

**THE BOARD OF MANAGEMENT FOR THE
MARKETO DISTRICT
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2024**

MARKETO DISTRICT BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the
Board of Management for Marketo District Business Improvement Area

Opinion

I have audited the financial statements of Marketo District

t Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2024, and the statement of operations and accumulated surplus, statement of changes in net financial assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2024 and its financial performance and its 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the BIA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Public Sector Accounting Board (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.

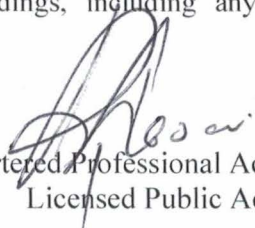
Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

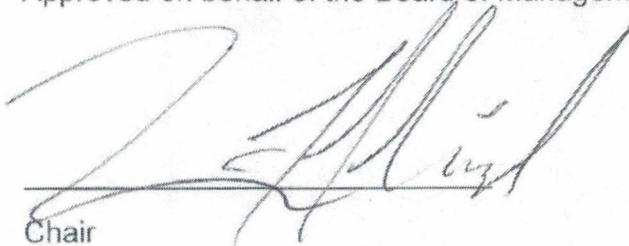
Toronto, Ontario
October 23, 2025


Chartered Professional Accountant
Licensed Public Accountant

THE BOARD OF MANAGEMENT FOR THE
MARKETO DISTRICT
BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash	46,802	34,077
Short-term investments (Note 3)	131,115	284,608
Accounts receivable		
City of Toronto – special charges (Note 4)	9,081	9,719
Other	30,141	30,846
	<u>217,139</u>	<u>359,250</u>
LONG TERM ASSETS		
Investments	164,064	-
LIABILITIES		
Accounts payable and accrued liabilities		
Other	2,200	1,800
	<u>2,200</u>	<u>1,800</u>
NET FINANCIAL ASSETS	379,003	357,450
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	1,526	853
ACCUMULATED SURPLUS	<u>380,529</u>	<u>358,303</u>

Approved on behalf of the Board of Management:


Chair


Treasurer

THE BOARD OF MANAGEMENT FOR THE
MARKETO DISTRICT
BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 \$ Budget (Note 9)	2024 \$ Actual	2023 \$ Actual
REVENUE			
City of Toronto – special charges	109,221	109,221	109,221
Sponsorships, grants and other	9,500	20,416	10,904
	<u>118,721</u>	<u>129,637</u>	<u>120,125</u>
EXPENSES			
Administration	77,770	78,489	60,018
Promotion and advertising	35,000	1,459	1,997
Maintenance	32,000	26,167	5,484
Capital (Note 8)	14,000	-	-
Amortization	-	868	932
Provision for (recovery of) uncollected special charges (Note 4)	254	428	292
	<u>159,024</u>	<u>107,411</u>	<u>68,723</u>
SURPLUS (DEFICIT) FOR THE YEAR	(40,303)	22,226	51,402
OPERATING SURPLUS, BEGINNING OF YEAR	356,096	358,303	306,901
OPERATING SURPLUS, END OF YEAR	315,793	380,529	358,303

THE BOARD OF MANAGEMENT FOR THE
MARKETO DISTRICT
BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 \$	2023 \$
Surplus for the year	22,226	51,402
Acquisition of tangible capital assets	(1,541)	(1,066)
Amortization of tangible capital assets	868	932
	21,553	51,268
Balance – Beginning of year	357,450	306,182
Balance - End of year	379,003	357,450

THE BOARD OF MANAGEMENT FOR THE
MARKETO DISTRICT
BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 \$	2023 \$
Cash flows from operating activities		
Surplus for the year	22,226	51,402
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	868	932
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	638	(709)
Accounts receivable – other	705	(1,476)
Accounts payable – other	400	100
Cash Provided by Operations	24,837	50,249
Investing activities		
Purchase of tangible capital assets	(1,541)	(1,066)
Decrease (increase) in investments	(10,571)	(81,502)
Cash, Beginning Of Year	34,077	66,396
Cash, End Of Year	46,802	34,077

**THE BOARD OF MANAGEMENT FOR THE
MARKETO DISTRICT
BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

1. ESTABLISHMENT AND OPERATIONS

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

Capital assets:

Purchased capital assets are recorded at cost. Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Office Equipment & Banners	3 years
Hanging Baskets	5 years

Contributed 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.

**THE BOARD OF MANAGEMENT FOR THE
MARKETO DISTRICT
BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2024**

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3. INVESTMENTS

Investments consist of Guaranteed Investment Certificates and term deposit with IC Savings Bank earning interest at the rate ranging from 3.15% to 5.25% per annum. Investments that are maturing in 2025 are categorized as short term investments and the investments maturing in 2026 & 2027 are listed as long term investments.

4. 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:

	2024	2023
	\$	\$
Total special charges outstanding	9,481	10,019
Less: allowance for uncollected special charges	(400)	(300)
Special charges receivable	<u>9,081</u>	<u>9,719</u>

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

	2024	2023
	\$	\$
Special charges written-off (recovered)	328	292
Provision for losses on assessment appeals	100	-
	<u>428</u>	<u>292</u>

THE BOARD OF MANAGEMENT FOR THE
MARKETO DISTRICT BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2024

5. TANGIBLE CAPITAL ASSETS

	2024			
	Banners	Hanging Baskets	Office Equipment	Total
Cost				
Beginning	4,823	5,025	12,859	22,707
Additions	-	-	1,541	1,541
Disposals	-	5,025	-	-
Ending	4,823	5,025	14,400	24,248
Accumulated Amortization				
Beginning	4,823	5,025	12,006	21,854
Amortization	-	-	868	868
Disposals	-	-	-	-
Ending	4,823	5,025	12,874	22,722
Net Book Value	-	-	1,526	1,526

	2023			
	Banners	Hanging Baskets	Office Equipment	Total
Cost				
Beginning	4,823	5,025	11,793	21,641
Additions	-	-	1,066	1,066
Disposals	-	-	-	-
Ending	4,823	5,025	12,859	22,707
Accumulated Amortization				
Beginning	4,823	5,025	11,074	20,922
Amortization	-	-	932	932
Disposals	-	-	-	-
Ending	4,823	5,025	12,006	21,854
Net Book Value	-	-	853	853

**THE BOARD OF MANAGEMENT FOR THE
MARKETO DISTRICT
BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED 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 of Toronto.

7. FINANCIAL INSTRUMENTS

a. Fair value

The financial instruments recognized in the statement of financial position consist of cash, short-investments, accounts receivable, prepaid expenses, accounts payable and accrued liabilities. 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 is from the possibility that changes in interest rates will affect the value of investments disclosed in Note 5. As these investments are cashable on demand, the BIA is not exposed to this risk.

c. Liquidity risk

Liquidity risk is 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.

8. CAPITAL EXPENSES

In order to finance major capital expenses, the BIA annually budgets certain amounts and accumulates them as operating surplus. Once adequate 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.

9. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures.

RAFIQ DOSANI, B.Comm. CPA, CA
CHARTERED PROFESSIONAL ACCOUNTANT

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December 8, 2025

Mr. Mark Rozic, CPA, CA
Director of Accounting
14th Floor, Metro Hall
55 John Street, 14th Floor
TORONTO, ON M5V 3C6

Dear Mr. Rozic:

**MANAGEMENT LETTERS
YEAR ENDED DECEMBER 31, 2024**

The audit of the financial statements of the Marketo District Business Improvement Area for the year ended December 31, 2024 has been completed:

The primary purpose of the audit was to express an opinion on the financial position of the BIA as at that date and on the results of their operations for the year then ended.

Given the test nature of my audit, you will appreciate that reliance must be placed on adequate methods of internal control as the Business Improvement Area' principal safeguard against irregularities which a test examination may not disclose.

During the course of the audit, I followed up actions taken on recommendations made in the previous management letter and noted that BIA has implemented all of my recommendations. In addition, no new significant issues were identified to warrant management letter comments. Accordingly, no management letter was issued.

Yours truly,

Rafiq Dosani

Rafiq Dosani