

**THE BOARD OF MANAGEMENT FOR THE
CABBAGETOWN
BUSINESS IMPROVEMENT AREA**

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

CABBAGETOWN
BUSINESS IMPROVEMENT AREA
DECEMBER 31, 2013

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RAFIQ DOSANI, B.Comm CPA, CA.
CHARTERED ACCOUNTANT

90 Risebrough Avenue
Toronto, Ontario M2M 2E3
Telephone: (416) 221 - 4095
Fax: (416) 221 - 4160

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the City of Toronto and the
Board of Management for the Cabbagetown Business Improvement Area

I have audited the accompanying financial statements of Cabbagetown 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 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.

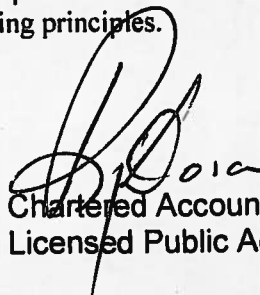
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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
June 10, 2014


Chartered Accountant
Licensed Public Accountant

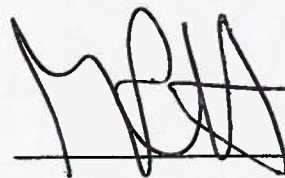
**THE BOARD OF MANAGEMENT FOR THE
CABBAGETOWN
BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash and short-term investments	95,383	113,239
Accounts receivable		
City of Toronto – special charges (Note 3)	9,427	10,983
Other	24,596	15,602
	<u>129,406</u>	<u>139,824</u>
 LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	2,288
Other	7,457	16,832
	<u>7,457</u>	<u>19,120</u>
 NET FINANCIAL ASSETS	 121,949	 120,704
 NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	6,910	4,280
ACCUMULATED SURPLUS	<u>128,859</u>	<u>124,984</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

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

	2013 \$ Budget (Note 9)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	179,794	181,657	196,914
Festival and sponsorship	32,600	33,828	43,130
Interest and Other (Note 7)	-	32,711	4,140
	<u>212,394</u>	<u>248,196</u>	<u>244,184</u>
EXPENSES			
Administration	84,094	95,653	94,970
Promotion, advertising & Cabbagetown Festival	57,500	85,209	85,323
Maintenance	30,500	52,715	39,488
Capital (Note 8)	38,000	1,606	-
Amortization	-	3,420	2,210
Provision for uncollected levies (Note 3)	2,300	5,718	11,004
	<u>212,394</u>	<u>244,321</u>	<u>232,995</u>
SURPLUS FOR THE YEAR	-	3,875	11,189
OPERATING SURPLUS, BEGINNING OF YEAR	<u>124,984</u>	<u>124,984</u>	<u>113,795</u>
OPERATING SURPLUS, END OF YEAR	<u>124,984</u>	<u>128,859</u>	<u>124,984</u>

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

	2013	2012
	\$	\$
Surplus for the year	3,875	11,189
Acquisition of tangible capital assets	(6,050)	-
Amortization of tangible capital assets	<u>3,420</u>	<u>2,210</u>
	1,245	13,399
Balance - Beginning of year	120,704	107,305
Balance - End of year	<u><u>121,949</u></u>	<u><u>120,704</u></u>

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

	2013 \$	2012 \$
Cash flows from operating activities		
Surplus for the year	3,875	11,189
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	3,420	2,210
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	1,556	5,002
Accounts receivable - other	(8,994)	3,257
Accounts payable - City of Toronto	(2,288)	(2,890)
Accounts payable - other	(9,375)	11,124
Cash Provided By (Used In) Operations	(11,806)	29,892
Investing activities		
Purchase of tangible capital assets	(6,050)	-
Cash and short-term investments, Beginning Of Year	113,239	83,347
Cash and short-term investments, End Of Year	95,383	113,239

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

1. ESTABLISHMENT AND OPERATIONS

The Cabbagetown 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
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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	19,027	21,283
Less: allowance for uncollected special charges	<u>(9,600)</u>	<u>(10,300)</u>
Special charges receivable	<u>9,427</u>	<u>10,983</u>

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

	2013 \$	2012 \$
Special charges written-off	6,418	8,504
Change in allowance for uncollected special charges	<u>(700)</u>	<u>2,500</u>
	<u>5,718</u>	<u>11,004</u>

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

4. CAPITAL ASSETS

	2013			
	Lights	Planters	Street Signs	Total
Cost				
Beginning	59,740	6,685	-	66,425
Additions	-	-	6,050	6,050
Disposals	-	-	-	-
Ending	59,740	6,685	6,050	72,475
Accumulated Amortization				
Beginning	57,121	5,024	-	62,145
Amortization	873	1,337	1,210	3,420
Disposals	-	-	-	-
Ending	57,994	6,361	1,210	65,565
Net Book Value	1,746	324	4,840	6,910

	2012			
	Lights	Planters	Street Signs	Total
Cost				
Beginning	59,740	6,685	-	66,425
Additions	-	-	-	-
Disposals	-	-	-	-
Ending	59,740	6,685	-	66,425
Accumulated Amortization				
Beginning	56,248	3,687	-	59,935
Amortization	873	1,337	-	2,210
Disposals	-	-	-	-
Ending	57,121	5,024	-	62,145
Net Book Value	2,619	1,661	-	4,280

**THE BOARD OF MANAGEMENT FOR THE
CABBAGETOWN
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. INTEREST AND OTHER REVENUE

Interest and other revenue consist of a rebate received amounting to \$30,212 from the Toronto Transit Commission (TTC) for prior years costs associated with route changes for the Cabbagetown Festival. In prior years costs were based on a 50/50 sharing of the original full cost between TTC and the BIA. The reduced charges reflect 29% of the total original full cost based on the current \$99.70 hourly charge verses the original \$348.00 hourly charge.

8. 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.

9. BUDGET

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