

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

**Financial Statements
For the Years Ended December 31, 2012**

KINGSWAY BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2012

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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 accompanying financial statements of Kingsway Business Improvement Area, which comprise the statement of financial position as at December 31, 2012 and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

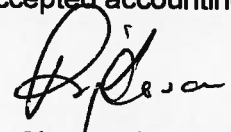
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly in all material respects, the financial position of the Board as at December 31, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
May 30, 2013



Chartered Accountant
Licensed Public Accountant

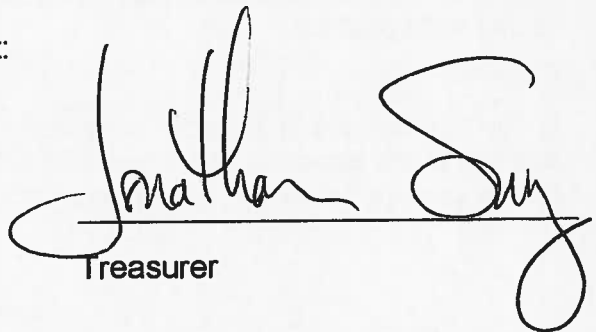
**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012**

	2012	2011
	\$	\$
FINANCIAL ASSETS		
Cash and short-term investments	284,645	293,799
Accounts receivable		
City of Toronto – special charges (Note 3)	31,006	44,329
Other	68,947	67,791
	<u>384,598</u>	<u>405,919</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	40,781	9,910
Other	26,004	54,170
	<u>66,785</u>	<u>64,080</u>
NET FINANCIAL ASSETS	317,813	341,839
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	25,925	5,453
	<u>343,738</u>	<u>347,292</u>
ACCUMULATED SURPLUS	<u>343,738</u>	<u>347,292</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012 \$ Budget (Note 7)	2012 \$ Actual	2011 \$ Actual
REVENUE			
City of Toronto – special levies	331,510	331,510	360,930
Interest	-	5,493	2,594
Festival, donations and other	12,500	142,908	163,199
	<u>344,010</u>	<u>479,911</u>	<u>526,723</u>
EXPENDITURE			
Administration	68,573	60,465	65,127
Promotion and advertising	195,400	340,350	292,813
Maintenance	79,900	70,792	85,083
Capital / amortization	12,000	10,398	6,538
Provision for (recovery of) uncollected levies (Note 3)	(11,863)	1,460	(5,488)
	<u>344,010</u>	<u>483,465</u>	<u>444,073</u>
SURPLUS (DEFICIT) FOR THE YEAR	-	(3,554)	82,650
OPERATING SURPLUS, BEGINNING OF YEAR	<u>347,292</u>	<u>347,292</u>	<u>264,642</u>
OPERATING SURPLUS, END OF YEAR	<u>347,292</u>	<u>343,738</u>	<u>347,292</u>

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012	2011
	\$	\$
Increase (decrease) in cash and short-term investments		
Cash flows from operating transactions		
Surplus (deficit) for the year	(3,554)	82,650
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	10,398	6,538
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	13,323	(4,187)
Accounts receivable – other	(1,156)	(16,454)
Accounts payable - City of Toronto	30,871	4,229
Accounts payable – other	(28,166)	42,000
Cash Provided By Operations	21,716	114,776
Capital Transactions		
Purchase of tangible capital assets	(30,870)	-
Cash and short-term investments, Beginning Of Year	293,799	179,023
Cash and short-term investments, End Of Year	284,645	293,799

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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 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:

Computers	3 years
Street & Christmas lights	5 years
Flags and Banners	3 years
Planters	5 years
Street Furniture	5 years
Street Signs	5 years

(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, 2012**

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:

	2012 \$	2011 \$
Total special charges outstanding	35,806	49,329
Less: allowance for uncollected special charges	<u>(4,800)</u>	<u>(5,000)</u>
Special charges receivable	<u>31,006</u>	<u>44,329</u>

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

	2012 \$	2011 \$
Special charges written-off	1,660	1,212
Change in allowance for uncollected special charges	<u>(200)</u>	<u>(6,700)</u>
	<u>1,460</u>	<u>(5,488)</u>

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2012**

4. CAPITAL ASSETS

	2012		
	Cost	Accumulated Amortization	Net book Value
Street Furniture	12,190	2,438	9,752
Street Signs	3,415	683	2,732
Lights	29,960	29,561	399
Flags & Banners	5,660	5,660	-
Planters	20,640	7,598	13,042
	<u>71,865</u>	<u>45,940</u>	<u>25,925</u>

	2011		
	Cost	Accumulated Amortization	Net book Value
Computers	5,393	5,393	-
Lights	29,960	26,778	3,182
Flags & Banners	5,660	5,294	366
Planters	5,375	3,470	1,905
	<u>46,388</u>	<u>40,935</u>	<u>5,453</u>

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 cash and short-term investments, accounts receivable, due from and to City of Toronto, accounts payable and accrued liabilities reflected in the statement of financial position approximate their respective fair value, due to the relatively short term nature of the instruments.

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2012**

7. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures. Accordingly, I do not express any opinion regarding the budget figures.

8. COMMITMENTS

The Board, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property for several years. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. The Board is committed to capital improvement projects of which the Board's share of \$66,523 (2011 - \$nil) was outstanding as at December 31, 2012.