

**SHOP THE QUEENSWAY  
BUSINESS IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**SHOP THE QUEENSWAY  
BUSINESS IMPROVEMENT AREA  
DECEMBER 31, 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Council of the Corporation of the City of Toronto and the  
Board of Directors for the Shop the Queensway BIA:

### Opinion

We have audited the financial statements of Shop the Queensway BIA ("the BIA"), which comprise the statement of financial position as at December 31, 2024 and the statements of operations, net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2024 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the BIA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 these financial statements, management is responsible for assessing the BIA's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 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

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit.

We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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

We 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 we identify during our audit.

#### **Other Matters**

The prior year comparative figures were audited by another firm of Chartered Professional Accountants. They have been restated as described in Note 12.

Toronto, Ontario  
January 26, 2026

*RMB Rosenswig McKee Rosso LLP*

Chartered Professional Accountants  
Licensed Public Accountants

**SHOP THE QUEENSWAY**  
**BUSINESS IMPROVEMENT AREA**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**

FINANCIAL ASSETS

|                                            | <u>2024</u>    | <u>2023</u>    |
|--------------------------------------------|----------------|----------------|
| Cash                                       | \$ 51,147      | \$ 335,584     |
| Investments (Note 3)                       | 296,834        | -              |
| Accounts receivable                        |                |                |
| City of Toronto - special charges (Note 4) | 51,561         | 51,346         |
| Other                                      | <u>26,288</u>  | <u>27,016</u>  |
|                                            | <u>425,830</u> | <u>413,946</u> |

LIABILITIES

|                                          |                |                |
|------------------------------------------|----------------|----------------|
| Accounts payable and accrued liabilities |                |                |
| City of Toronto                          | \$ -           | \$ -           |
| Other                                    | <u>21,398</u>  | <u>11,724</u>  |
| Net financial assets                     | <u>404,432</u> | <u>402,222</u> |

NON FINANCIAL ASSETS

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| Tangible capital assets      | <u>7,872</u>      | <u>12,870</u>     |
| Accumulated surplus (Note 6) | <u>\$ 412,304</u> | <u>\$ 415,092</u> |

Approved on behalf of the Board of Management:

DocuSigned by:  
  
 \_\_\_\_\_, Chair  
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DocuSigned by:  
  
 \_\_\_\_\_, Treasurer  
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**SHOP THE QUEENSWAY**  
**BUSINESS IMPROVEMENT AREA**

**STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2024**

|                                    | <u>2024</u>              |                            | <u>2023</u>             |
|------------------------------------|--------------------------|----------------------------|-------------------------|
|                                    | <u>Actual</u>            | <u>Budget</u><br>(Note 10) |                         |
| Revenue                            |                          |                            |                         |
| City of Toronto-Special Charges    | \$ 154,598               | \$ 159,517                 | \$ 159,528              |
| Interest                           | <u>14,212</u>            | <u>-</u>                   | <u>18,588</u>           |
|                                    | <u>168,810</u>           | <u>159,517</u>             | <u>178,116</u>          |
| Expenses                           |                          |                            |                         |
| Maintenance                        | 90,336                   | 61,205                     | 52,920                  |
| Administration                     | 69,474                   | 59,981                     | 65,440                  |
| Promotion                          | 3,458                    | 8,850                      | 4,699                   |
| Provision for (recovery) of levies | 3,332                    | 14,502                     | 3,051                   |
| Festivals and events               | -                        | 15,000                     | -                       |
| Amortization                       | <u>4,998</u>             | <u>-</u>                   | <u>4,997</u>            |
|                                    | <u>171,598</u>           | <u>159,538</u>             | <u>131,107</u>          |
| Annual surplus (deficit)           | \$ <u><u>(2,788)</u></u> | \$ <u><u>(21)</u></u>      | \$ <u><u>47,009</u></u> |

**SHOP THE QUEENSWAY**  
**BUSINESS IMPROVEMENT AREA**  
**STATEMENT OF NET FINANCIAL ASSETS**  
**DECEMBER 31, 2024**

|                                         | <u>2024</u>              | <u>2023</u>              |
|-----------------------------------------|--------------------------|--------------------------|
| Annual surplus                          | \$ (2,788)               | \$ 47,009                |
| Acquisition of tangible capital assets  | -                        | (17,867)                 |
| Amortization of tangible capital assets | <u>4,998</u>             | <u>4,997</u>             |
| Change in net financial assets          | 2,210                    | 34,139                   |
| Net financial assets, beginning of year | <u>402,222</u>           | <u>368,083</u>           |
| Net financial assets, end of year       | \$ <u><u>404,432</u></u> | \$ <u><u>402,222</u></u> |

**SHOP THE QUEENSWAY  
BUSINESS IMPROVEMENT AREA**

**STATEMENT OF CASH FLOWS**

**DECEMBER 31, 2024**

|                                                                 | <u>2024</u>             | <u>2023</u>              |
|-----------------------------------------------------------------|-------------------------|--------------------------|
| Cash from operating activities                                  |                         |                          |
| Annual surplus                                                  | \$ (2,788)              | 47,009                   |
| Adjustment for:                                                 |                         |                          |
| Amortization                                                    | <u>4,998</u>            | <u>4,997</u>             |
|                                                                 | 2,210                   | 52,006                   |
| Changes in non-cash working capital balances:                   |                         |                          |
| Decrease (increase) in accounts receivable                      |                         |                          |
| City of Toronto - special charges                               | (215)                   | (33,863)                 |
| Other                                                           | 728                     | (8,455)                  |
| Increase (decrease) in accounts payable and accrued liabilities |                         |                          |
| City of Toronto                                                 | -                       | -                        |
| Other                                                           | <u>9,674</u>            | <u>852</u>               |
|                                                                 | <u>12,397</u>           | <u>10,540</u>            |
| Cash flows used in investing activities                         |                         |                          |
| Purchase of investments                                         | (296,834)               | -                        |
| Purchase of tangible capital assets                             | <u>-</u>                | <u>(17,867)</u>          |
|                                                                 | <u>(296,834)</u>        | <u>(17,867)</u>          |
| Decrease in cash position                                       | (284,437)               | (7,327)                  |
| Cash, beginning of year                                         | <u>335,584</u>          | <u>342,911</u>           |
| Cash, end of year                                               | \$ <u><u>51,147</u></u> | \$ <u><u>335,584</u></u> |

**SHOP THE QUEENSWAY**  
**BUSINESS IMPROVEMENT AREA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

1. Establishment of operations

The Shop the Queensway Business Improvement Area was designated as a business improvement area through City of Toronto By-Laws. The appointment of members to a Board of Management ("Board") to manage the Business Improvement Area ("BIA") was approved 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, through property tax billings, based on an annual operating budget prepared by the Board and approved by Council as required by Section 220 (17) of the Municipal Act, as amended.

2. Significant accounting policies

The financial statements of the BIA are prepared by management in accordance with Canadian public sector accounting standards ("CPSAS") as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The significant accounting policies are summarized as follows:

a) Accrual basis of accounting

The BIA follows the accrual method of accounting for revenues and expenses. Expenses are recorded on the accrual basis of accounting, whereby they are reflected in the financial statements in the period in which they have been incurred, whether or not such transaction have been finally settled by the payment of money.

b) Investments

Investments are recorded at cost which approximates their fair value on the date of acquisition. Subsequent to acquisition they are recorded at their fair market value.

**SHOP THE QUEENSWAY**  
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**NOTES TO FINANCIAL STATEMENTS**  
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2. Significant accounting policies (continued)

c) Revenue recognition

- i) City of Toronto special charges - The City of Toronto levies special charges to land owners within the BIA boundaries through the property tax system. Special charges revenue is recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.
- ii) Interest - revenue is recognized when earned.

d) Use of estimates

The preparation of financial statements in conformity with CPSAS require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

- e) Tangible capital assets are recorded at cost less accumulated amortization. Amortization is calculated at a rate that, in the opinion of management, allocates the cost of such assets over their estimated useful lives. These assets are tested for impairment when events or changes in circumstances indicate the carrying value may no longer be recoverable. Management believes that no such events have indicated impairment. The BIA records amortization as follows:

|                         |   |                       |
|-------------------------|---|-----------------------|
| Banners                 | - | 3 year straight-line  |
| Furniture               | - | 10 year straight-line |
| Signage and streetscape | - | 5 year straight-line  |

- f) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

g) Cost-share expenditures

The Board, in co-operation with the City, agrees to cost-shared capital improvement projects on publicly owned property. The projects are long-term in nature and are usually incorporated in a multi-year tender by the city. The BIA's share of the cost are not invoiced by the City until contracts are closed. The BIA accrues the costs in the financial statements when the invoices are received from the City.

**SHOP THE QUEENSWAY**  
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3. Investments

Investments consist of amounts invested in guaranteed investment certificates (GIC) with maturity dates of August 2025 earning interest from between 3.9% and 4.5%.

4. City of Toronto - special charges

Special charges levied by the City of Toronto ("City") are collected and remitted to the Board by the City. The total special charges outstanding (owing) 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:

|                                                | <u>2024</u>      | <u>2023</u>      |
|------------------------------------------------|------------------|------------------|
| Total special charges outstanding              | \$ 51,661        | \$ 52,746        |
| Less: Allowance for special charges in appeals | <u>(100)</u>     | <u>(1,400)</u>   |
| Special charges receivable                     | <u>\$ 51,561</u> | <u>\$ 51,346</u> |

The City decreased allowances for special charges by \$1,300 (2023 - \$2,700) for uncollectable amounts. The City also wrote off \$4,632 of levies during the year (2023 - \$5,751).

**SHOP THE QUEENSWAY  
BUSINESS IMPROVEMENT AREA**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

5. Tangible capital assets

|                  | <u>2023</u>       | <u>2024</u>      |                  |                   |
|------------------|-------------------|------------------|------------------|-------------------|
| <u>Cost</u>      | <u>Opening</u>    | <u>Additions</u> | <u>Disposals</u> | <u>Closing</u>    |
| Banners          | \$ 33,368         | \$ -             | \$ -             | \$ 33,368         |
| Street Furniture | 10,525            | -                | -                | 10,525            |
| Street Signage   | 16,961            | -                | -                | 16,961            |
| Streetscapes     | <u>96,870</u>     | <u>-</u>         | <u>-</u>         | <u>96,870</u>     |
|                  | <u>\$ 157,724</u> | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 157,724</u> |

|                                 | <u>2023</u>       | <u>2024</u>      |                     |                   |
|---------------------------------|-------------------|------------------|---------------------|-------------------|
| <u>Accumulated Amortization</u> | <u>Opening</u>    | <u>Disposals</u> | <u>Amortization</u> | <u>Closing</u>    |
| Banners                         | \$ 24,193         | \$ -             | \$ 4,587            | \$ 28,780         |
| Street Furniture                | 6,830             | -                | 410                 | 7,240             |
| Street Signage                  | 16,961            | -                | -                   | 16,961            |
| Streetscapes                    | <u>96,870</u>     | <u>-</u>         | <u>-</u>            | <u>96,870</u>     |
|                                 | <u>\$ 144,854</u> | <u>\$ -</u>      | <u>\$ 4,997</u>     | <u>\$ 149,851</u> |

| <u>Net Book Value</u> | <u>2023</u>      | <u>2024</u>     |
|-----------------------|------------------|-----------------|
| Banners               | \$ 9,175         | \$ 4,588        |
| Street Furniture      | 3,695            | 3,284           |
| Street Signage        | -                | -               |
| Streetscapes          | <u>-</u>         | <u>-</u>        |
|                       | <u>\$ 12,870</u> | <u>\$ 7,872</u> |

**SHOP THE QUEENSWAY**  
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6. Accumulated surplus

|                                           | 2024                    |                                     |                               |                   |
|-------------------------------------------|-------------------------|-------------------------------------|-------------------------------|-------------------|
|                                           | Unrestricted<br>surplus | Internally<br>restricted<br>surplus | Invested in<br>capital assets | Total             |
| Accumulated surplus,<br>beginning of year | \$ 431,278              | \$ -                                | \$ 12,870                     | \$ 444,148        |
| Annual surplus                            | (2,788)                 | -                                   | -                             | (2,788)           |
| Amortization                              | <u>4,998</u>            | <u>-</u>                            | <u>(4,998)</u>                | <u>-</u>          |
| Accumulated surplus,<br>end of year       | <u>\$ 433,488</u>       | <u>\$ -</u>                         | <u>\$ 7,872</u>               | <u>\$ 441,360</u> |

  

|                                           | 2023                    |                                     |                               |                   |
|-------------------------------------------|-------------------------|-------------------------------------|-------------------------------|-------------------|
|                                           | Unrestricted<br>surplus | Internally<br>restricted<br>surplus | Invested in<br>capital assets | Total             |
| Accumulated surplus,<br>beginning of year | \$ 397,139              | \$ -                                | \$ -                          | \$ 397,139        |
| Annual surplus                            | 47,009                  | -                                   | -                             | 47,009            |
| Amortization                              | 4,997                   | -                                   | (4,997)                       | -                 |
| Purchase of tangible<br>capital assets    | <u>(17,867)</u>         | <u>-</u>                            | <u>17,867</u>                 | <u>-</u>          |
| Accumulated surplus,<br>end of year       | <u>\$ 431,278</u>       | <u>\$ -</u>                         | <u>\$ 12,870</u>              | <u>\$ 444,148</u> |

7. Contractual commitments

The Board, in co-operation with the City, agrees to annual cost-shared capital improvement projects on publicly owned property. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. As at December 31, 2024 the BIA has nil (2023 - nil) of commitments outstanding relating to their ongoing capital improvement projects to be completed in 2025.

**SHOP THE QUEENSWAY**  
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**NOTES TO FINANCIAL STATEMENTS**  
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8. Insurance

The Board is required to deposit with the City 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.

9. Financial instruments risks

a) Fair value

The financial instruments recognized in the statement of financial position consist of cash, investments, accounts receivable, accounts payable, accrued liabilities and deferred revenue. 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 arises from the possibility that changes in interest rates will affect the value of investments disclosed in Note 3.

c) Liquidity risk

Liquidity risk is the risk 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.

There have been no material changes to the above risks.

**SHOP THE QUEENSWAY**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

10. 2024 Budget

The 2024 budget figures on the statement of operations are presented for information purposes only and are not commented on by the opinion of Rosenswig McRae Rosso LLP dated January 26, 2026.

11. Annual surplus

The City of Toronto requires the BIA to budget tangible capital assets as annual expenditures. Through the year as assets are purchased they are capitalized and amortized over their useful lives. Capital assets of \$nil (2023 - \$17,867) were purchased during the year. The amortization of tangible capital assets during the year amounted to \$4,998 which reduced the annual surplus (2023 - \$4,997). The amount of surplus not invested in tangible capital assets for the year is \$2,210 (2023 - \$52,006).

12. Revision of prior years results

It was discovered by management that a misstatement was reported in the 2023 financial statements pertaining to an overstatement of accounts receivable due to the PSB rebate. Management has revised the comparative figures of the 2024 financial statements to reflect an adjustment of the misstatement.

|                             | As previously<br><u>reported</u> | Effect of<br><u>revision</u> | Revised<br><u>amount</u> |
|-----------------------------|----------------------------------|------------------------------|--------------------------|
| Accounts receivable - other | 56,072                           | (29,056)                     | 27,016                   |
| Accumulated surplus         | 444,148                          | (29,056)                     | 415,092                  |

Chartered Professional Accountants  
Associated with MGI Worldwide

January 29, 2026

Board of Directors  
Shop the Queensway BIA  
1252 The Queensway  
Toronto, Ontario  
M8Z 1S2

Dear Board of Directors:

As part of our annual audit of your consolidated financial statements for the year ended December 31, 2024 we wish to report to you on our findings.

We wish to thank Michele Roberts and Josie Baldesarra-Chau for assisting us during the audit. Attached is our list of adjustments we have identified during the audit which have not been adjusted for. Based on our materiality of \$5,000, there are no material differences nor were there any significant unrecorded items.

We would like to report to you the following financial reporting matters:

*Vendor payables and accruals*

It was noted during audit work that there were some vendor payables that were not accrued at year end. Such items were determined by observing vendor payments post year end and tying these payments back to vendor invoices. Payments made after year end should be reviewed internally to ensure that any invoice being paid is being accrued in the correct period. We believe doing so will ensure for better cut-off and recognition of outstanding invoices at each year end.

In relation to this, we also recommend a clean-up of the payables subledger as there were several very old items which are no longer payable.

*PSB rebate*

It was noted during audit work that the PSB rebate has not been filed for several years. We recommend that timely filings be completed before submission deadlines as it helps with cash flow and remains in compliance with CRA filing requirements. The BIA representatives can work with CRA to ensure that there is appropriate authorization on the account and that a relevant person has access to the CRA account to file the rebate and observe account activity.

*Reconciliation of bookkeeping records to audit statements*

When the annual audit is finalized, it is important that the BIA enter the audit adjusting entries into the accounting records to ensure that the ending audited figures agree to the ending internal figures, and that the following year is beginning with the correct figures. If this is not done, there interim financial reporting throughout the year will be inaccurate and the year end audit will require additional work in order to reconcile the opening figures.

We would be pleased to discuss these items with you in more detail and assist you with any such implementation that you may desire.

Yours very truly,

RMR ROSENSWIG McRAE ROSSO LLP

A handwritten signature in black ink, appearing to read "Dustin Jainaraine". The signature is fluid and cursive, with a prominent initial "D" and a long, sweeping underline.

Dustin Jainaraine, CPA, CA  
DJ/dj