

**TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA
FINANCIAL STATEMENTS
DECEMBER 31, 2025**

**TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA
DECEMBER 31, 2025**

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MANAGEMENT'S REPORT

The management of the Toronto Financial District Business Improvement Area ("the BIA") is responsible for the integrity, objectivity and accuracy of the financial information presented in the the accompanying financial statements.

The financial statements have been prepared in accordance with the Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in Note 2 to the financial statements. The financial statements include certain amounts based on estimates and judgments. Such amounts have been determined on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

To meet its responsibility, management maintains comprehensive financial and internal control systems designed to ensure proper authorization of transactions, the safeguarding of assets and the integrity of the financial data, maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded and that financial records are reliable for the preparation of these financial statements. The BIA employs highly qualified professional staff and deploys an organizational structure that effectively segregates responsibilities, and appropriately delegates authority and accountability.

The Treasurer and the Board of Directors review and recommend the approval of the financial statements before they are submitted to the City.

The 2025 financial statements have been audited by the BIA's external auditors, Rosenswig McRae Rosso LLP. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the BIA's financial statements.

Toronto, Canada
April 15, 2026



Amy Harrell
Executive Director

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, 2025 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, 2025 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.

RMR Rosenswig McKee Rosso LLP

Toronto, Canada
April 15, 2026

Chartered Professional Accountants
Licensed Public Accountants

**TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025**

ASSETS

	<u>2025</u>	<u>2024</u>
Cash (Note 4)	\$ 1,362,283	\$ 679,960
Investments (Note 5)	50,000	800,000
Accounts receivable		
City of Toronto - special charges (Note 6)	160,569	152,359
Other	<u>57,211</u>	<u>61,565</u>
	<u>\$ 1,630,063</u>	<u>\$ 1,693,884</u>

LIABILITIES

Accounts payable and accrued liabilities	\$ 132,338	\$ 173,186
Restricted funds (Note 7)	<u>191,307</u>	<u>166,341</u>
	<u>323,645</u>	<u>339,527</u>
Net financial assets	<u>1,306,418</u>	<u>1,354,357</u>

NON FINANCIAL ASSETS

Prepaid expenses and other assets	<u>41,240</u>	<u>13,472</u>
Accumulated surplus (Note 4)	<u>\$ 1,347,658</u>	<u>\$ 1,367,829</u>
Accumulated surplus is comprised of:		
Unrestricted surplus	\$ 747,658	\$ 767,829
Internally restricted surplus (Note 4)	<u>600,000</u>	<u>600,000</u>
	<u>\$ 1,347,658</u>	<u>\$ 1,367,829</u>

Approved on behalf of the Board of Management:



, Chair



JAMESON BOUFFARD (Apr 28, 2026 09:36:29 EDT), Treasurer

**TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA**

**STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>		<u>2024</u>
	<u>Actual</u>	<u>Budget</u>	
		Unaudited (Note 8)	
Revenue			
City of Toronto - special charges	\$ 1,642,517	\$ 1,627,111	\$ 1,305,551
Interest income	32,315	24,000	63,223
Other income	<u>22,190</u>	<u>11,125</u>	<u>25,215</u>
	<u>1,697,022</u>	<u>1,662,236</u>	<u>1,393,989</u>
Expenses			
Administration	561,847	589,864	631,838
Streetscape - non cost share	634,161	725,194	590,367
Communications	288,810	344,392	262,311
Advocacy and urban realm	226,109	358,016	235,885
Provision for (recovery of) levies in appeals (Note 6)	<u>6,266</u>	<u>147,919</u>	<u>(5,483)</u>
	<u>1,717,193</u>	<u>2,165,385</u>	<u>1,714,918</u>
Annual deficit	\$ <u>(20,171)</u>	\$ <u>(503,149)</u>	\$ <u>(320,929)</u>

**TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA**

STATEMENT OF NET FINANCIAL ASSETS

YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>		<u>2024</u>
	<u>Actual</u>	<u>Budget</u>	
Annual (deficit) surplus	(20,171)	(503,149)	(320,929)
Change in prepaid expenses	<u>(27,768)</u>	<u>-</u>	<u>774</u>
Change in net financial assets	(47,939)	(503,149)	(320,155)
Net financial assets, beginning of year	<u>1,354,357</u>	<u>1,354,357</u>	<u>1,674,512</u>
Net financial assets, end of year	<u><u>1,306,418</u></u>	<u><u>851,208</u></u>	<u><u>1,354,357</u></u>

**TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA**

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025**

	<u>2025</u>	<u>2024</u>
Cash from operating activities:		
Annual deficit	\$ (20,171)	\$ (320,929)
Changes in non-cash working capital balances:		
Decrease (increase) in accounts receivable		
- City of Toronto - special charges	(8,210)	6,016
- Other	4,354	209
(Increase) decrease in prepaid expenses and other assets	(27,768)	775
Increase (decrease) in accounts payable and accrued liabilities	(40,848)	118,619
Increase (decrease) in restricted funds	<u>24,966</u>	<u>(25,297)</u>
	<u>(67,677)</u>	<u>(220,607)</u>
Cash flows used in investing activities		
Acquisition of investments	<u>750,000</u>	<u>(748,503)</u>
Increase (decrease) in cash	682,323	(969,110)
Cash, beginning of year	<u>679,960</u>	<u>1,649,070</u>
Cash, end of year	<u>\$ 1,362,283</u>	<u>\$ 679,960</u>

**TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

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 and other income is recognized when earned.

Restricted funds are recognized as a liability when first received and are subsequently de-recognized when funds have been spent in accordance with funding agreements.

**TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

2. Significant accounting policies (continued)

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.

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 10.

e) Investments

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

3. Future accounting pronouncements

The Management continues to assess the impact of the following upcoming changes to PSAS on its statements.

Standards applicable for fiscal years beginning on or after April 1, 2026 (effective for the BIA's fiscal year beginning on January 1, 2027):

The Conceptual Framework for Financial Reporting in the Public Sector – The new Conceptual Framework prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which PSAS are developed and professional judgment is applied. It will replace the conceptual aspects of PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives.

PS 1202 Financial Statement Presentation – The new standard provides updated guidance on the general and specific requirements for the presentation of information in general purpose financial statements. PS 1202 will replace current Section PS 1201 Financial Statement Presentation. The impact of these standards on the Statements is not reasonably determinable at this time.

**TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

4. Cash

Included in cash is \$191,307 (2024 - \$166,341) of restricted funds described in Note 7. Subsequent to year end, the BIA invested \$500,000 of its cash in a 60-day guaranteed investment certificate earning interest of 2% and maturing April 2026.

5. Investments

Investments consist of a guaranteed investment certificate earning 2.6% interest and maturing May 2026.

6. 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>2025</u>	<u>2024</u>
Total special charges outstanding	\$ 169,967	\$ 169,259
Less: Allowance for special charges in appeals	<u>(9,398)</u>	<u>(16,900)</u>
Special charges receivable	<u>\$ 160,569</u>	<u>\$ 152,359</u>

The City decreased allowances for special charges by \$7,502 (2024 - increased by \$6,900) for uncollectable amounts. The City also wrote off \$13,768 of levies during the year (2024 - \$1,417) .

TORONTO FINANCIAL DISTRICT BUSINESS IMPROVEMENT AREA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

7. Restricted funds

The BIA holds \$191,307 (2024 - \$166,341) of funds for the purpose of inspections, issue reporting and support for future City improvements for Cloud Gardens Park. The use of these funds are externally restricted in accordance with a funding agreement.

During the year, the BIA received \$50,000 of restricted funds and spent \$25,033 of these funds.

8. Restricted surplus

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

9. 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.

10. Contractual commitments

- a) As at December 31, 2025 the BIA had no estimated commitments outstanding relating to their previous cost-shared capital improvement projects expenditures (2024 - \$nil).
- b) The BIA has contractual commitments to minimum annual operating payments for equipment, office leases and other contractual obligations of \$227,203 in fiscal 2026 and \$21,227 in fiscal 2027.

11. 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, accrued liabilities and restricted funds. 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, 2025**

11. 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.

There have been no changes to the above noted risks from the prior year.

12. 2025 Budget

The 2025 budget figures on the statement of operations are presented for information purposes only and are not commented on by the opinion of RMR Rosenswig McRae Rosso LLP dated April 15, 2026.

13. Comparative figures

The comparative figures have been reclassified to conform with current year's presentation.

**TORONTO FINANCIAL DISTRICT
BUSINESS IMPROVEMENT AREA**

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2025

	<u>2025</u>	<u>2024</u>
Salaries and benefits	\$ 635,864	\$ 692,019
Streetscape - non-cost share	634,161	590,367
Occupancy costs	130,337	100,801
Marketing and promotion	90,044	93,383
Public realm	65,032	60,639
Professional fees	46,198	43,547
Utilities	36,118	38,733
Consultants	19,687	14,447
Advocacy	15,148	22,308
Meeting expenses	11,512	18,617
Memberships	9,105	8,404
General office	7,574	5,681
Provision for (recovery of) levies in appeals	6,266	(5,483)
Insurance	6,257	6,009
Interest and bank charges	2,753	2,011
Travel	<u>1,137</u>	<u>23,434</u>
	<u>1,717,193</u>	<u>1,714,918</u>

Chartered Professional Accountants
Associated with MGI Worldwide

April 28, 2026

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, 2025 we wish to report to you on our findings.

We wish to thank Amy Harrell, Sue Kilbride and Hollybeth Fudger 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