

**THE BOARD OF MANAGEMENT FOR
THE JUNCTION
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2025**

#46

Sept 11/26

THE JUNCTION BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2025

CONTENTS

	<u>Page</u>
Management Report	1
Independent auditor's report	2 - 3
Financial statements	
Statement of financial position	4
Statement of operations and accumulated surplus	5
Statement of changes in net financial assets	6
Statement of cash flows	7
Notes to financial statements	8 – 12

Management's responsibility for the financial statements

The financial statements of the Board of Management of The Junction Business Improvement Area (the BIA) are the responsibility of management and have been approved by the Board of Management.

The financial statements have been prepared in compliance with the Canadian public sector accounting standards, established by the Public Sector Accounting Board ("PSAB") 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 of Management is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board reviews the BIA'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 The Junction BIA, 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 BIA's financial statements.

Signed by:



Chair



Treasurer

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

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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 The Junction Business Improvement Area

Opinion

I have audited the financial statements of The Junction Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2025 and the statement of operations and accumulated surplus, statement of changes in net financial assets and statement of cash flows for the years 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, 2025 and its financial performance and its cash flows for the years 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 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 Board 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

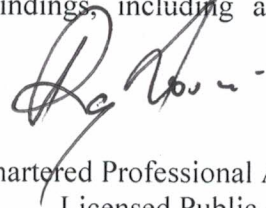
Auditor's Responsibilities for the Audit of the Financial Statements

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 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 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 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.

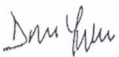
Toronto, Ontario
August 20, 2026


Chartered Professional Accountant
Licensed Public Accountant

THE BOARD OF MANAGEMENT FOR
THE JUNCTION BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025 \$	2024 \$
FINANCIAL ASSETS		
Cash	129,366	106,578
Short-term Investment (Note 5)	93,889	93,385
Accounts receivable		
City of Toronto – special charges (Note 3)	34,035	12,904
Other	15,701	35,482
	<u>272,993</u>	<u>248,349</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	25,709	24,210
Deferred revenue (Note 6)	24,271	-
	<u>49,980</u>	<u>24,210</u>
NET FINANCIAL ASSETS	223,013	224,139
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	34,738	52,820
ACCUMULATED SURPLUS	<u>257,751</u>	<u>276,959</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR
THE JUNCTION BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	2025 \$ Budget (Note 10)	2025 \$ Actual	2024 \$ Actual
REVENUE			
City of Toronto – special charges	392,548	393,980	376,586
Grants	12,500	17,913	37,500
Festival and events and other	54,400	35,916	104,645
	<u>459,448</u>	<u>447,809</u>	<u>518,731</u>
EXPENSES			
Administration	234,673	233,594	255,138
Promotion and advertising	103,750	115,287	149,916
Maintenance	97,380	96,062	85,032
Capital (Note 9)	-	-	-
Amortization		18,082	29,433
Provision for uncollected special charges (Note 3)	23,645	3,992	10,465
	<u>459,448</u>	<u>467,017</u>	<u>529,984</u>
SURPLUS (DEFICIT) FOR THE YEAR	-	(19,208)	(11,253)
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>276,959</u>	<u>276,959</u>	<u>288,212</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>276,959</u>	<u>257,751</u>	<u>276,959</u>

THE BOARD OF MANAGEMENT FOR
THE JUNCTION BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 \$	2024 \$
Surplus (deficit) for the year	(19,208)	(11,253)
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	18,082	29,433
	(1,126)	18,180
Balance – Beginning of year	224,139	205,959
Balance – End of year	223,013	224,139

THE BOARD OF MANAGEMENT FOR
THE JUNCTION BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025 \$	2024 \$
Cash flows from operating activities		
Surplus (deficit) for the year	(19,208)	(11,253)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	18,082	29,433
Increase (decrease) resulting from changes in		
Accounts receivable – City of Toronto	(21,131)	(12,904)
Accounts receivable – other	19,781	(17,274)
Accounts payable – City of Toronto special charges	-	(11,341)
Deferred revenue	24,271	-
Accounts payable – City of Toronto	-	(6,302)
Accounts payable – other	1,499	(4,570)
Cash Provided By Operations	23,294	(34,211)
Investing activities		
Purchase of tangible capital assets	-	-
Increase (decrease) in short-term investment	(504)	(3,496)
Cash, Beginning Of Year	106,578	144,285
Cash, End Of Year	129,368	106,578

**THE BOARD OF MANAGEMENT FOR
THE JUNCTION BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

1. ESTABLISHMENT AND OPERATIONS

THE JUNCTION 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:

Banners	3 years	Planters	5 years
Pole Wraps	5 years	Street Furniture	5 years
Tree Guards	5 years	Computer	3 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 JUNCTION BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2025**

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. 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:

	2025	2024
	\$	\$
Total special charges outstanding	36,895	14,604
Less: allowance for uncollected special charges	(2,860)	(1,700)
Special charges receivable	<u>34,035</u>	<u>12,904</u>

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

	2025	2024
	\$	\$
Special charges written-off (recovered)	2,832	21,565
Change in allowance for uncollected special charges	1,160	(11,100)
	<u>3,992</u>	<u>10,465</u>

THE BOARD OF MANAGEMENT FOR
THE JUNCTION BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2025

4. CAPITAL ASSETS

2025					
	Benches	Tree Guards	Street furniture	Pole Wraps	Total
9Cost					
Beginning	86,845	65,921	3,175	38,405	194,346
Additions					-
Disposals					
Ending	86,845	65,921	3,175	38,405	194,346
Accumulated Amortization					
Beginning	34,738	65,921	3,175	37,692	141,526
Amortization	17,369			713	18,082
Disposals					
Ending	52,107	65,921	3,175	38,405	159,608
Net Book Value	34,738	-	-	-	34,738

2024					
	Benches	Tree Guards	Street furniture	Pole Wraps	Total
Cost					
Beginning	86,845	65,921	3,175	38,405	194,346
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Ending	86,845	65,921	3,175	38,405	194,346
Accumulated Amortization					
Beginning	17,369	62,173	2,540	30,011	112,093
Amortization	17,369	3,748	635	7,681	29,433
Disposals	-	-	-	-	-
Ending	34,738	65,921	3,175	37,692	141,526
Net Book Value	52,107	-	-	713	52,820

**THE BOARD OF MANAGEMENT FOR
THE JUNCTION BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2025**

5. SHORT-TERM INVESTMENT

Short-term investment consists of a guaranteed investment certificate from BMO. This investment earns interest at the rate of 3% per annum and will be maturing in 2026.

6. DEFERRED REVENUE

Deferred revenue consists of grant received for 2026 event, It will be recognized as revenue when the event ocure in 2026.

7 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.

8 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.

**THE BOARD OF MANAGEMENT FOR
THE JUNCTION BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2025**

9. CAPITAL EXPENSES

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

10. BUDGET

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