

**TORONTO DOWNTOWN WEST  
BUSINESS IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

**TORONTO DOWNTOWN WEST  
BUSINESS IMPROVEMENT AREA  
DECEMBER 31, 2025**

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## MANAGEMENT'S REPORT

The management of the Toronto Downtown West 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 staffs and deploys an organizational structure that effectively segregates responsibilities, and appropriately delegates authority and accountability.

The Finance and Audit Committee, a sub-committee of the Board of Directors, reviews and recommends the approval of the financial statements before they are submitted to the City of Toronto.

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 24, 2026

Signed by:

*Janice Solomon*

DD9954A2BD8A448...

Janice Solomon  
Executive Director

Chartered Professional Accountants

Associated with MGI Worldwide

## INDEPENDENT AUDITORS' REPORT

To the Council of the Corporation of the City of Toronto and the  
Board of Directors for the Toronto Downtown West Business Improvement Area:

### Opinion

We have audited the financial statements of Toronto Downtown West 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.

Toronto, Canada  
April 24, 2026

*RMR Rosenswig McKee Rosso LLP*

Chartered Professional Accountants  
Licensed Public Accountants

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

FINANCIAL ASSETS

|                                            | <u>2025</u>       | <u>2024</u>       |
|--------------------------------------------|-------------------|-------------------|
| Cash                                       | \$ 184,210        | \$ 195,125        |
| Investments (Note 4)                       | 9,856,352         | 8,522,459         |
| Accounts receivable                        |                   |                   |
| City of Toronto - special charges (Note 5) | 854,833           | 848,212           |
| Other (Note 6)                             | <u>399,679</u>    | <u>690,389</u>    |
|                                            | <u>11,295,074</u> | <u>10,256,185</u> |

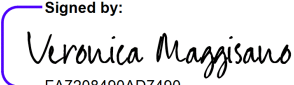
LIABILITIES

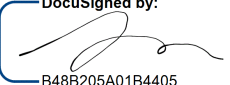
|                                          |                   |                  |
|------------------------------------------|-------------------|------------------|
| Accounts payable and accrued liabilities | 282,167           | 274,341          |
| Deferred revenue                         | <u>57,400</u>     | <u>25,000</u>    |
|                                          | <u>339,567</u>    | <u>299,341</u>   |
| Net financial assets                     | <u>10,955,507</u> | <u>9,956,844</u> |

NON FINANCIAL ASSETS

|                                  |                     |                     |
|----------------------------------|---------------------|---------------------|
| Prepaid expenses                 | 34,087              | 1,878               |
| Tangible capital assets (Note 7) | 209,070             | 232,406             |
| Art and sculptures               | <u>138,090</u>      | <u>138,090</u>      |
|                                  | <u>381,247</u>      | <u>372,374</u>      |
| Accumulated surplus (Note 8)     | <u>\$11,336,754</u> | <u>\$10,329,218</u> |

Approved on behalf of the Board of Management:

Signed by:  
  
 FA7208490AD7490..., Chair  
 4/24/2026

DocuSigned by:  
  
 B48B205A01B4405..., Treasurer  
 4/24/2026

# TORONTO DOWNTOWN WEST BUSINESS IMPROVEMENT AREA

## STATEMENT OF OPERATIONS YEAR ENDED DECEMBER 31, 2025

|                                   | <u>2025</u>         |                            | <u>2024</u>       |
|-----------------------------------|---------------------|----------------------------|-------------------|
|                                   | <u>Actual</u>       | <u>Budget</u><br>(Note 10) |                   |
| Revenue                           |                     |                            |                   |
| City of Toronto - special charges | \$ 4,989,262        | \$ 4,703,904               | \$ 4,448,668      |
| Interest income                   | 357,584             | 375,000                    | 414,980           |
| Grants                            | 40,800              | -                          | 71,744            |
| Other income                      | <u>11,463</u>       | <u>-</u>                   | <u>6,435</u>      |
|                                   | <u>5,399,109</u>    | <u>5,078,904</u>           | <u>4,941,827</u>  |
| Expenses                          |                     |                            |                   |
| Salaries and benefits             | 1,191,687           | 1,322,712                  | 1,014,083         |
| Repairs and maintenance           | 1,179,189           | 1,546,505                  | 1,304,087         |
| Streetscape improvements          | 1,019,374           | 1,300,000                  | 748,073           |
| Marketing and promotion           | 690,676             | 848,190                    | 656,830           |
| Provision for levies in appeals   | 106,578             | 427,628                    | 99,110            |
| Professional fees                 | 69,804              | 78,981                     | 53,945            |
| Occupancy costs                   | 39,024              | 66,402                     | 38,217            |
| General office                    | 34,027              | 35,162                     | 35,001            |
| Meeting expenses                  | 17,745              | 15,450                     | 22,263            |
| Insurance                         | 10,115              | 11,645                     | 9,818             |
| Memberships                       | 5,000               | 5,000                      | 5,000             |
| Consultants                       | 1,952               | 19,334                     | 4,136             |
| Interest and bank charges         | 1,581               | 2,002                      | 1,751             |
| Travel                            | 1,485               | 1,000                      | 497               |
| Amortization                      | <u>23,336</u>       | <u>-</u>                   | <u>31,394</u>     |
|                                   | <u>4,391,573</u>    | <u>5,680,011</u>           | <u>4,024,205</u>  |
| Annual surplus (deficit)          | \$ <u>1,007,536</u> | \$ <u>(601,107)</u>        | \$ <u>917,622</u> |

# TORONTO DOWNTOWN WEST BUSINESS IMPROVEMENT AREA

## STATEMENT OF NET FINANCIAL ASSETS

**DECEMBER 31, 2025**

|                                                            | <u>2025</u>              |                         | <u>2024</u>             |
|------------------------------------------------------------|--------------------------|-------------------------|-------------------------|
|                                                            | <u>Actual</u>            | <u>Budget</u>           |                         |
| Annual surplus (deficit)                                   | 1,007,536                | (601,107)               | 917,622                 |
| Acquisition of tangible capital assets, art and sculptures |                          |                         | (138,090)               |
| Amortization of tangible capital assets                    | 23,336                   | -                       | 31,394                  |
| Change in prepaid expenses                                 | <u>(32,209)</u>          | <u>-</u>                | <u>5,555</u>            |
| Change in net financial assets                             | 998,663                  | (601,107)               | 816,481                 |
| Net financial assets, beginning of year                    | <u>9,956,844</u>         | <u>9,956,844</u>        | <u>9,140,363</u>        |
| Net financial assets, end of year                          | <u><u>10,955,507</u></u> | <u><u>9,355,737</u></u> | <u><u>9,956,844</u></u> |

# TORONTO DOWNTOWN WEST BUSINESS IMPROVEMENT AREA

## STATEMENT OF CASH FLOWS

**DECEMBER 31, 2025**

|                                                         | <u>2025</u>              | <u>2024</u>              |
|---------------------------------------------------------|--------------------------|--------------------------|
| Cash from operating activities                          |                          |                          |
| Annual surplus                                          | \$ 1,007,536             | 917,622                  |
| Adjustment for:                                         |                          |                          |
| Amortization                                            | <u>23,336</u>            | <u>31,393</u>            |
|                                                         | 1,030,872                | 949,015                  |
| Changes in non-cash working capital balances:           |                          |                          |
| Decrease (increase) in accounts receivable              |                          |                          |
| City of Toronto - special charges                       | (6,621)                  | (198,214)                |
| Other                                                   | 290,710                  | 74,666                   |
| (Increase) decrease in prepaid expenses                 | (32,209)                 | 5,562                    |
| Increase in deferred revenue                            | 32,400                   | -                        |
| Increase in accounts payable and accrued liabilities    | <u>7,826</u>             | <u>63,678</u>            |
|                                                         | <u>1,322,978</u>         | <u>894,707</u>           |
| Cash flows used in investing activities                 |                          |                          |
| Purchase of investments                                 | (1,333,893)              | (726,099)                |
| Purchase of tangible capital assets, art and sculptures | <u>-</u>                 | <u>(138,096)</u>         |
|                                                         | <u>(1,333,893)</u>       | <u>(864,195)</u>         |
| (Decrease) increase in cash position                    | (10,915)                 | 30,512                   |
| Cash, beginning of year                                 | <u>195,125</u>           | <u>164,613</u>           |
| Cash, end of year                                       | \$ <u><u>184,210</u></u> | \$ <u><u>195,125</u></u> |

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

1. Establishment of operations

The Toronto Downtown West District Business Improvement Area was designated as a business improvement area through By-Law 125-2008 enacted on January 30, 2008. 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 February 12, 2008. The BIA formerly operated as "Toronto Entertainment District Business Improvement Area" prior to its name change in March 2021.

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, 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 Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows:

a) Accrual basis of accounting

The BIA follows the accrual method of accounting for revenues and expenses. Expenses 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) Investments

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

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

2. Significant accounting policies (continued)

c) Revenue recognition

- i) City of Toronto special charges - The City of Toronto levies special charges to land owners within the BIA boundaries through the property tax system. Special charges revenue is recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.
- ii) Interest, grants and other income - revenue is recognized when earned.
- iii) Restricted revenues are initially recorded as deferred revenue and are recognized as revenue in the year in which the related expenses are incurred.

d) 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.

- e) Tangible capital assets, art and sculptures are recorded at cost less accumulated amortization. Amortization is calculated at a rate that, in the opinion of management, allocates the cost of such assets over their estimated useful lives. These assets are tested for impairment when events or changes in circumstances indicate the carrying value may no longer be recoverable. Management believes that no such events have indicated impairment. The BIA records amortization using the following annual rates and methods:

|                      |   |                         |
|----------------------|---|-------------------------|
| Streetscape fixtures | - | 3-30 year straight-line |
| Computer equipment   | - | 3 year straight-line    |
| Art and sculptures   | - | Indefinite life         |

- f) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

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

2. Significant accounting policies (continued)

g) 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 BIA's 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.

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.

4. Investments

Investments consist of amounts invested in guaranteed investment certificates (GIC) with maturity dates between February 2026 and July 2027 earning interest from 2.25% to 4.6%. Subsequent to year end, GIC investments of \$475,000 matured were not renewed. Management re-invests funds into GICs based on their assessment of cash requirements.

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

5. City of Toronto - special charges

Special charges levied by the City of Toronto ("City") are collected and remitted to the Board by the City. The total special charges outstanding (owing) 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>2025</u>       | <u>2024</u>       |
|------------------------------------------------|-------------------|-------------------|
| Total special charges outstanding              | \$ 954,802        | \$ 931,012        |
| Less: Allowance for special charges in appeals | <u>(99,969)</u>   | <u>(82,800)</u>   |
| Special charges receivable                     | <u>\$ 854,833</u> | <u>\$ 848,212</u> |

The City increased allowances for special charges by \$17,169 (2024 - increased by \$68,800) for uncollectable amounts. The City also wrote off \$89,408 of levies during the year (2024 - \$30,310).

6. Other accounts receivable

Included in other accounts receivable is \$Nil due from the City (2024 - \$251,787).

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

7. Tangible capital assets

|                                 | <u>2024</u>       | <u>2025</u>       |                     |                   |
|---------------------------------|-------------------|-------------------|---------------------|-------------------|
| <u>Cost</u>                     | <u>Opening</u>    | <u>Additions</u>  | <u>Disposals</u>    | <u>Closing</u>    |
| Streetscape fixtures            | \$ 602,780        | \$ -              | \$ -                | \$ 602,780        |
| Computer equipment              | <u>6,819</u>      | <u>-</u>          | <u>-</u>            | <u>6,819</u>      |
|                                 | <u>\$ 609,599</u> | <u>\$ -</u>       | <u>\$ -</u>         | <u>\$ 609,599</u> |
|                                 | <u>2024</u>       | <u>2025</u>       |                     |                   |
| <u>Accumulated Amortization</u> | <u>Opening</u>    | <u>Disposals</u>  | <u>Amortization</u> | <u>Closing</u>    |
| Streetscape fixtures            | \$ 370,374        | \$ -              | \$ 23,336           | \$ 393,710        |
| Computer equipment              | <u>6,819</u>      | <u>-</u>          | <u>-</u>            | <u>6,819</u>      |
|                                 | <u>\$ 377,193</u> | <u>\$ -</u>       | <u>\$ 23,336</u>    | <u>\$ 400,529</u> |
| <u>Net Book Value</u>           |                   | <u>2024</u>       | <u>2025</u>         |                   |
| Streetscape fixtures            |                   | <u>\$ 232,406</u> | <u>\$ 209,070</u>   |                   |

# TORONTO DOWNTOWN WEST BUSINESS IMPROVEMENT AREA

## NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2025**

8. Accumulated surplus

|                                           | <u>2025</u>                     |                                              |                                       |                     |
|-------------------------------------------|---------------------------------|----------------------------------------------|---------------------------------------|---------------------|
|                                           | <u>Unrestricted<br/>surplus</u> | <u>Internally<br/>restricted<br/>surplus</u> | <u>Invested in<br/>capital assets</u> | <u>Total</u>        |
| Accumulated surplus,<br>beginning of year | \$ 5,321,945                    | \$ 4,636,777                                 | \$ 370,496                            | \$10,329,218        |
| Annual surplus                            | 1,007,536                       | -                                            | -                                     | 1,007,536           |
| Amortization and other                    | 23,336                          | -                                            | (23,336)                              | -                   |
| Re-allocation of opening<br>surplus       | <u>534,224</u>                  | <u>(534,224)</u>                             | <u>-</u>                              | <u>-</u>            |
| Accumulated surplus,<br>end of year       | <u>\$ 6,887,041</u>             | <u>\$ 4,102,553</u>                          | <u>\$ 347,160</u>                     | <u>\$11,336,754</u> |

|                                           | <u>2024</u>                     |                                              |                                       |                     |
|-------------------------------------------|---------------------------------|----------------------------------------------|---------------------------------------|---------------------|
|                                           | <u>Unrestricted<br/>surplus</u> | <u>Internally<br/>restricted<br/>surplus</u> | <u>Invested in<br/>capital assets</u> | <u>Total</u>        |
| Accumulated surplus,<br>beginning of year | \$ 5,490,572                    | \$ 3,657,230                                 | \$ 263,800                            | \$ 9,411,608        |
| Annual surplus                            | -                               | 779,532                                      | 138,090                               | 917,622             |
| Amortization                              | 31,394                          | (6)                                          | (31,394)                              | (6)                 |
| Re-allocation of opening<br>surplus       | <u>(200,021)</u>                | <u>200,021</u>                               | <u>-</u>                              | <u>-</u>            |
| Accumulated surplus,<br>end of year       | <u>\$ 5,321,945</u>             | <u>\$ 4,636,777</u>                          | <u>\$ 370,496</u>                     | <u>\$10,329,218</u> |

The board of directors have internally restricted reserves for John Street maintenance, public realm contingencies, appeal provisions, art and sculpture purchases, Clarence Square Park upgrades and Adelaide Street maintenance.

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

9. Contractual commitments

- a) The Board, in co-operation with the City, agrees to annual cost-shared capital improvement projects on publicly owned property. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. As at December 31, 2025 the BIA has \$72,000 (2024 - \$8,468) of commitments outstanding relating to their ongoing capital improvement projects to be completed in 2026.
  
- b) The BIA has a lease for office premises. Future minimum annual lease payments, inclusive of estimated operating costs are:

|      |    |                       |
|------|----|-----------------------|
| 2026 | \$ | 68,793                |
| 2027 |    | 70,288                |
| 2028 |    | <u>71,784</u>         |
|      | \$ | <u><u>210,865</u></u> |

10. Insurance

The Board 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 \$5,000,000 for each occurrence or accident has been obtained by the Board, through the City of Toronto.

11. Annual surplus

The City of Toronto requires the BIA to budget tangible capital assets as annual expenditures. Through the year as assets are purchased they are capitalized and amortized over their useful lives. No capital assets were purchased during the year (2024 - \$138,090). The amortization of tangible capital assets during the year amounted to \$23,336 which reduced the annual surplus (2024 - \$31,394). The amount of surplus not invested in tangible capital assets for the year is \$1,030,872 (2024 - \$810,920).

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

12. 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 accounts payable, accrued liabilities and deferred revenue. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of investments disclosed in Note 4.

c) 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 are no material changes to the above noted risks from the prior year.

13. 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 Rosenswig McRae Rosso LLP dated April 24, 2026.

14. Comparative figures

Prior year figures have been restated to conform with current year presentation.

**TORONTO DOWNTOWN WEST  
BUSINESS IMPROVEMENT AREA**

**SCHEDULE OF EXPENSES**

**YEAR ENDED DECEMBER 31, 2025**

|                                          | <u>2025</u>         | <u>2024</u>         |
|------------------------------------------|---------------------|---------------------|
| Streetscape improvements and maintenance | \$ <u>1,019,374</u> | \$ <u>748,073</u>   |
| Administration                           |                     |                     |
| Salaries and benefits                    | 402,467             | 376,032             |
| Professional fees                        | 69,804              | 53,945              |
| General office                           | 34,027              | 35,001              |
| Occupancy costs                          | 33,045              | 32,293              |
| Insurance                                | 10,115              | 9,818               |
| Utilities                                | 5,978               | 5,924               |
| Memberships                              | 5,000               | 5,000               |
| Consultants                              | 1,952               | 4,136               |
| Interest and bank charges                | 1,581               | 1,751               |
| Travel                                   | <u>1,485</u>        | <u>497</u>          |
|                                          | <u>565,454</u>      | <u>524,397</u>      |
| Advertising, marketing and promotion     |                     |                     |
| Salaries and benefits                    | 506,434             | 360,377             |
| Marketing and promotion                  | 417,222             | 425,399             |
| Events                                   | 273,455             | 231,431             |
| Meeting expenses                         | <u>17,745</u>       | <u>22,263</u>       |
|                                          | <u>1,214,856</u>    | <u>1,039,470</u>    |
| Maintenance                              |                     |                     |
| Repairs and maintenance                  | 1,052,926           | 1,066,130           |
| Salaries and benefits                    | 282,786             | 277,674             |
| Safety and security                      | <u>126,263</u>      | <u>237,958</u>      |
|                                          | <u>1,461,975</u>    | <u>1,581,762</u>    |
| Provision for levies in appeals          | <u>106,578</u>      | <u>99,110</u>       |
| Amortization                             | <u>23,336</u>       | <u>31,393</u>       |
|                                          | <u>\$ 4,391,573</u> | <u>\$ 4,024,205</u> |

Chartered Professional Accountants  
Associated with MGI Worldwide

April 27, 2026

Board of Directors  
Toronto Downtown West Business Improvement Area  
157 Adelaide Street W, Suite 414  
Toronto, Ontario  
M5H 4E7

Dear Board of Directors:

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 Janice Solomon, Sue Kilbride and the organization's staff for assisting us during the audit. Based on our materiality of \$95,000, there were no identified items that have not been adjusted for.

*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,

ROSENSWIG McRAE ROSSO LLP



Dustin Jainaraine, CPA, CA  
DJ/pp