

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL
BUSINESS IMPROVEMENT AREA**

**Financial Statements
For the Year Ended December 31, 2012**

LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2012

CONTENTS

	<u>Page</u>
Independent auditor's report	3
Financial statements	
Statement of financial position	4
Statement of operations	5
Statement of cash flows	6
Notes to financial statements	7 – 9

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of Little Portugal Business Improvement Area, which comprise the statement of financial position as at December 31, 2012 and the statements of operations 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.

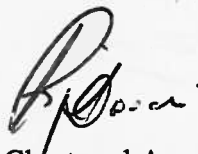
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 of Management for the Little Portugal Business Improvement Area as at December 31, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
September 26, 2013


Chartered Accountant
Licensed Public Accountant

**BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012**

	2012	2011
	\$	\$
FINANCIAL ASSETS		
Cash	74,145	95,864
Accounts receivable		
City of Toronto – special charges (Note 3)	4,194	6,394
Other	3,597	1,884
	<u>81,936</u>	<u>104,142</u>
LIABILITIES		
Accounts payable and accrued liabilities		
City of Toronto	-	51,722
Other	1,895	3,189
	<u>1,895</u>	<u>54,911</u>
NET FINANCIAL ASSETS	80,041	49,231
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	62,630	80,561
	<u>142,671</u>	<u>129,792</u>
ACCUMULATED SURPLUS	<u>142,671</u>	<u>129,792</u>

Approved on behalf of the Board of Management:



Chair



Treasurer

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012 \$ Budget (Note 7)	2012 \$ Actual	2011 \$ Actual
REVENUE			
City of Toronto – special charges	50,227	50,227	49,668
Interest and other	300	12	984
	<u>50,527</u>	<u>50,239</u>	<u>50,652</u>
EXPENSES			
Administration	8,022	2,443	3,092
Promotion and advertising	29,650	1,412	3,807
Maintenance	14,000	11,499	9,951
Capital / amortization	66,000	20,951	22,372
Provision for (recovery of) uncollected special charges (Note 3)	(1,145)	1,055	(176)
	<u>116,527</u>	<u>37,360</u>	<u>39,046</u>
SURPLUS (DEFICIT) FOR THE YEAR	(66,000)	12,879	11,606
OPERATING SURPLUS, BEGINNING OF YEAR	<u>129,792</u>	<u>129,792</u>	<u>118,186</u>
OPERATING SURPLUS, END OF YEAR	<u>63,792</u>	<u>142,671</u>	<u>129,792</u>

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	2012	2011
	\$	\$
Increase (decrease) in cash and short-term investments		
Cash flows from operating transactions		
Surplus for the year	12,879	11,606
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	20,951	22,372
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	2,200	(2,734)
Accounts receivable – other	(1,713)	(1,581)
Accounts payable - City of Toronto	(51,722)	47,595
Accounts payable – other	(1,294)	2,414
Cash Provided By (Used In) Operations	(18,699)	79,672
Capital Transactions		
Purchase of tangible capital assets	(3,020)	(97,610)
Cash, Beginning Of Year	95,864	113,802
Cash, End Of Year	74,145	95,864

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

1. ESTABLISHMENT AND OPERATIONS

The Little Portugal 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.

Although the City Council approved the establishment of the Little Portugal BIA in 2007, no business was carried out during 2007 other than the election of the Board members and approval of year 2011 BIA budget.

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:

Banners	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
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2012**

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:

	2012	2011
	\$	\$
Total special charges outstanding	5,594	7,494
Less: allowance for uncollected special charges	(1,400)	(1,100)
Special charges receivable	<u>4,194</u>	<u>6,394</u>

The provision for (recovery of) uncollected levies reported on the Statement of Revenue, Expenses and Operating Surplus comprises:

	2012	2011
	\$	\$
Special charges written-off	755	524
Provision for losses on assessment appeals	300	(700)
	<u>1,055</u>	<u>(176)</u>

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2012**

4. CAPITAL ASSETS

	2012		
	Cost	Accumulated Amortization	Net book Value
Lights	104,757	42,127	62,630
	<u>104,757</u>	<u>42,127</u>	<u>62,630</u>

	2011		
	Cost	Accumulated Amortization	Net book Value
Lights	101,737	21,176	80,561
Banners	6,075	6,075	-
	<u>107,812</u>	<u>27,251</u>	<u>80,561</u>

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.

7. BUDGET

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

