

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

**Financial Statements
For the Year Ended December 31, 2015**

**LITTLE PORTUGAL
BUSINESS IMPROVEMENT AREA**

DECEMBER 31, 2015

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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, 2015 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.

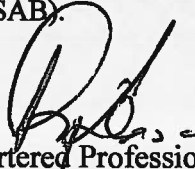
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, 2015 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
September 7, 2016


Chartered Professional Accountant
Licensed Public Accountant

**BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash	76,039	73,706
Accounts receivable		
City of Toronto – special charges (Note 3)	2,000	5,837
Other	7,970	6,938
	86,009	86,481
LIABILITIES		
Accounts payable and accrued liabilities		
Other	1,850	1,550
	1,850	1,550
NET FINANCIAL ASSETS	84,159	84,931
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 4)	604	22,627
ACCUMULATED SURPLUS	84,763	107,558

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, 2015**

	2015 \$ Budget (Note 7)	2015 \$ Actual	2014 \$ Actual
REVENUE			
City of Toronto – special charges	53,879	53,879	51,577
Interest and other	16,000	-	752
	<u>69,879</u>	<u>53,879</u>	<u>52,329</u>
EXPENSES			
Administration	21,797	20,917	14,791
Promotion and advertising	53,000	23,003	25,267
Maintenance	10,500	7,296	7,577
Amortization	-	22,023	22,846
Provision for (recovery of) uncollected special charges (Note 3)	(418)	3,435	(225)
	<u>84,879</u>	<u>76,674</u>	<u>70,256</u>
(DEFICIT) FOR THE YEAR	(15,000)	(22,795)	(17,927)
OPERATING SURPLUS, BEGINNING OF YEAR	107,558	107,558	125,485
OPERATING SURPLUS, END OF YEAR	92,558	84,763	107,558

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
	\$	\$
(Deficit) for the year	(22,795)	(17,927)
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	<u>22,023</u>	<u>22,846</u>
	(772)	4,919
Balance - Beginning of year	84,931	80,012
Balance - End of year	<u><u>84,159</u></u>	<u><u>84,931</u></u>

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 \$	2014 \$
Cash flows from operating activities		
Deficit for the year	(22,795)	(17,927)
Non-cash changes to operations		
Add: Non-cash item Amortization of capital assets	22,023	22,846
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	3,837	(1,332)
Accounts receivable – other	(1,032)	(991)
Accounts payable - City of Toronto	-	-
Accounts payable – other	300	(2,044)
Cash Provided By Operations	<u>2,333</u>	<u>552</u>
Investing Activities		
Purchase of tangible capital assets	-	-
Cash, Beginning Of Year	<u>73,706</u>	<u>73,154</u>
Cash, End Of Year	<u><u>76,039</u></u>	<u><u>73,706</u></u>

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 2014 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, 2015**

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:

	2015	2014
	\$	\$
Total special charges outstanding	3,500	6,337
Less: allowance for uncollected special charges	(1,500)	(500)
Special charges receivable	<u>2,000</u>	<u>5,837</u>

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

	2015	2014
	\$	\$
Special charges written-off	2,435	375
Provision for losses on assessment appeals	1,000	(600)
	<u>3,435</u>	<u>225</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, 2015**

4. CAPITAL ASSETS

	2015		
	Banners	Lights	Total
Cost			
Beginning	5,690	110,832	116,522
Additions	-	-	-
Disposals	-	-	-
Ending	5,690	110,832	116,522
Accumulated Amortization			
Beginning	3,793	90,102	93,895
Amortization	1,897	20,126	22,023
Disposals	-	-	-
Ending	5,690	110,228	115,918
Net Book Value	-	604	604

	2014		
	Banners	Lights	Total
Cost			
Beginning	5,690	110,832	116,522
Additions	-	-	-
Disposals	-	-	-
Ending	5,690	110,832	116,522
Accumulated Amortization			
Beginning	1,896	69,153	71,049
Amortization	1,897	20,949	22,846
Disposals	-	-	-
Ending	3,793	90,102	93,895
Net Book Value	1,897	20,730	22,627

**THE BOARD OF MANAGEMENT FOR THE
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA
NOTES TO THE FINANCIAL STATEMENTS, CONT'D
FOR THE YEAR ENDED DECEMBER 31, 2015**

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. COMMITMENTS

The Board, in co-operation with the City, has implemented cost-shared capital improvement projects on publicly owned property for several years. The projects are long-term in nature and are usually completed subsequent to the year of Council's approval. The Board is committed to capital improvement projects of which the Board's share of \$582 (2014 - \$1,164) was outstanding as at December 31, 2015.

8. BUDGET

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

