

**THE BOARD OF MANAGEMENT FOR THE  
SHOPTHEQUEENSWAY.COM  
BUSINESS IMPROVEMENT AREA**

**Financial Statements  
For the Year Ended December 31, 2023**

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**SHOPTHEQUEENSWAY.COM**  
**BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2023**

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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 ShoptheQueensway.com Business Improvement Area

### *Opinion*

I have audited the financial statements of ShoptheQueensway.com Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2023, 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, 2023 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.

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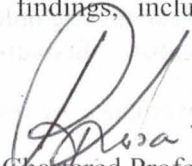
***Auditor's Responsibilities for the Audit of the Financial Statements***

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 (CAS) 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  
September 28, 2024

  
Chartered Professional Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
SHOPTHEQUEENSWAY.COM  
BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**

	2023 \$	2022 \$
<b>FINANCIAL ASSETS</b>		
Cash	335,584	342,911
Accounts receivable		
City of Toronto – special charges (Note 4)	51,346	17,483
Other	56,072	47,617
	<u>443,002</u>	<u>408,011</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
City of Toronto	-	-
Other	11,724	10,872
	<u>11,724</u>	<u>10,872</u>
<b>NET FINANCIAL ASSETS</b>	431,278	397,139
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	12,870	-
<b>ACCUMULATED SURPLUS</b>	<u>444,148</u>	<u>397,139</u>

Approved on behalf of the Board of Management:

DocuSigned by:  
*Michele Roberts*  
BE6E2EC7C567467

Chair

DocuSigned by:  
*Ramal Bhamra*  
1301BEA7E2504FA

Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
SHOPTHEQUEENSWAY.COM  
BUSINESS IMPROVEMENT AREA  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b> <b>\$</b> <b>Budget</b> <b>(Note 8)</b>	<b>2023</b> <b>\$</b> <b>Actual</b>	<b>2022</b> <b>\$</b> <b>Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	159,517	159,528	159,513
Interest and Other	-	18,588	11,261
	<u>159,517</u>	<u>178,116</u>	<u>170,774</u>
<b>EXPENSES</b>			
Administration	63,622	65,440	60,719
Promotion, advertising, festivals and events	28,700	4,699	132,442
Maintenance	70,955	52,920	53,269
Capital (Note 7)	-	-	-
Amortization	-	4,997	10,537
Provision for (recovery of) uncollected levies (Note 3)	(3,760)	3,051	4,950
	<u>159,517</u>	<u>131,107</u>	<u>261,917</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	-	47,009	(91,143)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>397,139</u>	<u>397,139</u>	<u>488,282</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>397,139</u>	<u>444,148</u>	<u>397,139</u>

**THE BOARD OF MANAGEMENT FOR THE  
 SHOPTHEQUEENSWAY.COM  
 BUSINESS IMPROVEMENT AREA  
 STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u> \$	<u>2022</u> \$
Surplus (deficit) for the year	47,009	(91,143)
Acquisition of tangible capital assets	(17,867)	-
Amortization of tangible capital assets	<u>4,997</u>	<u>10,537</u>
	34,139	(80,606)
Balance - Beginning of year	397,139	477,745
Balance - End of year	<u><u>431,278</u></u>	<u><u>397,139</u></u>

**THE BOARD OF MANAGEMENT FOR THE  
SHOPTHEQUEENSWAY.COM  
BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Surplus (deficit) for the year	47,009	(91,143)
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	4,997	10,537
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(33,863)	107
Accounts receivable – other	(8,455)	(8,821)
Accounts payable – City of Toronto	-	-
Accounts payable – other	852	2,053
<b>Cash Provided By (Used in) Operations</b>	<b>10,540</b>	<b>(87,267)</b>
<b>Investing activities</b>		
Purchase of tangible capital assets	(17,867)	-
(Increase) decrease in short-term investments	-	371,309
<b>Cash, Beginning Of Year</b>	<b>342,911</b>	<b>58,869</b>
<b>Cash, End Of Year</b>	<b>335,584</b>	<b>342,911</b>

**THE BOARD OF MANAGEMENT FOR THE  
SHOPTHEQUEENSWAY.COM  
BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**1. ESTABLISHMENT AND OPERATIONS**

The Shopthequeensway.com 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.

**Short-term investments:**

Short-term investments are highly liquid financial instruments with original maturities greater than three months but less than one year and are classified as "short-term" investments. BIA classifies short-term investments as current assets and reports them at their fair market value.

**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:

Street furniture	10 years	Banners	3 years
Street signage	5 years	Streetscape	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  
SHOPTHEQUEENSWAY.COM  
BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**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:

	2023	2022
	\$	\$
Total special charges outstanding	52,746	21,583
Less: allowance for uncollected special charges	(1,400)	(4,100)
Special charges receivable	<u>51,346</u>	<u>17,483</u>

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

	2023	2022
	\$	\$
Special charges written-off (recovered)	5,751	3,150
Change in allowance for uncollected special charges	(2,700)	1,800
	<u>3,051</u>	<u>4,950</u>

**THE BOARD OF MANAGEMENT FOR THE  
SHOPTHEQUEENSWAY.COM  
BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**4. CAPITAL ASSETS**

	<b>2023</b>				
	<b>Banners</b>	<b>Street Signage</b>	<b>Street Furniture</b>	<b>Streetscape</b>	<b>Total</b>
<b>Cost</b>					
Beginning	19,606	16,961	6,420	96,870	139,857
Additions	13,762	-	4,105	-	17,867
Disposals	-	-	-	-	-
<b>Ending</b>	<b>33,368</b>	<b>16,961</b>	<b>10,525</b>	<b>96,870</b>	<b>157,724</b>
<b>Accumulated Amortization</b>					
Beginning	19,606	16,961	6,420	96,870	139,857
Amortization	4,587	-	410	-	4,997
Disposals	-	-	-	-	-
<b>Ending</b>	<b>24,193</b>	<b>16,961</b>	<b>6,830</b>	<b>96,870</b>	<b>144,854</b>
<b>Net Book Value</b>	<b>9,175</b>	<b>-</b>	<b>3,695</b>	<b>-</b>	<b>12,870</b>

	<b>2022</b>				
	<b>Banners</b>	<b>Street Signage</b>	<b>Street Furniture</b>	<b>Streetscape</b>	<b>Total</b>
<b>Cost</b>					
Beginning	19,606	16,961	6,420	96,870	139,857
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Ending</b>	<b>19,606</b>	<b>16,961</b>	<b>6,420</b>	<b>96,870</b>	<b>139,857</b>
<b>Accumulated Amortization</b>					
Beginning	17,820	16,961	6,420	88,119	108,161
Amortization	1,786	-	-	8,751	10,537
Disposals	-	-	-	-	-
<b>Ending</b>	<b>19,606</b>	<b>16,961</b>	<b>6,420</b>	<b>96,870</b>	<b>139,857</b>
<b>Net Book Value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**THE BOARD OF MANAGEMENT FOR THE  
SHOPTHEQUEENSWAY.COM  
BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**5. 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.

**6. FINANCIAL INSTRUMENTS**

The carrying value of the BIA's financial instruments approximates their values. The BIA is subject to an interest rate risk with respect to its investments; however, as these instruments are short-term investments the risk is minimal.

**7. 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.

**8. BUDGET**

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

**RAFIQ DOSANI**, B.Comm. CPA, CA  
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September 28, 2024

Ms Michele Roberts, Chair  
Shopthequeensway.com Business Improvement Area  
836 The Queensway  
ETOBICOKE, ON M8Z 1N7

Dear Ms Roberts :

**MANAGEMENT LETTER  
YEAR ENDED DECEMBER 31, 2023**

The audit of the financial statements of the Shopthequeensway.com Business Improvement Area (BIA) for the year ended December 31, 2023 has recently 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 its 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 Board's principal safeguard against irregularities which a test examination may not disclose. This letter provides my comments and recommendations on matters arising from the audit for your consideration.

**EMPLOYER-EMPLOYEE RELATIONSHIP**

Observation:

The BIA has retained an Executive Director to assist in the general administration of BIA activities. The remuneration is paid without any statutory deductions.

According to Canada Revenue Agency (CRA) guidelines an employer-employee relationship exists when there is "a verbal or written agreement" in which an employee agrees to work on a full-time or part-time basis for an employer for a specified or indeterminate period of time, in return for salary or wages. The employer has the right to decide where, when, and how the work will be done. In this type of relationship, a contract of services exists." The CRA guidelines also provide other criteria to be used in analysing the terms and conditions of employment.

Where an employer-employee relationship exists, the employer must withhold Income Tax, Canada Pension Plan (CPP) contributions and Employment Insurance (EI) premiums on amounts paid to employees and report the employees' income and deductions on the appropriate return. Failure to do so could result in penalties and interest charges.

In my view, the current arrangement with the Executive Director could be interpreted as an employer-employee relationship.

**Recommendation:**

- 1. The Board review its current arrangement with the Executive Director, with a view to ensuring that, where an employer-employee relationship exists, its obligations under the Canada Revenue Agency regulations are met.**

**Management Response:**

We agreed with the recommendation. Effective immediately the BIA will make payments to the Executive Director subject to statutory deductions and will monthly remit the employee deductions to Canada Revenue Agency.

**INTERIM FINANCIAL STATEMENTS**

**Observation:**

The books of the BIA are written-up once a year consequently no interim financial statements are provided to the Board for their review. Interim financial statements would provide a better financial position of the BIA to the Board throughout the year.

**Recommendation:**

- 2. Consideration should be given to writing-up books of accounts on an ongoing basis and periodically interim financial statements should be presented to the Board for their review and approval.**

**Management response:**

We agreed with the recommendation. The BIA will be providing the documents periodically to its Bookkeeper to write-up books on an on-going basis and prepare quarterly financial statements for the board's review and approval.

**CASH**

**Observation:**

During the year the BIA maintained a significant amount of cash in a current account earning no interest income.

**Recommendation:**

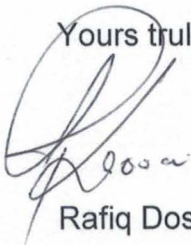
- 3. Consideration should be given to investing excess cash, which is not immediately required, in short-term investments to earn interest income.**

**Management response:**

We agreed with the recommendation. The BIA will prepare a cash flow statement and invest excess cash in short-term investments.

I appreciate the cooperation of the Executive Director and the Bookkeeper throughout the audit. I will be available to discuss the observations and recommendations on a mutually convenient time.

Yours truly,



Rafiq Dosani