

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

**Financial Statements  
For the Years Ended December 31, 2009**

# KINGSWAY BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2009

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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 statement of financial position of the Board of Management for the Kingsway Business Improvement Area as at December 31, 2009 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.

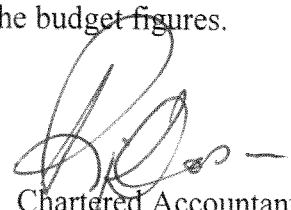
I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting 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 derives 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, 2009 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

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.

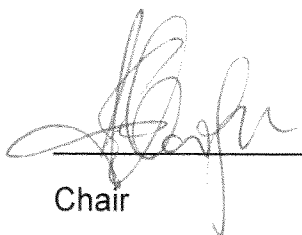
Toronto, Ontario  
May 11, 2010

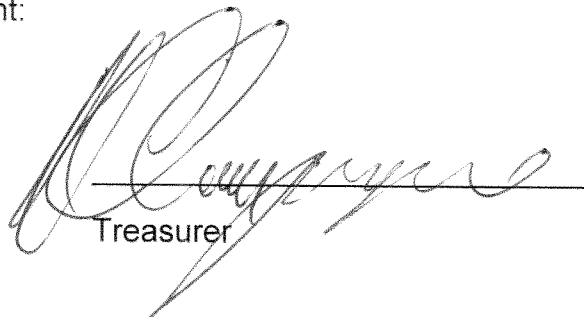
  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
KINGSWAY BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments	232,333	128,485
Accounts receivable		
City of Toronto - special charges (Note 4)	30,979	130,945
Other receivables	24,777	53,697
	<u>288,089</u>	<u>313,127</u>
<b>Capital Assets, net (note 5)</b>	<u>14,255</u>	<u>12,321</u>
	<u><b>302,344</b></u>	<u><b>325,448</b></u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities		
City of Toronto	4,502	19,702
Other payables	10,989	12,190
	<u>15,491</u>	<u>31,892</u>
<b>ACCUMULATED SURPLUS</b>		
Restricted	14,255	12,321
Unrestricted	272,598	281,235
	<u>286,853</u>	<u>293,556</u>
	<u><b>302,344</b></u>	<u><b>325,448</b></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, 2009**

	<b>2009 \$ Budget (Unaudited)</b>	<b>2009 \$ Actual</b>	<b>2008 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special levies	354,825	354,825	352,500
Interest (loss on investments)	-	18,475	(18,314)
Festival, donations and other	-	74,914	82,687
	<u>354,825</u>	<u>448,214</u>	<u>416,873</u>
<b>EXPENDITURE</b>			
Administration	85,825	95,870	80,360
Promotion and advertising	183,000	264,959	253,434
Maintenance	68,500	82,180	80,298
Capital	29,398	-	-
Amortization of Capital Assets	-	9,751	6,487
Provision for (recovery of) uncollected levies (Note 4)	(11,898)	2,157	(3,782)
	<u>354,825</u>	<u>454,917</u>	<u>416,797</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR</b>	-	(6,703)	76
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u>293,556</u>	<u>293,556</u>	<u>293,480</u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>293,556</u>	<u>286,853</u>	<u>293,556</u>

**THE BOARD OF MANAGEMENT FOR THE  
KINGSWAY BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Excess (deficiency) of revenue over expenditure for the year	(6,703)	76
Add: Non-cash item Amortization of capital assets	9,751	6,487
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	99,966	(98,239)
Accounts receivable - other	28,920	(35,293)
Accounts payable - other	(1,201)	(66,310)
Due to City of Toronto	(15,200)	(8,512)
<b>CASH PROVIDED BY (USED IN) OPERATIONS</b>	<b>115,533</b>	<b>(201,791)</b>
<b>INVESTING ACTIVITY</b>		
Purchase of capital assets	(11,685)	(6,418)
<b>CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR</b>	<b>128,485</b>	<b>336,694</b>
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<b>232,333</b>	<b>128,485</b>

**THE BOARD OF MANAGEMENT FOR THE  
KINGSWAY BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**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. CHANGE IN BASIS OF PRESENTION FOR 2009**

For fiscal year commencing on January 1, 2009 the Canadian Institute of Chartered Accountants (CICA) has required that the accounting recommendations and disclosure requirements, as prescribed by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants, be adopted for use by Ontario municipalities and their local boards and agencies. As a result, the Board has implemented accounting policies as recommended. The implementation of these policies has resulted in the Board changing its method of accounting for capital assets, on a retroactive basis, from expensing them when purchased to capitalizing and amortizing them over their estimated useful lives.

The effect of these changes has been to increase capital assets and surplus by \$14,255 as at December 31, 2009 (2008 – increase \$12,321), and decrease expenses by \$1,934 for the year ended December 31, 2009 (2008 – increase expenses by \$69). In addition, the opening 2008 comparative figures have been adjusted to reflect the retroactive application of the recommendations, resulting in an increase in surplus by \$12,390.

**THE BOARD OF MANAGEMENT FOR THE  
KINGSWAY BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**3. 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
- (c) Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

**4. 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:

	2009	2008
	\$	\$
Total special charges outstanding	42,379	140,645
Less: allowance for uncollected special charges	(11,400)	(9,700)
Special charges receivable	30,979	130,945



**THE BOARD OF MANAGEMENT FOR THE  
KINGSWAY BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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

	2009 \$	2008 \$
Special charges written-off	457	618
Change in allowance for uncollected special charges	1,700	(4,400)
	<u>2,157</u>	<u>(3,782)</u>

**5. CAPITAL ASSETS**

	2009		2008	
	Cost	Accumulated Amortization	Net book Value	Net book value
Computer Equipment	5,393	2,959	2,434	581
Street & Christmas lights	29,960	21,212	8,748	9,995
Flags & Banners	4,562	2,369	2,193	425
Planters	2,200	1,320	880	1,320
	<u>42,115</u>	<u>27,860</u>	<u>14,255</u>	<u>12,321</u>

**6. 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.

**THE BOARD OF MANAGEMENT FOR THE  
KINGSWAY BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**7. 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.

**8. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to current year's presentation.