

Appendix W:

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

**Financial Statements
For the Years Ended December 31, 2013**

KINGSWAY BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2013

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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, 2013 and the statements of operations and accumulated surplus, changes in net financial assets 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.

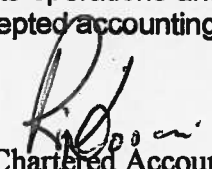
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
April 10, 2014


Chartered Accountant
Licensed Public Accountant

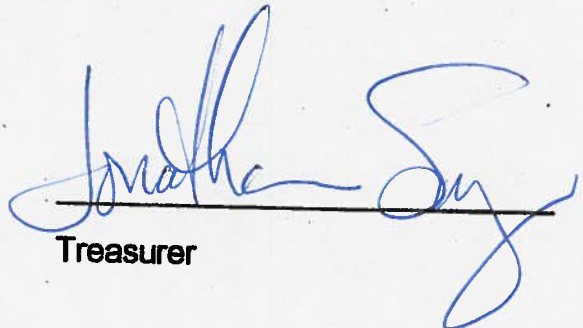
**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013	2012
	\$	\$
FINANCIAL ASSETS		
Cash and short-term investments	286,785	284,645
Accounts receivable		
City of Toronto – special charges (Note 3)	24,943	31,006
Other	49,350	68,947
	<u>361,078</u>	<u>384,598</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	71,004	40,781
Other	10,435	26,004
	<u>81,439</u>	<u>66,785</u>
NET FINANCIAL ASSETS	279,639	317,813
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	71,193	25,925
ACCUMULATED SURPLUS	<u>350,832</u>	<u>343,738</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 \$ Budget (Note 8)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special levies	333,726	333,726	331,510
Interest	5,000	3,070	5,493
Festival, donations and other	155,699	160,386	142,908
	<u>494,425</u>	<u>497,182</u>	<u>479,911</u>
EXPENDITURE			
Administration	72,295	66,732	60,465
Promotion and advertising	332,800	326,918	340,350
Maintenance	87,700	68,693	70,792
Capital (Note 7)	50,000	-	-
Amortization	-	20,052	10,398
Provision for uncollected levies (Note 3)	1,630	7,693	1,460
	<u>544,425</u>	<u>490,088</u>	<u>483,465</u>
SURPLUS (DEFICIT) FOR THE YEAR	(50,000)	7,094	(3,554)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>343,738</u>	<u>343,738</u>	<u>347,292</u>
OPERATING SURPLUS, END OF YEAR	<u>293,738</u>	<u>350,832</u>	<u>343,738</u>

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>2013</u> \$	<u>2012</u> \$
Surplus (deficit) for the year	7,094	(3,554)
Acquisition of tangible capital assets	(65,320)	(30,870)
Amortization of tangible capital assets	<u>20,052</u>	<u>10,398</u>
	(38,174)	(24,026)
Balance - Beginning of year	317,813	341,839
Balance - End of year	<u><u>279,639</u></u>	<u><u>317,813</u></u>

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	7,094	(3,554)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	20,052	10,398
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	6,063	13,323
Accounts receivable – other	19,597	(1,156)
Accounts payable - City of Toronto	30,223	30,871
Accounts payable – other	(15,569)	(28,166)
	<hr/>	<hr/>
Cash Provided By Operations	67,460	21,716
Investing activities		
Purchase of tangible capital assets	(65,320)	(30,870)
Cash and short-term investments, Beginning Of Year	<hr/>	<hr/>
	284,645	293,799
Cash and short-term investments, End Of Year	<hr/>	<hr/>
	286,785	284,645

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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, 2013**

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:

	2013 \$	2012 \$
Total special charges outstanding	36,243	35,806
Less: allowance for uncollected special charges	(11,300)	(4,800)
Special charges receivable	<u>24,943</u>	<u>31,006</u>

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

	2013 \$	2012 \$
Special charges written-off	1,193	1,660
Change in allowance for uncollected special charges	6,500	(200)
	<u>7,693</u>	<u>1,460</u>

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

4. CAPITAL ASSETS

	2013					
	Flags & Banner	Lights	Street Furniture & Signs	Street Scope	Planters	Total
Cost						
Beginning	1,098	11,163	15,605	-	18,440	46,306
Additions	-	-	-	65,320	-	65,320
Disposals	-	-	-	-	-	-
Ending	1,098	11,163	15,605	65,320	18,440	111,626
Accumulated Amortization						
Beginning	1,098	10,764	3,121	-	5,398	20,381
Amortization	-	399	3,121	13,064	3,468	20,052
Disposals	-	-	-	-	-	-
Ending	1,098	11,163	6,242	13,064	8,866	40,433
Net Book Value	-	-	9,363	52,256	9,574	71,193
2012						
	Flags & Banner	Lights	Street Furniture & Signs	Street Scope	Planters	Total
Cost						
Beginning	1,098	11,163	-	-	3,175	15,436
Additions	-	-	15,605	-	15,265	30,870
Disposals	-	-	-	-	-	-
Ending	1,098	11,163	15,605	-	18,440	46,306
Accumulated Amortization						
Beginning	732	7,981	-	-	1,270	9,983
Amortization	366	2,783	3,121	-	4,128	10,398
Disposals	-	-	-	-	-	-
Ending	1,098	10,764	3,121	-	5,398	20,381
Net Book Value	-	399	12,484	-	13,042	25,925

**THE BOARD OF MANAGEMENT FOR THE
KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

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.

7. CAPITAL EXPENSES

In order to finance major capital expenses the BIA annually budgets certain amounts and accumulates them as operating 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.