

**TORONTO ASSOCIATION OF
BUSINESS IMPROVEMENT AREAS
FINANCIAL STATEMENTS
DECEMBER 31, 2024**

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BUSINESS IMPROVEMENT AREAS**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
Toronto Association of Business Improvement Areas

Opinion

I have audited the accompanying financial statements of the Toronto Association of Business Improvement Areas, which comprise the statement of financial position as at December 31, 2024, and the statement of operations, 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.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Toronto Association of Business Improvement Area as at December 31, 2024, and the statement of operations, accumulated surplus, statement of changes in net financial assets and statement of cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Association in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my all-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 not-for-profit organizations, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Association'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 skepticism 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 Association'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 Association'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 Association A 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 significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

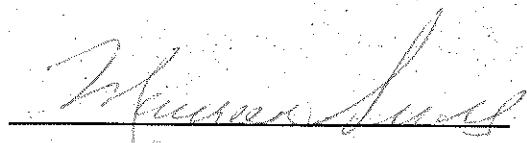
Toronto, Canada
April 15, 2025

Chartered Professional Accountant
Licensed Public Accountant

TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	2024	2023
	\$	\$
Financial Assets		
Current		
Cash and short-term investments (Note 3)	8,762,762	8,563,295
HST receivable	68,965	208,505
Due from affiliates (Note 4)	499,703	507,768
Accounts receivable	62,208	286,393
	<u>9,393,638</u>	<u>9,565,961</u>
Long-term	<u>100</u>	<u>100</u>
Investments (Note 5)		
	<u>9,393,738</u>	<u>9,566,061</u>
Liabilities		
Accounts payable and accrued charges	225,087	407,618
Projects (Note 6 – Schedule 2)	8,817,652	8,813,469
Contingency Reserves (Note 7)	110,000	110,000
	<u>9,152,739</u>	<u>9,331,087</u>
Net Financial Assets	240,999	234,974
Accumulated Surplus	<u>9,393,738</u>	<u>9,566,061</u>

Approved on behalf of the Board:



President



Treasurer

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS
STATEMENT OF CONSOLIDATED OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Administration Schedule 1 \$	Projects Schedule 2 \$	2024 \$	2023 \$
Revenue	301,686	9,879,990	10,181,676	9,031,589
Interest	9,745	362,512	372,257	378,666
Expenses	(305,406)	(10,238,319)	(10,543,725)	(12,252,163)
SURPLUS (DEFICIT) FOR THE YEAR	6,025	4,183	10,208	(2,841,908)
SURPLUS, BEGINNING OF YEAR	234,974	8,813,469	9,048,443	11,890,351
ALLOCATED FROM (TO) PROJECTS	-	-	-	-
TRANSFERRED TO DMS corporation	-	-	-	-
SURPLUS, END OF YEAR	240,999	8,817,652	9,058,651	9,048,443

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u> \$	<u>2023</u> \$
Surplus for the year	6,025	48,172
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	<u>-</u>	<u>-</u>
	6,025	48,172
Balance - Beginning of year	234,974	186,802
Balance - End of year	<u><u>240,999</u></u>	<u><u>234,974</u></u>

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TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	\$	\$
Cash flows from operating activities		
Surplus for the year	6,025	48,172
Non-cash changes to operations		
Increase (decrease) resulting from changes in		
Accounts receivable	224,185	711,901
Due from affiliates	8,065	(507,768)
HST receivable	139,540	10,486
Accounts payable and accrued charges	(182,531)	(353,584)
Projects	4,183	(2,890,080)
Cash Provided By (Used in) Operations	199,467	(2,980,873)
Investing activities		
Purchase of tangible capital assets	-	-
Cash and short-term investments, Beginning Of Year	8,563,295	11,544,168
Cash and short-term investments, End Of Year	8,762,762	8,563,295

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

1. ESTABLISHMENT AND OPERATIONS

The Toronto Association of Business Improvement Areas (TABIA) was incorporated without share capital, as a non-profit organization, on October 5, 2001 to continue the services of the previous unincorporated entity. TABIA is recognized by all levels of government and the trade; its main goals are collecting and exchanging information vital to the Business Improvement Areas (BIAs) and addressing their concerns and issues. TABIA's main objectives are:

- To promote strong, effective and successful BIAs in the City of Toronto;
- To encourage joint initiatives and collaboration by groups of BIAs on issues and mutually beneficial projects, including studies and marketing research;
- To encourage and facilitate the exchange of information, experiences and ideas among BIAs through such means as newsletters, seminars and workshops for the benefit of BIAs in general, as well as their individual members;
- To assist BIAs in pooling their resources to achieve the maximum benefits feasible;
- To act as a lobby to influence policies affecting BIAs, and to obtain support funds and services for BIAs from all levels of government, institutions, agencies and other organizations; and
- To seek the interest of BIAs in government tourism policies and in the implementation of those policies.

TABIA is a non-profit organization that is not subject to income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following summary of significant accounting policies is set forth to facilitate the understanding of these financial statements:

Revenue Recognition

TABIA follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized.

Contributed materials and services

Volunteers contribute significant time every year to assist the Association in carrying out its governance activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

Use of estimates

The preparation of financial statements, in conformity with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions that affect reported amounts in the financial statements. Actual results could differ from these estimates.

3. SHORT-TERM INVESTMENTS

Short-term investments consist of Guaranteed Investment Certificates with Scotiabank. These investments bear interest at the rate of ranging from 4% to .5.2% per annum and will be maturing in 2025.

4. DUE FROM AFFILIATES

Due from affiliates are receivable on demand and are interest free.

5. INVESTMENTS

Digital Main Street Inc.'s issued common shares are 100% owned by TABIA.

6. PROJECTS

The Association has allocated certain funds for a number of specific programs (Projects). Specific funds received for the project are recorded as project's revenue. All expenses incurred for these programs are charged to these projects and the remaining unspent funds are carried forward to be utilized in future years to achieve the objectives of the Association.

7. CONTINGENCY RESERVE

The objective of this reserve is to stabilize any unexpected reduction in revenue or to pay for unforeseen expenses.

8. FINANCIAL INSTRUMENTS

Cash and short-term investments, due from affiliates, HST receivable accounts receivable, accounts payable and accrued liabilities approximate fair values.

SCHEDULE 1**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS
SCHEDULE OF OPERATIONS EXCLUDING PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	2024 Budget \$	2024 Actual \$	2023 Actual \$
Revenue			
Membership fees	290,000	300,799	292,831
Interest and miscellaneous revenue	10,000	10,632	9,553
	<u>300,000</u>	<u>311,431</u>	<u>302,384</u>
Expenses			
Salaries and benefits	223,000	231,153	199,347
Office and general	25,000	23,487	20,912
Communication, advocacy and promotion	20,000	7,622	1,952
Legal and audit fees	10,000	4,915	2,825
Accounting fees	9,000	7,838	7,498
Website and newsletter	5,000	6,073	3,892
Memberships and associations	20,000	18,080	10,170
Meetings and AGM expenses	5,000	2,350	1,553
Insurance	7,500	3,888	6,063
	<u>324,500</u>	<u>305,406</u>	<u>254,212</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>(24,500)</u>	<u>6,025</u>	<u>48,172</u>

SCHEDULE 2

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS
SCHEDULE OF PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	City Wide Promotion	Digital Main Street	Member Networks Meetings	DMS Alberta
	\$	\$	\$	
Balance, January 1	311,141	7,300,362	21,219	1,074,288
Revenue	83,585	8,837,690	-	713,789
Interest	13,067	289,049	891	54,741
Allocation	-	-	-	-
Expenses	(83,410)	(9,669,251)	-	(254,744)
Balance, December 31	324,383	6,757,850	22,110	1,588,074

	TABIA/BIA Programs	Locate Here	Total
	\$	\$	\$
Balance, January 1	19,251	87,208	8,813,469
Revenue	244,926		9,879,990
Interest	1,102	3,662	362,512
Allocation	-	-	-
Expenses	(,230,914)	-	(10,238,319)
Balance, December 31	34,365	90,870	8,817,652

SCHEDULE 3

TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS
Digital Main Street
DECEMBER 31, 2024

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual
Revenue					
Sponsorship	410,000	1,600,000	105,000	66,667	125,000
Digital Service Squad - Toronto	68,265	137,500	550,000	550,000	-
Revenue Generation	66,128	194,066	88,495	4,490	121,328
Shop Here Revenue	6,815,286	7,745,708	2,838,995	4,328,834	287,575
Future Proof Revenue	2,822,013	2,977,598	-	-	-
Ontario Expansion 1.0	100,000	-	-	-	-
Ontario Expansion 2.0	1,278,750	6,531,726	-	-	-
Expansion Admin/Staff Revenue	-	226,200	1,311,078	77,714	-
Service Squad Grant	300,000	82,750	803,175	1,172,228	250,252
CDAP Revenue	-	-	7,673,412	1,779,342	8,053,535
Interest Revenue	12,779	19,251	200,880	320,661	289,049
Total Revenue	11,873,221	19,514,799	13,571,035	8,135,528	9,126,739
Expenses	2020 Actual	2021 Actual	2022 YTD Actual	2023 YTD Actual	2023 YTD Actual
Insurance	3,391	8,393	29,409	23,676	26,477
Marketing	79,882	106,584	155,508	112,894	40,118
MasterCard	-	-	-	222,594	22,947
Office Expenses	12,473	12,469	65,410	112,736	121,336
Office Rent	14,652	18,778	17,760	18,740	5,978
Professional Services	14,654	16,456	20,409	12,859	19,046
Future Proof	2,359,522	2,264,746	628	-	-
Shop Here Expenses	7,202,495	11,675,010	3,072,720	3,457,069	980,850
Staffing	926,678	7,027	6,869	3,431	-
Website	80,362	155,662	47,196	64,990	35,540
CDAP	-	-	3,051,685	5,924,974	6,993,648
Contingency	4,635	-	-	-	-
RAISE	-	-	53,365	81,454	-
Expansion Admin/Staff Expenses	-	1,267,165	1,090,012	1,320,851	1,413,854
Other Expansion Expenses	-	-	3,966	14,650	9,459
Total Overall Expenses	10,698,744	15,532,290	7,614,937	11,370,918	9,669,253
Revenue over Expenses	1,174,477	3,982,509	5,956,098	3,235,391	542,514
Balance January 1	1,422,667	2,597,145	6,579,654	10,535,752	7,300,362
Total Balance pre Transfer	2,597,144	6,579,654	12,535,752	7,300,362	6,757,848
Transfer to DMS Corporation	-	-	2,000,000	-	-
Total Balance December 31	2,597,144	6,579,654	10,535,752	7,300,362	6,757,848