

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

**Financial Statements
For the Years Ended December 31, 2006**

KINGSWAY BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2006

CONTENTS

	<u>Page</u>
Auditor's report	3
Financial statements	
Statement of financial position	4
Statement of revenue, expenditure and operating surplus	5
Statement of changes in financial position	6
Notes to financial statements	7 -9

AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the
Board of Management for the Kingsway Business Improvement Area

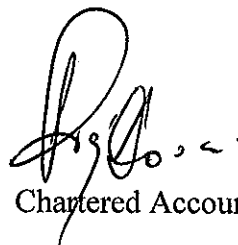
I have audited the statement of financial position of the Board of Management for the Kingsway Business Improvement Area as at December 31, 2006 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Board drives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. As a consequence, my verification of these revenues was limited to the amounts recorded in the records of the Board and I was not able to determine whether any adjustments might be necessary to revenue, operating surplus and assets.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations referred to in the preceding paragraph, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2006 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
June 10, 2007


Chartered Accountant

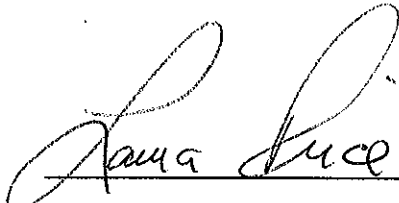
**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2006**

	2006 \$	2005 \$
ASSETS		
Current		
Cash and short-term investments	365,504	316,658
Accounts receivable		
City of Toronto - special charges (Note 3)	24,336	33,169
- other	1,275	1,200
Other receivables	27,169	11,469
	<u>418,284</u>	<u>362,496</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
City of Toronto	136,265	44,727
Other payables	20,070	21,895
	<u>156,335</u>	<u>66,622</u>
ACCUMULATED SURPLUS		
Operating	<u>261,949</u>	<u>295,874</u>
	<u>418,284</u>	<u>362,496</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	2006 \$ Budget	2006 \$ Actual	2005 \$ Actual
REVENUE			
City of Toronto – special levies	306,252	306,252	336,713
Municipal Grant	-	1,275	1,200
Interest	-	7,943	6,555
Festival, donations and other	12,000	70,432	69,866
	<u>318,252</u>	<u>385,902</u>	<u>414,334</u>
EXPENDITURE			
Administration	78,300	67,046	71,069
Promotion and advertising	115,600	198,552	181,311
Capital and maintenance	124,000	145,075	94,320
Provision for uncollected levies (Note 3)	352	9,154	1,552
	<u>318,252</u>	<u>419,827</u>	<u>348,252</u>
EXCESS (DECICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	-	(33,925)	66,082
OPERATING SURPLUS, BEGINNING OF YEAR	<u>295,874</u>	<u>295,874</u>	<u>229,792</u>
OPERATING SURPLUS, END OF YEAR	<u>295,874</u>	<u>261,949</u>	<u>295,874</u>

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2006**

	2006	2005
	\$	\$
CASH PROVIDED BY (USED IN) OPERATIONS		
Excess (deficiency) of revenue over expenditure for the year	(33,925)	66,082
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	8,758	(8,860)
Accounts receivable - other	(15,700)	1,290
Accounts payable - other	(1,825)	8,910
Due to City of Toronto	91,538	(98,091)
CASH PROVIDED BY (USED IN) OPERATIONS	48,846	(30,669)
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	316,658	347,327
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	365,504	316,658

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

1. ESTABLISHMENT AND OPERATIONS

The Kingsway 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 generally accepted accounting principles for local governments as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA), the most significant of which are as follows:

- (a) Revenues and expenditures are recorded using the accrual basis of accounting.
- (b) Capital expenditures are charged to operations in the year of acquisition.
- (c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2006**

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:

	2006 \$	2005 \$
Total special charges outstanding	40,136	40,369
Less: allowance for uncollected special charges	<u>(15,800)</u>	<u>(7,200)</u>
Special charges receivable	<u>24,336</u>	<u>33,169</u>

The provision for (recovery of) uncollected levies reported on the Statement of Revenue, Expenditure and Operating Surplus comprises:

	2006 \$	2005 \$
Special charges written-off	554	3,552
Change in allowance for uncollected special charges	<u>8,600</u>	<u>(2,000)</u>
	<u>9,154</u>	<u>1,552</u>

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2006**

4. 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.