

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

**Financial Statements
For the Year Ended December 31, 2024**

THE KINGSWAY BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2024

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INDEPENDENT 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

Opinion

I have audited the financial statements of The Kingsway Business Improvement Area (BIA), which comprise the statement of financial position as at December 31, 2024, and the statement of operations and accumulated surplus, statement of changes in net financial assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB), 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 the financial statements, management is responsible for assessing the BIA's ability to continue as a going concern, disclosing, as applicable, matters related to 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 but to do so.

Those charged with governance are responsible for overseeing the BIA's financial reporting process.

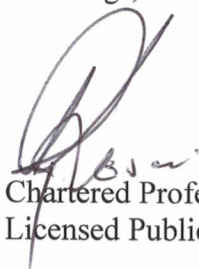
Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 auditing standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Toronto, Ontario
June 16, 2025


Chartered Professional Accountant
Licensed Public Accountant

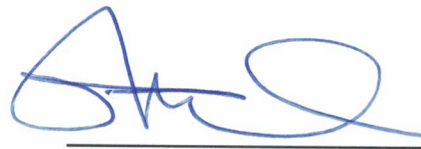
**THE BOARD OF MANAGEMENT FOR
THE KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

	2024 \$	2023 \$
FINANCIAL ASSETS		
Cash	49,339	209,249
Short-term investments (Note 3)	714,462	580,059
Accounts receivable		
City of Toronto – special charges (Note 4)	24,893	22,483
Other	25,764	34,567
	814,458	846,358
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto – special charges (Note 4)	-	-
City of Toronto – other	3,391	-
Other	11,081	22,501
	14,472	22,501
NET FINANCIAL ASSETS	799,986	823,857
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 5)	33,335	67,223
ACCUMULATED SURPLUS	833,321	891,080

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, 2024**

	2024 \$ Budget (Note 10)	2024 \$ Actual	2023 \$ Actual
REVENUE			
City of Toronto – special charges	274,113	274,113	262,120
Festival, donations and other	190,000	304,729	368,263
	464,113	578,842	630,383
EXPENSES			
Administration	77,228	58,324	43,980
Promotion and advertising	400,300	386,132	387,789
Maintenance	109,200	105,040	107,864
Capital (Note 8)	-	4,020	-
Amortization (Note 5)	-	83,060	69,097
Provision for uncollected special charges (Note 4)	2,385	25	1,170
	589,113	636,601	609,900
SURPLUS (DEFICIT) FOR THE YEAR	(125,000)	(57,759)	20,483
ACCUMULATED SURPLUS, BEGINNING OF YEAR	891,080	891,080	870,597
ACCUMULATED SURPLUS, END OF YEAR	766,080	833,321	891,080

**THE BOARD OF MANAGEMENT FOR
THE KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	2024	2023
	\$	\$
Surplus (deficit) for the year	(57,759)	20,483
Acquisition of tangible capital assets	(49,172)	-
Amortization of tangible capital assets	83,060	69,097
	(23,871)	89,580
Balance - Beginning of year	823,857	734,277
Balance - End of year	<u>799,986</u>	<u>823,857</u>

THE BOARD OF MANAGEMENT FOR
THE KINGSWAY BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024 \$	2023 \$
Cash flows from operating activities		
Surplus (deficit) for the year	(57,759)	20,483
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	83,060	69,097
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto special charges	(2,410)	(22,483)
Accounts receivable – other	8,803	1,084
Accounts payable - City of Toronto special charges	-	-
Accounts payable - City of Toronto - other	3,391	(45,330)
Accounts payable – other	(11,420)	5,259
Cash Provided by Operations	23,665	28,110
Investing Activities		
Purchase of tangible capital assets	(49,172)	-
Decrease (Increase) in short-term investments	(134,403)	(5,233)
Cash, Beginning of Year	209,249	186,372
Cash, End of Year	49,339	209,249

**THE BOARD OF MANAGEMENT FOR
THE KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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 BIA 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 BIA 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 Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB), the most significant of which are as follows:

Revenue recognition:

The BIA receives special charges from its members which are levied and collected by the City of Toronto. It also receives cash donations and sponsorships from corporate and private donors and grants from local, provincial and federal governments for events and festivals. Revenue is being recorded upon the signing of contracts and when collection can be reasonably ascertained.

Short-term Investments:

Short-term investments are highly liquid financial instruments with original maturities greater than three months but less than one year and are classified as "short-term" investments. BIA classifies short-term investments as current assets and reports them at their fair market value.

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:

Lamppost	5 years	Lights	5 years	Planters	5 years
Montgomery Parkette	5 Years				

Contributed services:

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

Financial instruments:

Financial instruments are recorded at the approximated fair value.

**THE BOARD OF MANAGEMENT FOR
THE KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2024**

SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of estimates:

The preparation of these financial statements in accordance with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates include determining the useful lives of tangible capital assets for amortization, the allowance for uncollectible levies and accounts receivable and contingent liabilities. Actual results could differ from management's best estimates; as additional information becomes available in the future.

3. SHORT-TERM INVESTMENTS

Short-term investments consist of guaranteed investment certificates and investment account with the Scotiabank. These investments bear interest at rates ranging from 3.15% to 5% per annum and will be maturing in 2025.

4. CITY OF TORONTO – SPECIAL CHARGES

Special charges levied by the City are collected and remitted to the BIA by the City. The total special charges outstanding consist of amounts collected by the City not yet remitted or over-remitted to the BIA and amounts uncollected by the City.

The BIA records special charges outstanding net of an allowance for uncollected amounts. The special charges receivable (payable) from (to) the City of Toronto are comprised of:

	2024	2023
	\$	\$
Total special charges outstanding	24,893	23,983
Less: allowance for uncollected special charges	-	(1,500)
Special charges (payable) receivable	<u>24,893</u>	<u>22,483</u>

The provision for uncollected levies reported on the Statement of Revenue, Expenses and Operating Surplus comprises:

	2024	2023
	\$	\$
Special charges written-off	1,525	270
Change in provision for uncollected special charges	(1,500)	900
	<u>25</u>	<u>1,170</u>

THE BOARD OF MANAGEMENT FOR
THE KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2024

5. CAPITAL ASSETS

	2024			Total
	Lamppost	Montgomery Parkette	Planters	
Cost				
Beginning	345,486	-	38,953	384,439
Additions	-	4,154	45,018	49,172
Disposals	-	-	-	-
Ending	345,486	4,154	83,971	433,611
Accumulated Amortization				
Beginning	278,263	-	38,953	317,216
Amortization	67,223	831	15,006	83,060
Disposals	-	-	-	-
Ending	345,486	831	53,959	400,276
Net Book Value	-	3,323	30,012	33,335
	2023			Total
	Lamppost	Montgomery Parkette	Planters	
Cost				
Beginning	345,486	-	38,953	384,439
Additions	-	-	-	-
Disposals	-	-	-	-
Ending	345,486	-	38,953	384,439
Accumulated Amortization				
Beginning	209,166	-	38,953	248,119
Amortization	69,097	-	-	69,097
Disposals	-	-	-	-
Ending	278,263	-	38,953	317,216
Net Book Value	67,223	-	-	67,223

**THE BOARD OF MANAGEMENT FOR
THE KINGSWAY BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2024**

6. INSURANCE

The BIA 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 BIA. Insurance coverage providing \$5,000,000 for each occurrence or accident has been obtained by the BIA, through the City of Toronto.

7. FINANCIAL INSTRUMENTS

The carrying value of the BIA's financial instruments approximate their values. The BIA is subject to an interest rate risk with respect to its investments, however, as these instruments are short-term investments the risk is minimal.

8. 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.

9. COMMITMENTS

The BIA, 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 BIA is committed to capital improvement projects of which the BIA's share of \$232,469 was outstanding as at December 31, 2024.

10. BUDGET

Budget Figures are provided for comparative purposes only and have not been subject to audit procedures.