

**THE BOARD OF MANAGEMENT FOR THE  
CHINA TOWN  
BUSINESS IMPROVEMENT AREA**

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

# **CHINA TOWN BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2013**

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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 China Town Business Improvement Area

I have audited the accompanying financial statements of China Town Business Improvement Area, which comprise the statement of financial position as at December 31, 2013 and the statements of operations, 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.

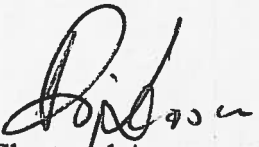
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 7, 2014

  
Chartered Accountant  
Licensed Public Accountant

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>FINANCIAL ASSETS</b>		
Cash	301,736	291,109
Accounts receivable		
City of Toronto – special charges (Note 3)	17,753	9,721
Other	17,365	10,361
	<u>336,854</u>	<u>311,191</u>
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
Other	7,439	3,574
	<u>7,439</u>	<u>3,574</u>
 <b>NET FINANCIAL ASSETS</b>	 329,415	 307,617
 <b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	6,100	8,500
	<u>335,515</u>	<u>316,117</u>
 <b>ACCUMULATED SURPLUS</b>	 <u>335,515</u>	 <u>316,117</u>

Approved on behalf of the Board of Management:

  
Chair

  
Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
CHINA TOWN  
BUSINESS IMPROVEMENT AREA  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>2013 \$ Budget (Note 8)</b>	<b>2013 \$ Actual</b>	<b>2012 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	244,027	244,027	240,998
Sponsorships, contributions and other	65,900	88,374	82,766
	<b>309,927</b>	<b>332,401</b>	<b>323,764</b>
<b>EXPENSES</b>			
Administration	133,992	147,198	121,764
Promotion and advertising	192,700	128,208	99,075
Maintenance	54,200	29,194	27,606
Capital (Note 7)	50,000	-	-
Amortization (Note 4)	-	2,400	5,721
Provision for uncollected special charges (Note 3)	14,035	6,003	11,558
	<b>444,927</b>	<b>313,003</b>	<b>265,724</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(135,000)</b>	<b>19,398</b>	<b>58,040</b>
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<b>316,117</b>	<b>316,117</b>	<b>258,077</b>
<b>OPERATING SURPLUS, END OF YEAR</b>	<b>181,117</b>	<b>335,515</b>	<b>316,117</b>

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

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	<u>2013</u> \$	<u>2012</u> \$
Surplus for the year	19,398	58,040
Acquisition of tangible capital assets	-	(6,500)
Amortization of tangible capital assets	<u>2,400</u>	<u>5,721</u>
	21,798	57,261
Balance - Beginning of year	307,617	250,356
Balance - End of year	<u>329,415</u>	<u>307,617</u>

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating transactions</b>		
Surplus for the year	19,398	58,040
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	2,400	5,721
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(8,032)	1,316
Accounts receivable – other	(7,004)	13,502
Accounts payable - City of Toronto	-	(5,500)
Accounts payable – other	3,865	2,399
<b>Cash Provided By (Used In) Operations</b>	<b>10,627</b>	<b>75,478</b>
<b>Capital Transactions</b>		
Purchase of tangible capital assets	-	(6,500)
<b>Cash and Short-term Investments, Beginning Of Year</b>	<b>291,109</b>	<b>222,131</b>
<b>Cash and Short-term Investments, End Of Year</b>	<b>301,736</b>	<b>291,109</b>

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

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**1. ESTABLISHMENT AND OPERATIONS**

The China Town 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 expenses 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:

Flags & Banners	3 years
Street & Christmas lights	5 years
Street Signs / Furniture	5 years
Planters	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  
CHINA TOWN  
BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2013**

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**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	38,153	27,321
Less: allowance for uncollected special charges	(20,400)	(17,600)
Special charges receivable	<u>17,753</u>	<u>9,721</u>

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

	2013 \$	2012 \$
Special charges written-off	3,203	12,858
Provision for losses on assessment appeals	2,800	(1,300)
	<u>6,003</u>	<u>11,558</u>

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

**4. CAPITAL ASSETS**

	2013				
	Flags & Banners	Lights	Street Signs	Street Furniture	Total
<b>Cost</b>					
Beginning	6,663	6,500	5,500	5,500	24,163
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Ending</b>	<b>6,663</b>	<b>6,500</b>	<b>5,500</b>	<b>5,500</b>	<b>24,163</b>
<b>Accumulated Amortization</b>					
Beginning	6,663	1,300	2,200	5,500	15,663
Amortization	-	1,300	1,100	-	2,400
Disposals	-	-	-	-	-
<b>Ending</b>	<b>6,663</b>	<b>2,600</b>	<b>3,300</b>	<b>5,500</b>	<b>18,063</b>
<b>Net Book Value</b>	<b>-</b>	<b>3,900</b>	<b>2,200</b>	<b>-</b>	<b>6,100</b>

	2012				
	Flags & Banners	Lights	Street Signs	Street Furniture	Total
<b>Cost</b>					
Beginning	6,663	-	5,500	5,500	17,663
Additions	-	6,500	-	-	6,500
Disposals	-	-	-	-	-
<b>Ending</b>	<b>6,663</b>	<b>6,500</b>	<b>5,500</b>	<b>5,500</b>	<b>24,163</b>
<b>Accumulated Amortization</b>					
Beginning	4,442	-	1,100	4,400	9,942
Amortization	2,221	1,300	1,100	1,100	5,721
Disposals	-	-	-	-	-
<b>Ending</b>	<b>6,663</b>	<b>1,300</b>	<b>2,200</b>	<b>5,500</b>	<b>15,663</b>
<b>Net Book Value</b>	<b>-</b>	<b>5,200</b>	<b>3,300</b>	<b>-</b>	<b>8,500</b>

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

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**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 financial instruments recognized in the statement of financial position consist of cash, accounts receivable, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to the short-term maturity of these 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. 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 \$30,000 (2012 - \$nil) was outstanding as at December 31, 2013.

**9. BUDGET**

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

1. Introduction

2. Methodology

3. Results and Discussion

4. Conclusion

The first part of the paper discusses the background and motivation for the study. It highlights the importance of understanding the underlying mechanisms of the phenomenon being investigated. The methodology section describes the experimental design and the data collection process. The results and discussion section presents the findings of the study and discusses their implications. Finally, the conclusion summarizes the main points of the paper and suggests directions for future research.

The second part of the paper focuses on the analysis of the data. It includes a detailed description of the statistical methods used to analyze the data. The results of the analysis are presented in a clear and concise manner, and their significance is discussed. The discussion section provides a critical evaluation of the findings and compares them with the existing literature. The conclusion of the paper reiterates the main findings and emphasizes the contribution of the study to the field.

The third part of the paper discusses the implications of the study. It explores the practical applications of the findings and their relevance to the field. The paper also addresses the limitations of the study and suggests ways to overcome them. The final section provides a summary of the paper and a list of references.

The fourth part of the paper discusses the future research agenda. It identifies the key areas that need further investigation and suggests potential research questions. The paper also discusses the importance of interdisciplinary collaboration in addressing complex research problems. The final section provides a list of references and a list of authors.

The fifth part of the paper discusses the funding sources and the acknowledgments. It lists the organizations and individuals that provided financial support for the study. The acknowledgments section expresses gratitude to the participants, reviewers, and colleagues who provided valuable feedback and assistance throughout the research process.