

Invest Toronto Inc. – 2012 Audited Financial Statements

Date:	May 13, 2013
To:	Executive Committee
From:	Deputy City Manager and Chief Financial Officer

Disclosure of Financial Results:

Invest Toronto Inc. (the Corporation) is a wholly-owned corporation authorized by City Council on October 29 and 30, 2008. The Corporation was incorporated on November 13, 2008 under the *Business Corporations Act* (Ontario) pursuant to s.148 of *City of Toronto Act, 2006* and Ontario Regulation 609/06, City Services Corporations.

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 2012 Audited Financial Statements (please refer to Attachment 1).

Financial Results

For the year ended December 31, 2012, Invest Toronto Inc. recorded an operating surplus of nil.

The Corporation has 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. At the end of the five-year term ending December 31, 2013, the agreement will be automatically renewed unless terminated by either party. As at December 31, 2012, the total value of the TPLC grant was \$2.475 million comprising \$2.459 million in operating and \$0.016 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 2012 and 2011:

Summary Statement of Financial Position As at December 31	2012	2011	2012 vs 2011
	(\$ million)		
Assets:			
Current assets	0.564	1.526	(0.962)
Tangible capital assets	0.157	0.230	(0.073)
Total assets	0.721	1.756	(1.035)
Liabilities:			
Current liabilities	0.564	1.526	(0.962)
Deferred capital contributions	0.157	0.230	(0.073)
Total liabilities	0.721	1.756	(1.035)
Shareholder's equity	0	0	0
Total liabilities & shareholder's equity	0.721	1.756	(1.035)

Current assets as at December 31, 2012 were \$0.564 million, a decrease of \$0.962 million compared with the prior year-end, mostly on account of a reduction in cash and cash equivalents during the year – in June 2012 the Corporation redeemed a GIC valued at \$0.910 million. Current liabilities as at year-end were also \$0.564 million, a decrease of \$0.962 million compared with the prior year-end, mainly on account of a reduction by \$0.926 million in the amount due to related parties. The Deferred Capital Contributions of \$0.157 million was the year-end balance of the amortized grant received from TPLC for the purchase of office equipment and furniture, leasehold improvements and intangible assets. The Corporation did not have any long-term liabilities due to third parties at year-end.

Statement of Operations:

The table below summarizes and compares the results for the years 2012 and 2011:

Summary Statement of Operations For the year ended December 31	2012	2011	2012 vs 2011
	(\$ million)		
Revenues:			
Operating grant from TPLC	2.459	2.258	0.201
Amortization of deferred capital contributions & other	0.098	0.096	0.002
Total revenues	2.557	2.354	0.203
Expenses:			
Salaries and employee benefits	1.590	1.41	0.180
Professional fees and project costs	0.110	0.066	0.044
Office rent and office expenses	0.495	0.513	(0.018)
Other expenses	0.362	0.364	(0.002)
Total expenses	2.557	2.354	0.203
Operating surplus/(loss)	0.000	0.000	0.000

Total 2012 revenues were \$2.557 million, 96% of which was the TPLC operating grant of \$2.459 million. The balance (\$0.098 million or 4%) was amortization of deferred capital contributions and other income.

Total 2012 expenses were also \$2.557 million. Of the total expenses, \$1.590 million (or 62%) was paid out in staff salaries and benefits. The remaining amount of \$0.967 million was for professional fees and project costs, office expenses, office rent, and other expenses including promotion and marketing, meeting, seminars and conventions and amortization expenses.

CONTACT

Rob Hatton, Director, Strategic Initiatives & Intergovernmental Finance
Tel: (416) 392-9149; Fax: (416) 397-4555; E-mail: rhatton@toronto.ca

SIGNATURE



Roberto Rossini
Deputy City Manager and Chief Financial Officer