

Invest Toronto Inc. – 2013 Audited Financial Statements

Date:	June 17, 2014
To:	Executive Committee
From:	Deputy City Manager and Chief Financial Officer

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Disclosure of Financial Results:

Invest Toronto Inc. (the Corporation) is a wholly-owned corporation created by City Council on October 29 and 30, 2008.

Section 6.7 of the Shareholder Direction requires the Corporation to deliver its audited consolidated annual financial statements to the Shareholder within 120 days of its fiscal year end. These documents are filed with the City Clerk's office.

This report provides a summary of the 2013 Audited Financial Statements (please refer to Attachment 1).

Financial Results

For the year ended December 31, 2013, Invest Toronto Inc. recorded an operating surplus of nil.

The Corporation received a grant from Toronto Port Lands Company (TPLC), a related party owned by the City of Toronto, to cover operating and capital expenditures incurred during the year. TPLC has been directed by City Council to support the Corporation during the first five years of operation; the Corporation and TPLC executed a grant agreement for a period of five years starting in 2009, with a provision for automatic renewal for subsequent periods of one year each. At the end of the five-year term ended December 31, 2013, the agreement was renewed for one year. As at December 31, 2013, the total value of the TPLC grant was \$2.521 million comprising \$2.518 million in operating and \$0.003 million in capital grants. The Corporation also has an agreement with TPLC and Build Toronto Inc. to share certain administrative, accounting and other corporate services on a cost allocation basis.

Statement of Financial Position

The following table summarizes the Statement of Financial Position for Invest Toronto and compares the results for fiscal years 2013 and 2012:

Summary Statement of Financial Position As at December 31	2013	2012	2013 vs 2012
	(\$ million)		
Assets:			
Current assets	0.639	0.564	0.074
Tangible capital assets	0.089	0.157	-0.068
Total assets	0.727	0.721	0.007
Liabilities:			
Current liabilities	0.639	0.564	0.074
Deferred capital contributions	0.089	0.157	-0.068
Total liabilities	0.727	0.721	0.007
Shareholder's equity	0	0	0.000
Total liabilities & shareholder's equity	0.727	0.721	0.007

For the year ended December 31, 2013,

- Current assets were \$0.639 million, an increase of \$0.074 million compared with the prior year-end
- Current liabilities were also \$0.639 million, an increase of \$0.074 million compared with the prior year-end
- Deferred capital contributions of \$0.089 million was the balance of the amortized grant received from TPLC for the purchase of office equipment and furniture, leasehold improvements and other tangible assets
- The Corporation did not have any long-term liabilities due to third-parties

Statement of Operations

The table below summarizes and compares the results for the years 2013 and 2012:

Summary Statement of Operations For the year ended December 31	2013	2012	2013 vs 2012
	(\$ million)		
Revenues:			
Operating grant from TPLC	2.518	2.459	0.060
Amortization of deferred capital contributions & other	0.125	0.098	0.027
Total revenues	2.644	2.557	0.087
Expenses:			
Salaries and employee benefits	1.665	1.590	0.075
Professional fees and project costs	0.123	0.110	0.013
Office rent and office expenses	0.473	0.495	-0.022
Other expenses	0.382	0.362	0.021
Total expenses	2.644	2.557	0.087
Operating surplus/(loss)	0.000	0.000	0.000

Total revenues in 2013 were \$2.644 million, 95% of which was the TPLC operating grant of \$2.518 million. The balance (\$0.125 million or 5%) was the amortization of deferred capital contributions and other income.

Total expenses in 2013 were also \$2.644 million. Of the total expenses, \$1.665 million (or 63%) was paid out in staff salaries and benefits. The remaining amount of \$0.979 million was for professional fees and project costs, office expenses, office rent, and other expenses including promotion and marketing, meetings, seminars and conventions and amortization expenses.

CONTACT

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SIGNATURE

A handwritten signature in black ink, appearing to read 'Roberto Rossini', written over a horizontal line.

Roberto Rossini
Deputy City Manager and Chief Financial Officer