

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

**Financial Statements
For the Year Ended December 31, 2017**

LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA

DECEMBER 31, 2017

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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 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, 2017 and the statement of operations and accumulated surplus, statement of changes in net financial assets and statement of cash flows for the year then ended, and the related notes which comprises 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 accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB) 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.

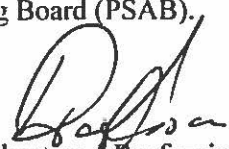
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Little Portugal Business Improvement Area as at December 31, 2017 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB).

Toronto, Ontario
February 28, 2018


Chartered Professional Accountant
Licensed Public Accountant

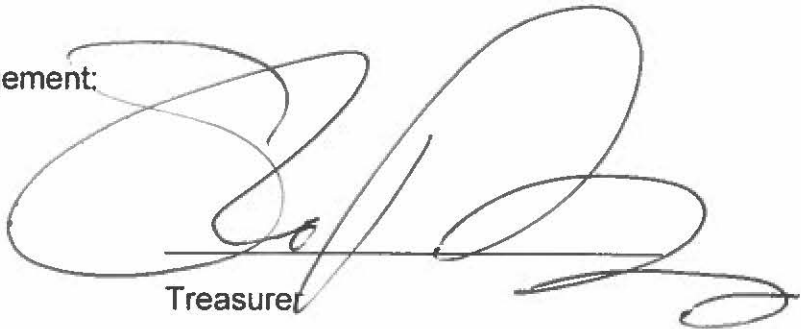
**BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017**

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	74,877	79,505
Accounts receivable		
City of Toronto – special charges (Note 3)	3,211	3,315
Other	4,408	9,227
	82,496	92,047
LIABILITIES		
Accounts payable and accrued liabilities		
Other	1,800	1,180
	1,800	1,180
NET FINANCIAL ASSETS	80,696	90,867
ACCUMULATED SURPLUS	80,696	90,867

Approved on behalf of the Board of Management:



 Chair



 Treasurer

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017 \$ Budget (Note 6)	2017 \$ Actual	2016 \$ Actual
REVENUE			
City of Toronto – special charges	54,949	54,949	54,546
Interest and other	25,000	5,000	9,215
	<u>79,949</u>	<u>59,949</u>	<u>63,761</u>
EXPENSES			
Administration	29,923	16,098	21,466
Promotion and advertising	60,400	39,146	28,031
Maintenance	11,900	13,046	7,597
Amortization	-	-	604
Provision for (recovery of) uncollected special charges (Note 3)	1,726	1,830	(41)
	<u>103,949</u>	<u>70,120</u>	<u>57,657</u>
SURPLUS (DEFICIT) FOR THE YEAR	(24,000)	(10,171)	6,104
OPERATING SURPLUS, BEGINNING OF YEAR	90,867	90,867	84,763
OPERATING SURPLUS, END OF YEAR	66,867	80,696	90,867

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u> \$	<u>2016</u> \$
Surplus (deficit) for the year	(10,171)	6,104
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	-	604
	(10,171)	6,708
Balance - Beginning of year	90,867	84,159
Balance - End of year	<u>80,696</u>	<u>90,867</u>

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
	\$	\$
Cash flows from operating activities		
Surplus (deficit) for the year	(10,171)	6,104
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	-	604
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	104	(1,315)
Accounts receivable – other	4,819	(1,257)
Accounts payable – other	620	(670)
Cash Provided By (Used In) Operations	(4,628)	3,466
Cash, Beginning Of Year	79,505	76,039
Cash, End Of Year	74,877	79,505

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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 2016 BIA budget.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB), the most significant of which are as follows:

Revenue recognition:

The BIA receives special charges from its members which are levied and collected by the City of Toronto. It also receives cash donations and sponsorships from corporate and private donors and grants from local, provincial and federal governments for events and festivals. Revenue is being recorded upon the signing of contracts and when collection can be reasonably ascertained.

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	Planters	5 years
Lights	5 years	Street Signs	5 years

Contributed services:

Services provided without charge by the City of Toronto and others are not recorded in these financial statements.

Financial instruments:

Financial instruments are recorded at the approximated fair value.

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2017**

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:

	2017	2016
	\$	\$
Total special charges outstanding	5,011	3,315
Less: allowance for uncollected special charges	(1,800)	-
Special charges receivable	<u>3,211</u>	<u>3,315</u>

The provision for (recovery of) uncollected levies reported on the Statement of operations and accumulated surplus comprises:

	2017	2016
	\$	\$
Special charges written-off	30	1,459
Provision for losses on assessment appeals	1,800	(1,500)
	<u>1,830</u>	<u>(41)</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, 2017**

4. 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.

5. FINANCIAL INSTRUMENTS

The carrying value of the BIA's financial instruments approximates their values.

6. BUDGET

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