

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

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

**LITTLE PORTUGAL
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2013

CONTENTS

	<u>Page</u>
Independent auditor's report	3
Financial statements	
Statement of financial position	4
Statement of operations and Accumulated Surplus	5
Statement of changes in net financial assets	6
Statement of cash flows	7
Notes to financial statements	8 – 11

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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, 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 of Management for the Little Portugal Business Improvement Area 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
September 12, 2014


Chartered Accountant
Licensed Public Accountant

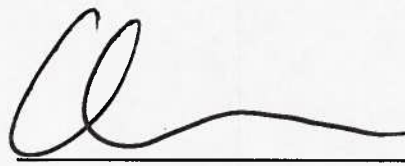
**BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013**

	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash	73,154	74,145
Accounts receivable		
City of Toronto – special charges (Note 3)	4,505	4,194
Other	5,947	3,597
	<u>83,606</u>	<u>81,936</u>
LIABILITIES		
Accounts payable and accrued liabilities		
Other	3,594	1,895
	<u>3,594</u>	<u>1,895</u>
NET FINANCIAL ASSETS	80,012	80,041
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	45,473	62,630
ACCUMULATED SURPLUS	<u>125,485</u>	<u>142,671</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 AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 \$ Budget (Note 7)	2013 \$ Actual	2012 \$ Actual
REVENUE			
City of Toronto – special charges	51,188	51,188	50,227
Interest and other	-	8,330	12
	<u>51,188</u>	<u>59,518</u>	<u>50,239</u>
EXPENSES			
Administration	8,802	13,045	2,443
Promotion and advertising	45,557	29,379	1,412
Maintenance	14,000	11,516	11,499
Amortization	-	22,847	20,951
Provision for (recovery of) uncollected special charges (Note 3)	229	(83)	1,055
	<u>68,588</u>	<u>76,704</u>	<u>37,360</u>
SURPLUS (DEFICIT) FOR THE YEAR	(17,400)	(17,186)	12,879
OPERATING SURPLUS, BEGINNING OF YEAR	142,671	142,671	129,792
OPERATING SURPLUS, END OF YEAR	125,271	125,485	142,671

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

	2013	2012
	\$	\$
Surplus (Deficit) for the year	(17,186)	12,879
Acquisition of tangible capital assets	(5,690)	(3,020)
Amortization of tangible capital assets	<u>22,847</u>	<u>20,951</u>
	(29)	30,810
Balance - Beginning of year	80,041	49,231
Balance - End of year	<u><u>80,012</u></u>	<u><u>80,041</u></u>

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

	2013 \$	2012 \$
Cash flows from operating activities		
Surplus (deficit) for the year	(17,186)	12,879
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	22,847	20,951
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(311)	2,200
Accounts receivable – other	(2,350)	(1,713)
Accounts payable - City of Toronto	-	(51,722)
Accounts payable – other	1,699	(1,294)
	<hr/>	<hr/>
Cash Provided By (Used In) Operations	4,699	(18,699)
Investing Activities		
Purchase of tangible capital assets	(5,690)	(3,020)
Cash, Beginning Of Year	74,145	95,864
	<hr/>	<hr/>
Cash, End Of Year	73,154	74,145
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**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

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 2012 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, 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	5,605	5,594
Less: allowance for uncollected special charges	(1,100)	(1,400)
Special charges receivable	<u>4,505</u>	<u>4,194</u>

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

	2013	2012
	\$	\$
Special charges written-off	217	755
Provision for losses on assessment appeals	(300)	300
	<u>(83)</u>	<u>1,055</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, 2013

4. CAPITAL ASSETS

	2013		
	Banners	Lights	Total
Cost			
Beginning	-	110,832	110,832
Additions	5,690	-	5,690
Disposals	-	-	-
Ending	5,690	110,832	116,522
Accumulated Amortization			
Beginning	-	48,202	48,202
Amortization	1,896	20,951	22,847
Disposals	-	-	-
Ending	1,896	69,153	71,049
Net Book Value	3,794	41,679	45,473

	2012		
	Banners	Lights	Total
Cost			
Beginning	-	107,812	107,812
Additions	-	3,020	3,020
Disposals	-	-	-
Ending	-	110,832	110,832
Accumulated Amortization			
Beginning	-	27,251	27,251
Amortization	-	20,951	20,951
Disposals	-	-	-
Ending	-	48,202	48,202
Net Book Value	-	62,630	62,630

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL 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.

7. BUDGET

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