u>-</u>	<u>80,682</u>
	<u>23,383</u>	<u>96,322</u>
Net Financial Assets	252,000	158,633
Non-Financial Assets		
Tangible capital assets (note 5)	<u>9,618</u>	<u>14,428</u>
Accumulated Surplus	<u>261,618</u>	<u>173,061</u>

Approved on behalf of the Board of Management

X , Chair

X , Treasurer

COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA

Statement of Changes in Accumulated Surplus Year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
Accumulated Surplus		
Balance, beginning of year	173,061	207,072
Surplus (deficit) for the year	<u>88,557</u>	<u>(34,011)</u>
Balance, end of year	<u>261,618</u>	<u>173,061</u>

COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA

Statement of Operations Year ended December 31, 2024

	Budget		
	<u>2024</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$
Revenue			
City of Toronto - special charges	234,252	250,419	234,237
Gouvernement grants	<u>8,500</u>	<u>8,168</u>	<u>8,400</u>
	<u>242,752</u>	<u>258,587</u>	<u>242,637</u>
Expenses			
Administration	29,328	23,234	17,099
Advertising and promotion	45,300	27,927	20,412
Amortization	-	4,810	6,993
Capital - streetscape	32,000	-	-
Debt repayment	74,985	74,985	187,000
Provision for uncollected special charges (note 3)	21,296	1,370	(33)
Repairs and maintenance	<u>66,000</u>	<u>37,704</u>	<u>45,177</u>
	<u>268,909</u>	<u>170,030</u>	<u>276,648</u>
Surplus (deficit) for the year	<u>(26,157)</u>	<u>88,557</u>	<u>(34,011)</u>

COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows Year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
Funds provided (used):		
Operating Activities		
Surplus (deficit) for the year	88,557	(34,011)
Item not affecting cash		
- amortization	4,810	6,993
Changes in other non-cash working capital components (1)	<u>(11,454)</u>	<u>(25,074)</u>
	<u>81,913</u>	<u>(52,092)</u>
Financing Activities		
Current portion of long-term receivable	(80,682)	174,435
Current portion of long-term payable	<u>80,682</u>	<u>(174,435)</u>
	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	81,913	(52,092)
Cash, beginning of year	<u>135,170</u>	<u>187,262</u>
Cash, end of year	<u>217,083</u>	<u>135,170</u>

(1) Changes in other non-cash working capital components represented by:

Accounts receivable - City of Toronto - special charges	(13,507)	(5,577)
Accounts receivable - Others	(5,690)	(5,544)
Accounts payable and accrued liabilities -		
City of Toronto - cost share	-	(12,928)
Accounts payable and accrued liabilities - Others	<u>7,743</u>	<u>(1,025)</u>
	<u>(11,454)</u>	<u>(25,074)</u>

COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements December 31, 2024

1. Nature of the Organization

College Promenade Business Improvement Area (the "BIA") is established as a Business Improvement Area under the management and control of a Board of Management (the "Board") appointed by the Council of the City of Toronto (the "Council").

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.

2. Significant Accounting Policies

The BIA follows Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB) which include the following policies:

Revenue recognition:

The BIA receives special charges from the City of Toronto (the "City"), cash donations from corporate sponsors and private donors, as well as government grants for operating purposes and capital projects. Revenues are being recorded upon signing of contract, and when collection can be reasonably ascertained.

Contributed services:

Services provided without charge by the City and others are not recorded in the financial statements.

Financial instruments:

The BIA initially measures its financial assets and liabilities at fair value. The BIA subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

It is management's opinion that the BIA is not exposed to significant interest, currency or credit risk arising for these financial instruments.

The BIA does not enter into any derivative financial instrument arrangements for hedging or speculative purpose.

COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements December 31, 2024

2. Significant Accounting Policies (Continued)

Tangible capital assets:

The tangible capital assets are stated at cost and amortized using straight-line basis over five years, which are the estimated useful lives of the assets.

Use of estimates:

The preparation of these financial statements in conformity with Canadian accounting standards for local governments requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

3. City of Toronto - Special Charges

Special charges levied by the City are collected from BIA members 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 are comprised of:

	<u>2024</u>	<u>2023</u>
	\$	\$
Total special charges outstanding	37,094	23,587
Less: allowance for uncollected special charges	<u>(900)</u>	<u>(900)</u>
Accounts receivable - City of Toronto - special charges	<u>36,194</u>	<u>22,687</u>

The provision for uncollected levies reported on the Statement of Operations comprises of:

	<u>2024</u>	<u>2023</u>
	\$	\$
Special charges written-off	1,370	267
Changes in allowance for uncollected special charges	<u>-</u>	<u>(300)</u>
	<u>1,370</u>	<u>(33)</u>

COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements December 31, 2024

4. Long-term Payable

At the Annual General Meeting of May 16, 2016 the membership of the College Promenade Business Improvement Area authorized the Board to enter into a loan agreement with the City. The purpose of the loan was to finance the Board's share of the capital cost of a project involving streetscape improvements along College Street between Shaw Street and Havelock Street (the "Project").

The City agreed to loan and the Board agreed to reimburse the City, in respect of its share of the capital cost of the Project amounting to \$1,722,733 (inclusive of 1.76% non-refundable HST) plus interest, payable through the annual BIA special levies, over the course of 10 years.

The Board has made payment on the Loan in each of 2016, 2017, 2018 and 2019 from its annual BIA special levies.

Due to various factors, the final cost of the work was less than anticipated. As a result, it was necessary to amend the Loan Agreement and revise the amortization and payment schedule for the Loan.

On November 25, 2019 the Board and the City agreed to amend the original loan agreement by reducing the original amount of \$1,722,733 to \$1,155,111. The amended loan amount will be paid by 2026 with annual blended installment of \$100,000 consisting of principal and interest.

Due to accelerated repayment plan by the Board, the loan has been fully repaid in 2024.

5. Tangible Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u> <u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Streetscape	443,340	438,170	5,170	7,757
Lights	<u>688,209</u>	<u>683,761</u>	<u>4,448</u>	<u>6,671</u>
	<u>1,131,549</u>	<u>1,121,931</u>	<u>9,618</u>	<u>14,428</u>

COLLEGE PROMENADE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements December 31, 2024

6. 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.

7. Budget

Budget figures are provided for comparative purpose only and have not been audited. Accordingly, no opinion has been expressed on them.

8. Financial Instrument Risk

Like all entities, the BIA would be exposed to the possibility of liquidity risk if it was ever unable to meet its payment obligations. The extent of BIA's exposure to the liquidity risk did not change during 2024.

9. 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.



C.C.L. Chartered Professional Accountants
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Anne Law B.Comm, CPA, CA

December 18, 2025

City of Toronto
Accounting Services Division
14th Floor, 55 John Street
Toronto, Ontario
M5V 3C6

Dear Sir,

Re: College Promenade Business Improvement Area

Please be advised that, during our audit of the year ended December 31, 2024 financial statements of College Promenade Business Improvement Area. We have identified no significant matter, which is required to be brought to the Board of the BIA.

Should you have any further questions, please do not hesitate to contact us.

Yours very truly,
C.C.L. Chartered Professional Accountants Professional Corporation

Terence Chan, MBA, CPA (ILL, US), CPA, CA