

**THE BOARD OF MANAGEMENT FOR THE
ALBION-ISLINGTON
BUSINESS IMPROVEMENT AREA**

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

**ALBION-ISLINGTON
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 Albion-Islington Business Improvement Area

I have audited the accompanying financial statements of Albion-Islington Business Improvement Area, which comprise the statement of financial position as at December 31, 2013 and the statements of operations and accumulated surplus, changes in net 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.

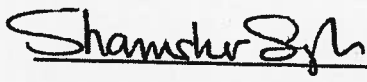
Toronto, Ontario
June 16, 2014


Chartered Accountant
Licensed Public Accountant

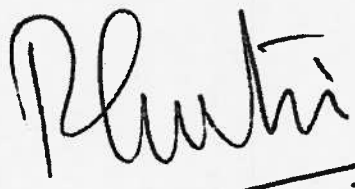
**THE BOARD OF MANAGEMENT FOR THE
ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash and short-term investments	27,368	82,568
Accounts receivable		
City of Toronto – special charges (Note 3)	2,898	3,500
Other	16,882	14,693
Prepaid Expenses	-	2,500
	47,148	103,261
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	58,125
Other	11,467	4,979
	11,467	63,104
NET FINANCIAL ASSETS	35,681	40,157
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	37,575	50,838
ACCUMULATED SURPLUS	73,256	90,995

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 \$ Budget (Note 7)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	199,015	215,776	184,401
Grants	10,000	36,000	40,000
Fund raising and other	150	19,198	16,066
	<u>209,165</u>	<u>270,974</u>	<u>240,467</u>
EXPENSES			
Administration	64,343	68,752	63,768
Promotion and advertising	107,500	138,495	147,800
Maintenance	48,700	34,339	14,525
Amortization	-	16,143	15,567
Provision for uncollected special charges (Note 3)	13,622	30,984	12,040
	<u>234,165</u>	<u>288,713</u>	<u>253,700</u>
(DEFICIT) FOR THE YEAR	(25,000)	(17,739)	(13,233)
OPERATING SURPLUS, BEGINNING OF YEAR	<u>90,995</u>	<u>90,995</u>	<u>104,228</u>
OPERATING SURPLUS, END OF YEAR	<u>65,995</u>	<u>73,256</u>	<u>90,995</u>

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

	<u>2013</u> \$	<u>2012</u> \$
(Deficit) for the year	(17,739)	(13,233)
Acquisition of tangible capital assets	(2,880)	(58,785)
Amortization of tangible capital assets	<u>16,143</u>	<u>15,567</u>
	(4,476)	(56,451)
Balance - Beginning of year	40,157	96,608
Balance - End of year	<u><u>35,681</u></u>	<u><u>40,157</u></u>

**THE BOARD OF MANAGEMENT FOR THE
ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013	2012
	\$	\$
Cash flows from operating activities		
(Deficit) for the year	(17,739)	(13,233)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	16,143	15,567
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	602	3,986
Accounts receivable – other	(2,189)	1,483
Prepaid expenses	2,500	278
Accounts payable - City of Toronto	(58,125)	58,125
Accounts payable – other	6,488	2,927
Cash Provided By (Used In) Operations	(52,320)	69,133
Investing Activities		
Purchase of tangible capital assets	(2,880)	(58,785)
Cash and short-term investments, Beginning Of Year	82,568	72,220
Cash and short-term investments, End Of Year	27,368	82,568

**THE BOARD OF MANAGEMENT FOR THE
ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

1. ESTABLISHMENT AND OPERATIONS

The Albion-Islington 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:

Computers	3 years
Street & Christmas lights	5 years
Street 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
ALBION-ISLINGTON BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2013**

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	53,998	41,200
Less: allowance for uncollected special charges	(51,100)	(37,700)
Special charges receivable	<u>2,898</u>	<u>3,500</u>

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

	2013	2012
	\$	\$
Special charges written-off	17,584	1,240
Change in provision for losses on assessment appeals	13,400	10,800
	<u>30,984</u>	<u>12,040</u>

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

4. CAPITAL ASSETS

	2013		
	Lights	Planters	Total
Cost			
Beginning	19,047	58,785	77,832
Additions	2,880	-	2,880
Disposals	-	-	-
Ending	21,927	58,785	80,712
Accumulated Amortization			
Beginning	15,237	11,757	26,994
Amortization	4,386	11,757	16,143
Disposals	-	-	-
Ending	19,623	23,514	43,137
Net Book Value	2,304	35,271	37,575

	2012		
	Lights	Planters	Total
Cost			
Beginning	19,047	-	19,047
Additions	-	58,785	58,785
Disposals	-	-	-
Ending	19,047	58,785	77,832
Accumulated Amortization			
Beginning	11,427	-	11,427
Amortization	3,810	11,757	15,567
Disposals	-	-	-
Ending	15,237	11,757	26,994
Net Book Value	3,810	47,028	50,838

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

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 carrying value of the BIA's financial instruments approximates 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.

7. BUDGET

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