

**THE BOARD OF MANAGEMENT FOR THE  
CORSO ITALIA  
BUSINESS IMPROVEMENT AREA**

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

**CORSO ITALIA  
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 Corso Italia Business Improvement Area

I have audited the accompanying financial statements of Corso Italia Business Improvement Area, which comprise the statement of financial position as at December 31, 2013 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 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.

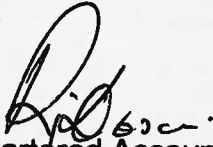
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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  
May 5, 2014

  
Chartered Accountant  
Licensed Public Accountant

**THE BOARD OF MANAGEMENT FOR THE  
 CORSO ITALIA 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 and short-term investments	426,382	648,645
Accounts receivable		
City of Toronto – special charges (Note 3)	10,100	20,761
Other	16,442	28,461
	<u>452,924</u>	<u>697,867</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
City of Toronto	148,761	348,761
Other	43,281	41,886
	<u>192,042</u>	<u>390,647</u>
<b>NET FINANCIAL ASSETS</b>	<b>260,882</b>	<b>307,220</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	3,060	10,113
<b>ACCUMULATED SURPLUS</b>	<u><b>263,942</b></u>	<u><b>317,333</b></u>

Approved on behalf of the Board of Management:

  
 \_\_\_\_\_  
 Chair

  
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 Treasurer

**THE BOARD OF MANAGEMENT FOR THE  
 CORSO ITALIA BUSINESS IMPROVEMENT AREA  
 STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
 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 levies	183,395	183,346	249,231
Grants, Interest and Other	100,000	6,196	3,499
	<u>283,395</u>	<u>189,542</u>	<u>252,730</u>
<b>EXPENSES</b>			
Administration	68,027	64,063	63,084
Promotion and advertising	336,582	108,298	79,118
Maintenance	67,850	58,112	52,846
Capital (Note 7)	16,140	-	-
Amortization	-	7,053	70,182
Provision for (recovery of) uncollected levies (Note 3)	(5,204)	5,407	4,821
	<u>483,395</u>	<u>242,933</u>	<u>270,051</u>
<b>(DEFICIT) FOR THE YEAR</b>	(200,000)	(53,391)	(17,321)
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	<u>317,333</u>	<u>317,333</u>	<u>334,654</u>
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>117,333</u>	<u>263,942</u>	<u>317,333</u>

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

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	<u>2013</u> \$	<u>2012</u> \$
(Deficit) for the year	(53,391)	(17,321)
Acquisition of tangible capital assets	-	(7,572)
Amortization of tangible capital assets	<u>7,053</u>	<u>70,182</u>
	(46,338)	45,289
Balance - Beginning of year	307,220	261,931
Balance - End of year	<u><u>260,882</u></u>	<u><u>307,220</u></u>

**THE BOARD OF MANAGEMENT FOR THE  
 CORSO ITALIA 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 activities</b>		
(Deficit) for the year	(53,391)	(17,321)
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	7,053	70,182
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	10,661	2,481
Accounts receivable – other	12,019	12,240
Accounts payable - City of Toronto	(200,000)	-
Accounts payable – other	1,395	(6,045)
<b>Cash Provided By (Used In) Operations</b>	<b>(222,263)</b>	<b>61,537</b>
<b>Capital Transactions</b>		
Purchase of tangible capital assets	-	(7,572)
<b>Cash and short-term investments, Beginning Of Year</b>	<b>648,645</b>	<b>594,680</b>
<b>Cash and short-term investments, End Of Year</b>	<b>426,382</b>	<b>648,645</b>

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

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**1. ESTABLISHMENT AND OPERATIONS**

The Corso Italia 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 and banners	3 years
Street & Christmas lights	5 years
Computer	3 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  
 CORSO ITALIA 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	14,500	24,261
Less: allowance for uncollected special charges	<u>(4,400)</u>	<u>(3,500)</u>
Special charges receivable	<u>10,100</u>	<u>20,761</u>

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

	2013 \$	2012 \$
Special charges written-off	4,507	4,021
Change in allowance for uncollected special charges	<u>900</u>	<u>800</u>
	<u>5,407</u>	<u>4,821</u>

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

**4. CAPITAL ASSETS**

	<b>2013</b>			
	<b>Lights</b>	<b>Banners</b>	<b>Planters</b>	<b>Total</b>
<b>Cost</b>				
Beginning	330,735	10,785	7,552	349,072
Additions	-	-	-	-
Disposals	-	-	-	-
<b>Ending</b>	<b>330,735</b>	<b>10,785</b>	<b>7,552</b>	<b>349,072</b>
<b>Accumulated Amortization</b>				
Beginning	327,717	5,737	5,505	338,959
Amortization	3,018	2,524	1,511	7,053
Disposals	-	-	-	-
<b>Ending</b>	<b>330,735</b>	<b>8,261</b>	<b>7,016</b>	<b>346,012</b>
<b>Net Book Value</b>	<b>-</b>	<b>2,524</b>	<b>536</b>	<b>3,060</b>

	<b>2012</b>			
	<b>Lights</b>	<b>Banners</b>	<b>Planters</b>	<b>Total</b>
<b>Cost</b>				
Beginning	330,735	3,213	7,552	341,500
Additions	-	7,572	-	7,572
Disposals	-	-	-	-
<b>Ending</b>	<b>330,735</b>	<b>10,785</b>	<b>7,552</b>	<b>349,072</b>
<b>Accumulated Amortization</b>				
Beginning	261,570	3,213	3,994	268,777
Amortization	66,147	2,524	1,511	70,182
Disposals	-	-	-	-
<b>Ending</b>	<b>327,717</b>	<b>5,737</b>	<b>5,505</b>	<b>338,959</b>
<b>Net Book Value</b>	<b>3,018</b>	<b>5,048</b>	<b>2,047</b>	<b>10,113</b>

**THE BOARD OF MANAGEMENT FOR THE  
CORSO ITALIA 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 and short-term investments, 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. BUDGET**

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

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