

**TORONTO ASSOCIATION OF  
BUSINESS IMPROVEMENT AREAS  
FINANCIAL STATEMENTS  
DECEMBER 31, 2025**

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BUSINESS IMPROVEMENT AREAS**

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## **Management's responsibility for the financial statements**

The financial statements of the Toronto Association of Business Improvement Areas (TABIA) are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared in compliance with the Canadian accounting standards for the not-for-profit organizations of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 2 to the financial statements.

The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board reviews the TABIA's financial statements and discusses any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Rafiq Dosani, CPA, independent external auditor appointed by members of TABIA, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines his responsibilities, the scope of his examination and his opinion on the TABIA's financial statements.

Signed by:

\_\_\_\_\_ President

\_\_\_\_\_ Treasurer

## 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, 2025, 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, 2025, 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 21, 2026

Chartered Professional Accountant  
Licensed Public Accountant

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2025**

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Financial Assets</b>		
Current		
Cash and short-term investments (Note 3)	7,728,584	8,762,762
HST receivable	1,631	68,965
Due from affiliates (Note 4)	1,671,706	499,703
Accounts receivable	130,404	62,208
	9,532,325	9,393,638
 <b>Long-term</b>		
Investments (Note 5)	100	100
	9,532,425	9,393,738
 <b>Liabilities</b>		
Accounts payable and accrued charges	115,535	225,087
Due to affiliates (Note 10)	5,705,168	-
Projects (Note 6 – Schedule 2)	3,435,888	8,817,652
Contingency Reserves (Note 7)	110,000	110,000
	9,366,591	9,152,739
 <b>Net Financial Assets</b>	165,834	240,999
 <b>Accumulated Surplus</b>	9,532,425	9,393,738

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, 2025**

	<b>Administration Schedule 1 \$</b>	<b>Projects Schedule 2 \$</b>	<b>2025 \$</b>	<b>2024 \$</b>
<b>Revenue</b>	306,371	1,042,260	1,348,631	10,181,676
Interest	5,865	10,324	16,189	372,257
Dividend		1,000,000	1,000,000	
<b>Expenses</b>	(387,401)	(1,033,952)	1,421,353	(10,543,725)
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	(75,165)	1,018,632	943,467	10,208
<b>SURPLUS, BEGINNING OF YEAR</b>	240,999	8,817,652	9,058,651	9,048,443
<b>ALLOCATED FROM (TO) PROJECTS</b>	-	(90,870)	(90,870)	-
<b>TRANSFERRED TO DMS NON-PROFIT (NOTE 8)</b>	-	(6,309,526)	(6,309,526)	-
<b>SURPLUS, END OF YEAR</b>	165,834	3,435,888	3,601,722	9,058,651

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS  
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	2025 \$	2024 \$
Surplus (deficit) for the year	(75,165)	6,025
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	-	-
	(75,165)	6,025
Balance - Beginning of year	240,999	234,974
Balance - End of year	165,834	240,999

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Surplus (deficit) for the year	(75,165)	6,025
<b>Non-cash changes to operations</b>		
Increase (decrease) resulting from changes in		
Accounts receivable	(68,196)	224,185
Due from affiliate	(1,172,003)	8,065
HST receivable	67,334	139,540
Due to affiliate	5,705,168	-
Accounts payable and accrued charges	(109,552)	(182,531)
Projects	5,381,764	4,183
<b>Cash Provided By (Used in) Operations</b>	<b>(1,034,178)</b>	<b>199,467</b>
<b>Investing activities</b>		
Purchase of tangible capital assets	-	-
<b>Cash and short-term investments, Beginning of Year</b>	<b>8,762,762</b>	<b>8,563,295</b>
<b>Cash and short-term investments, End of Year</b>	<b>7,728,584</b>	<b>8,762,762</b>

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

**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, 2025**

**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 2.8% to 3.8% per annum and will be maturing in 2026.

**4. DUE FROM AFFILIATES**

Due from affiliate bears interest at the same rate as earned by affiliate on its short-term investments and receivable on demand.

**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. TRANSFER OF DMS PROJECT**

The Digital Mainstreet Non-Profit Inc, was incorporated in 2023. The Organization's main objectives are to deliver the grants and programs which were previously carried out by TABIA. TABIA has now obtained approval from federal partners with whom it has been working to transfer this activity to Digital Mainstreet Non-Profit Inc.

**9. FINANCIAL INSTRUMENTS**

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

**10. PAYABLE TO AFFILIATE**

Due to affiliate bears interest at the same rate as earned by tabia on its short-term investments and payable on demand.

**SCHEDULE 1**

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS  
SCHEDULE OF OPERATIONS EXCLUDING PROJECTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<b>2025 Budget \$</b>	<b>2025 Actual \$</b>	<b>2024 Actual \$</b>
<b>Revenue</b>			
Membership fees	305,000	306,371	300,799
Interest and miscellaneous revenue	5,000	5,865	10,632
	<u>310,000</u>	<u>312,236</u>	<u>311,431</u>
<b>Expenses</b>			
Salaries and benefits	240,000	298,677	231,153
Office and general	24,000	25,796	23,487
Communication, advocacy and promotion	15,000	14,221	7,622
Legal and audit fees	7,500	5,631	4,915
Accounting fees	9,000	7,149	7,838
Website and newsletter	6,000	6,395	6,073
Memberships and associations	20,000	19,210	18,080
Meetings and AGM expenses	3,500	3,156	2,350
Insurance	7,500	7,166	3,888
	<u>332,500</u>	<u>387,401</u>	<u>305,406</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<u>-22,500</u>	<u>-75,165</u>	<u>6,025</u>

**SCHEDULE 2**

**TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS  
SCHEDULE OF PROJECTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<b>City Wide Promotion</b>	<b>Digital Main Street</b>	<b>Member Networks Meetings</b>	<b>DMS Alberta</b>	<b>Digital Main Street - Toronto</b>
	\$	\$	\$	\$	\$
Balance, January 1	324,383	4,721,462	22,110	1,588,074	36,390
Revenue	50,348	-	-		735,000
Interest	9,255	-	631		-
Transfer (Note 8)	-	(4,721,462)	-	(1,588,074)	-
Expenses	(50,548)	-	-		(686,744)
Balance, December 31	333,438	-	22,741	-	84,654

	<b>TABIA/BIA Programs</b>	<b>Locate Here</b>	<b>Activating Billy Bishop</b>	<b>Total</b>
	\$	\$	\$	\$
Balance, January 1	2,034,365	90,870	-	8,817,652
Revenue	228,788		28,124	1,042,260
Interest	222	-	216	10,324
Dividend (DMS)	1,000,000			1,000,000
Transfer (Note 8)				(6,309,526)
Allocation	(15,032)	(90,870)	15,032	(90,870)
Expenses	(253,577)	-	(43,083)	1,033,952
Balance, December 31	2,994,766	-	289	3,435,888