

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

**Financial Statements  
For the Year Ended December 31, 2016**

# **LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA**

**DECEMBER 31, 2016**

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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, 2016 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, 2016 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).

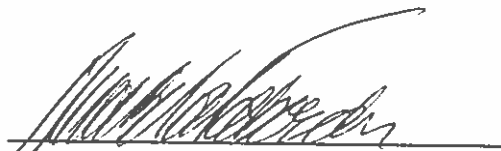
Toronto, Ontario  
April 24, 2017

  
Chartered Professional Accountant  
Licensed Public Accountant

**BOARD OF MANAGEMENT FOR THE  
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016**

	2016 \$	2015 \$
<b>FINANCIAL ASSETS</b>		
Cash	79,505	76,039
Accounts receivable		
City of Toronto – special charges (Note 3)	3,315	2,000
Other	9,227	7,970
	<u>92,047</u>	<u>86,009</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
Other	<u>1,180</u>	<u>1,850</u>
	<u>1,180</u>	<u>1,850</u>
<b>NET FINANCIAL ASSETS</b>	90,867	84,159
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 4)	-	604
<b>ACCUMULATED SURPLUS</b>	<u>90,867</u>	<u>84,763</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, 2016**

	<b>2016 \$ Budget (Note 7)</b>	<b>2016 \$ Actual</b>	<b>2015 \$ Actual</b>
<b>REVENUE</b>			
City of Toronto – special charges	54,500	54,546	53,879
Interest and other	25,000	9,215	-
	<u>79,500</u>	<u>63,761</u>	<u>53,879</u>
<b>EXPENSES</b>			
Administration	22,822	21,466	20,917
Promotion and advertising	43,950	28,031	23,003
Maintenance	11,500	7,597	7,296
Amortization	-	604	22,023
Provision for (recovery of) uncollected special charges (Note 3)	1,228	(41)	3,435
	<u>79,500</u>	<u>57,657</u>	<u>76,674</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	-	6,104	(22,795)
<b>OPERATING SURPLUS, BEGINNING OF YEAR</b>	84,763	84,763	107,558
<b>OPERATING SURPLUS, END OF YEAR</b>	<u>84,763</u>	<u>90,867</u>	<u>84,763</u>

THE BOARD OF MANAGEMENT FOR THE  
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA  
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2016

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	2016 \$	2015 \$
Surplus (deficit) for the year	6,104	(22,795)
Acquisition of tangible capital assets	-	-
Amortization of tangible capital assets	604	22,023
	6,708	(772)
Balance - Beginning of year	84,159	84,931
Balance - End of year	90,867	84,159

**THE BOARD OF MANAGEMENT FOR THE  
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>2016 \$</b>	<b>2015 \$</b>
<b>Cash flows from operating activities</b>		
Surplus (deficit) for the year	6,104	(22,795)
<b>Non-cash changes to operations</b>		
Add: Non-cash item Amortization of capital assets	604	22,023
Increase (decrease) resulting from changes in		
Accounts receivable - City of Toronto	(1,315)	3,837
Accounts receivable – other	(1,257)	(1,032)
Accounts payable – other	(670)	300
<b>Cash Provided By Operations</b>	<b>3,466</b>	<b>2,333</b>
<b>Investing Activities</b>		
Purchase of tangible capital assets	-	-
<b>Cash, Beginning Of Year</b>	<b>76,039</b>	<b>73,706</b>
<b>Cash, End Of Year</b>	<b>79,505</b>	<b>76,039</b>

**THE BOARD OF MANAGEMENT FOR THE  
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**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 2015 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, 2016**

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**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:

	2016 \$	2015 \$
Total special charges outstanding	3,315	3,500
Less: allowance for uncollected special charges	-	(1,500)
Special charges receivable	<u>3,315</u>	<u>2,000</u>

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

	2016 \$	2015 \$
Special charges written-off	1,459	2,435
Provision for losses on assessment appeals	(1,500)	1,000
	<u>(41)</u>	<u>3,435</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, 2016

4. CAPITAL ASSETS

	2016 Banners	Lights	Total
<b>Cost</b>			
Beginning	-	110,832	110,832
Additions	-	-	-
Disposals	-	-	-
<b>Ending</b>	-	<b>110,832</b>	<b>110,832</b>
<b>Accumulated Amortization</b>			
Beginning	-	110,228	110,228
Amortization	-	604	604
Disposals	-	-	-
<b>Ending</b>	-	<b>110,832</b>	<b>110,832</b>
<b>Net Book Value</b>	-	-	-

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

**THE BOARD OF MANAGEMENT FOR THE  
LITTLE PORTUGAL BUSINESS IMPROVEMENT AREA  
NOTES TO THE FINANCIAL STATEMENTS, CONT'D  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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**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.

