

Financial statements of

**Oshawa Central Business District
Improvement Area**

December 31, 2013

Oshawa Central Business District Improvement Area

December 31, 2013

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Independent Auditor's Report

To the Board of Management, Members of Council,
Inhabitants and Ratepayers of
the Corporation of the City of Oshawa

We have audited the accompanying financial statements of the Oshawa Central Business District Improvement Area, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, change 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 public sector accounting standards, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Oshawa Central Business District Improvement Area as at December 31, 2013, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
August 28, 2014

Oshawa Central Business District Improvement Area

Statement of financial position
as at December 31, 2013

	2013	2012
	\$	\$
Financial assets		
Cash	36,404	88,241
Accounts receivable	19,144	9,829
	55,548	98,070
Liabilities		
Accounts payable and accrued liabilities	14,685	8,933
Net financial assets	40,863	89,137
Non-financial assets		
Tangible capital assets (Note 2)	-	795
Prepaid expenses	401	392
	401	1,187
Accumulated surplus (Note 3)	41,264	90,324

Approved by the Board

_____ Director

_____ Director

The accompanying notes to the financial statements are an integral part of this financial statement.

Oshawa Central Business District Improvement Area

Statement of operations
year ended December 31, 2013

	Budget	2013 Actual	2012 Actual
	\$	\$	\$
Revenue			
Taxation	143,100	143,100	143,100
Summer Student Subsidy	-	2,749	-
	143,100	145,849	143,100
Expenses			
Administration (Schedule)	48,250	47,246	43,054
Beautification (Schedule)	108,000	95,326	27,370
Promotion (Schedule)	80,200	50,163	53,035
Membership liaison (Schedule)	3,000	2,174	1,583
	239,450	194,909	125,042
Annual (deficit) surplus	(96,350)	(49,060)	18,058
Accumulated surplus, beginning of year	-	90,324	72,266
Accumulated surplus, end of year	(96,350)	41,264	90,324

The accompanying notes to the financial statements are an integral part of this financial statement.

Oshawa Central Business District

Improvement Area

Statement of change in net financial assets
year ended December 31, 2013

	Budget	2013 Actual	2012 Actual
	\$	\$	\$
Annual (deficit) surplus	(96,350)	(49,060)	18,058
Amortization	-	795	794
Change in prepaid expenses	-	(9)	287
Change in financial assets	(96,350)	(48,274)	19,139
Net financial assets, beginning of year	-	89,137	69,998
Net financial assets, end of year	(96,350)	40,863	89,137

The accompanying notes to the financial statements are an integral part of this financial statement.

Oshawa Central Business District Improvement Area

Statement of cash flows
year ended December 31, 2013

	2013	2012
	\$	\$
Operating activities		
Annual (deficit) surplus	(49,060)	18,058
Item not involving cash		
Amortization	795	794
Changes in non-cash operating items		
Increase in accounts receivable	(9,315)	(3,433)
Increase in accounts payable and accrued liabilities	5,752	2,856
(Increase) decrease in prepaid expenses	(9)	287
	(51,837)	18,562
Increase in cash	(51,837)	18,562
Cash, beginning of year	88,241	69,679
Cash, end of year	36,404	88,241

The accompanying notes to the financial statements are an integral part of this financial statement.

Oshawa Central Business District Improvement Area

Notes to the financial statements
December 31, 2013

The Board of Management for the Oshawa Central Business District Improvement Area (the "Board") was created by a City Council by-law. It is responsible for the promotion of the area as a business and shopping area, including the improvement, beautification and maintenance of the City properties over and above that provided by the municipality at large.

1. Summary of significant accounting policies

The financial statements of the Board are representations of management prepared in accordance with accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA").

The focus of PSAB financial statements is on the financial position of the Board and the changes thereto. The Statement of Financial Position includes the assets and liabilities of the Board. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations.

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Accumulated surplus represents the difference between assets and liabilities of the Board. This provides information about the Board's overall future revenue requirements and its ability to finance operations and meet its obligations.

a) Tangible capital assets

Tangible capital assets are recorded at cost. The cost, less residual value of the tangible capital assets are amortized on the straight-line basis over their estimated useful lives as follows:

Computer hardware and software	3-5 years
Furniture and fixtures	3 years

b) Revenue recognition

Taxation revenue is recorded when earned and is based on a special assessment. Businesses in the Business District Improvement Area Summer Student Subsidy is recorded when the subsidy is authorized and all required conditions are met.

c) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Oshawa Central Business District Improvement Area

Notes to the financial statements
December 31, 2013

2. Tangible capital assets

			2013	2012
	Computer hardware and software	Furniture and fixtures	Total	Total
	\$	\$	\$	\$
Cost				
Balance, beginning of year	1,649	734	2,383	2,383
Additions	-	-	-	-
Disposals	-	-	-	-
Balance, end of year	1,649	734	2,383	2,383
Accumulated amortization				
Balance, beginning of year	1,098	490	1,588	794
Disposals	-	-	-	-
Amortization expense	551	244	795	794
Balance, end of year	1,649	734	2,383	1,588
Net book value, end of year	-	-	-	795

3. Accumulated surplus

Accumulated surplus consists of the following:

	2013	2012
	\$	\$
Current fund	41,264	89,529
Invested in capital assets	-	795
	41,264	90,324

Oshawa Central Business District Improvement Area

Schedule of expenses
year ended December 31, 2013

		2013	2012
	Budget	Actual	Actual
	\$	\$	\$
Administration			
Salaries and benefits	35,000	35,200	31,705
Rent and occupancy cost	500	68	102
Miscellaneous	250	24	63
Photocopying, stationery and supplies	1,500	1,422	1,206
Insurance	1,800	1,595	1,566
Professional fees	4,600	4,437	4,477
Telephone and facsimile	1,200	1,478	1,422
Training and travel	1,000	511	592
Postage	1,000	768	246
Board meeting expenses	600	214	574
Professional memberships	300	704	287
Computer equipment	-	30	20
Computer equipment amortization	500	795	794
	48,250	47,246	43,054
Beautification			
Christmas lights and promotion	100,000	83,703	-
Graffiti removal	500	-	-
Banners installation/removal	1,500	1,128	1,238
New banners	-	244	12,843
Beautification	6,000	10,251	13,289
	108,000	95,326	27,370
Promotion			
Ambassador Team	1,000	234	489
UOIT	-	1,000	1,000
Bikes on Bond	2,500	2,789	-
Advertising	-	1,302	9
Website	1,000	1,836	3,596
Auto Festival	15,000	7,777	13,446
Festival	-	-	6,854
Christmas Promotion	-	8,140	-
New Events	19,000	1,506	-
Show and Shine	1,500	(217)	-
Communities with Brooms	200	100	50
Media Campaign	40,000	25,696	27,591
	80,200	50,163	53,035
Membership liaison			
Newsletters	1,500	1,017	952
Members' meetings and seminars	1,000	607	-
Annual general meeting	500	550	631
	3,000	2,174	1,583

The accompanying notes to the financial statements are an integral part of this financial statement.