

DRAFT Financial Statements of

**CITY OF MISSISSAUGA
MALTON BUSINESS
IMPROVEMENT AREA**

Year ended December 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Members of the City of Mississauga Malton Business Improvement Area, Council, Inhabitants and Ratepayers of The Corporation of the City of Mississauga.

We have audited the accompanying financial statements of the City of Mississauga Malton Business Improvement Area, which comprise the statement of financial position as at December 31, 2017, the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising 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 public sector accounting standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from 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 our 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.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the City of Mississauga Malton Business Improvement Area as at December 31, 2017, and the results of its operations and accumulated surplus, its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Statement of Financial Position

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December 31, 2017, with comparative information for 2016

	2017	2016
Financial Assets:		
Cash	\$ 101,613	\$ 68,266
Accounts receivable and other assets	18,061	46,128
Due from The Corporation of the City of Mississauga (note 2)	-	11,353
	<u>\$ 119,674</u>	<u>\$ 125,747</u>

Financial Liabilities:

Accounts payable and accrued liabilities	\$ 4,903	\$ 3,030
Due to The Corporation of the City of Mississauga (note 2)	18,479	-
	<u>23,382</u>	<u>3,030</u>
Net financial assets	96,292	122,717
Tangible capital assets (note 3)	41,301	36,802
Commitment (note 5)		
Accumulated surplus (note 4)	<u>\$ 137,593</u>	<u>\$ 159,519</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Statement of Operations and Accumulated Surplus

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Year ended December 31, 2017, with comparative information for 2016

	2017 Budget	2017	2016
Revenue:			
Special levy on business assessment	\$ 120,000	\$ 101,521	\$ 125,355
Special event - Canada Day sponsorship revenue	90,000	41,700	55,450
Special event - CF-100 sponsorship revenue	-	38,645	-
Special event - Paul Coffey sponsorship revenue	-	-	23,000
Other grants revenue	40,000	31,739	30,565
Other revenue	300	2,750	5
	<u>250,300</u>	<u>216,355</u>	<u>234,375</u>
Expenses:			
Special event - Canada Day expenses	120,000	78,392	73,824
Office and administration	58,050	62,919	51,208
Special event - CF-100 expenses	-	46,667	-
Beautification and maintenance	25,000	23,817	14,728
Advertising and promotion	18,850	15,337	16,179
Amortization	-	7,896	23,182
Other event expense	-	3,253	-
Special event - Paul Coffey expenses	-	-	32,130
Sponsorship expense	14,750	-	3,852
	<u>236,650</u>	<u>238,281</u>	<u>215,103</u>
Annual surplus (deficit)	(13,650)	(21,926)	19,272
Accumulated surplus, beginning of year	-	159,519	140,247
Accumulated surplus, end of year (note 4)	\$ -	\$ 137,593	\$ 159,519

See accompanying notes to financial statements.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Statement of Change in Net Financial Assets

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Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Annual surplus	\$ (21,926)	\$ 19,272
Additions to tangible capital assets	(12,395)	(36,124)
Amortization of tangible capital assets	7,896	23,182
Change in net financial assets	(26,425)	6,330
Net financial assets, beginning of year	122,717	116,387
Net financial assets, end of year	\$ 96,292	\$ 122,717

See accompanying notes to financial statements.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

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Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operations:		
Annual surplus	\$ (21,926)	\$ 18,272
Item not involving cash:		
Amortization of tangible capital assets	7,896	23,182
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable and other assets	28,067	(25,262)
Increase in accounts payable and accrued liabilities	1,873	1,200
Decrease in due to The Corporation of the City of Mississauga	(18,764)	(16,855)
	45,742	1,537
Investments:		
Additions to Tangible capital assets	(12,395)	(36,124)
Increase (decrease) in cash	33,347	(34,587)
Cash, beginning of year	68,266	102,853
Cash, end of year	\$ 101,613	\$ 68,266

See accompanying notes to financial statements.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

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Year ended December 31, 2017

On December 12, 2012, the Council of The Corporation of the City of Mississauga passed a by-law pursuant to the Municipal Act to designate an area as an improvement area to be known as the Malton Business Improvement Area. The Malton Business Improvement Area (the "Association") was entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the area, beyond such improvement, beautification and maintenance as provided at the expense of the municipality at large, and with the promotion of the district as a business or shopping area.

1. Significant accounting policies:

The financial statements of the Association have been prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Standards Board of the Chartered Professional Accountants of Canada.

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are the cost of goods or services acquired in the period whether or not payment has been made or invoices received.

(b) Revenue:

The special levy on business assessment represents the amounts levied by The Corporation of the City of Mississauga on behalf of the Association.

(c) Tangible capital assets:

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization for fixtures and decorations is provided on a straight-line basis for a term of three to five years.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

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Year ended December 31, 2017

1. Significant accounting policies (continued):

(d) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

2. Due to (from) The Corporation of the City of Mississauga:

The amount due to/from the Corporation of the City of Mississauga includes the cumulative underlevy/overlevy as at December 31, 2017. The amount is non-interest bearing and payable/receivable on demand.

3. Tangible capital assets:

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
Fixtures and decorations	\$ 117,556	\$ 76,256	\$ 41,301	\$ 36,802

4. Accumulated surplus:

The accumulated surplus as at December 31 comprises the following:

	2017	2016
Reserve for working capital needs	\$ 96,292	\$ 117,717
Invested in tangible capital assets	41,301	36,802
	\$ 137,593	\$ 154,519

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

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Year ended December 31, 2017

5. Commitment:

The Association has entered into an operating agreement for utilities that expires in 2021. The annual commitments are approximately as follows:

2018		\$	1,350
2019			1,350
2020			1,350
2021			1,020
