

Financial Statements of

**CITY OF MISSISSAUGA
PORT CREDIT BUSINESS
IMPROVEMENT AREA**

Year ended December 31, 2014



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INDEPENDENT AUDITORS' REPORT

To the Members of the City of Mississauga Port Credit Business Improvement Area, Council, Inhabitants and the Ratepayers of the Corporation of the City of Mississauga

We have audited the accompanying financial statements of the City of Mississauga Port Credit Business Improvement Area, which comprise the statement of financial position as at December 31, 2014, the statements of operations and accumulated surplus (deficit), change 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.

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 Port Credit Business Improvement Area as at December 31, 2014, and the results of its operations and accumulated deficit, its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

April 15, 2015

Toronto, Canada

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
Financial Assets:		
Cash	\$ 96,384	\$ 76,525
Accounts receivable and other assets	71,770	68,219
	<u>168,154</u>	<u>144,744</u>
Financial Liabilities:		
Accounts payable and accrued liabilities	\$ 20,984	\$ 23,101
Deferred revenue	18,686	16,490
Due to The Corporation of the City of Mississauga (note 2)	100,029	80,860
	<u>139,699</u>	<u>120,451</u>
Net financial assets	\$ 28,455	\$ 24,293
Tangible capital assets (note 3)	\$ 22,372	\$ 27,171
Accumulated surplus (deficit) (note 4)	\$ 50,827	\$ 51,464

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Financial Activities and Accumulated Surplus

Year ended December 31, 2014, with comparative information for 2013

	2014		2014	2013
	Budget			
Revenue:				
Special levy on business assessment	\$ 624,488	\$ 582,734	\$ 591,870	
Fundraising	194,460	143,083	150,136	
	818,948	725,817	742,006	
Expenses:				
Project expenses	186,811	179,855	187,027	
Office and general	225,817	210,812	169,291	
Beautification and maintenance	141,500	125,868	123,769	
Advertising and promotion	108,120	117,290	91,715	
Sponsorships	58,500	56,987	57,000	
Business development	12,000	14,840	16,135	
Amortization of capital assets	-	13,417	12,512	
Information technology	14,200	7,385	6,851	
Capital expenditures	34,000	-	-	
	780,948	726,454	664,300	
Annual surplus (deficit)	38,000	(637)	77,706	
Accumulated deficit, beginning of year	-	51,464	(26,242)	
Accumulated surplus (deficit), end of year (note 4)	\$ 38,000	\$ 50,827	\$ 51,464	

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Change in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual surplus (deficit)	\$ (637)	\$ 77,706
Addition to tangible capital assets	(8,618)	(20,594)
Amortization of tangible capital assets	13,417	12,512
Change in net financial assets	4,162	69,624
Net financial assets, beginning of year	24,293	(45,331)
Net financial assets, end of year	\$ 28,455	\$ 24,293

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Changes in Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operations:		
Annual surplus (deficit)	\$ (637)	\$ 77,706
Item not involving cash:		
Amortization of tangible capital assets	13,417	12,512
Changes in non-cash operating working capital:		
Increase in accounts receivable and other assets	(3,551)	(44,108)
Increase (decrease) in accounts payable and accrued liabilities	(2,117)	(3,051)
Increase in deferred revenue	2,196	3,890
Increase (decrease) in due to The Corporation of the City of Mississauga	19,169	(18,764)
	<u>28,477</u>	<u>28,185</u>
Investments:		
Addition to tangible capital assets	(8,618)	(20,594)
Increase in cash	19,859	7,591
Cash, beginning of year	76,525	68,934
Cash, end of year	<u>\$ 96,384</u>	<u>\$ 76,525</u>

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

On December 20, 1984, 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 Port Credit Business Improvement Area (the "Organization"). The Business Improvement Area was entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the area, beyond such improvement, beautification and maintenance is provided at the expense of the municipality at large, and with the promotion of the area as a business or shopping area.

1. Significant accounting policies:

The financial statements of the Port Credit Business Improvement Area are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become 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 City of Mississauga on behalf of the Organization.

(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 machine and equipment is provided on a straight-line basis for a term of four years.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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 revenue and expenses during the year. Actual results could differ from those estimates.

2. Due to The Corporation of the City of Mississauga:

The amount due to The Corporation of the City of Mississauga includes the cumulative underlevy as at December 31, 2014. Amount is non-interest bearing and payable on demand.

3. Tangible capital assets:

			2014		2013	
	Cost	Accumulated amortization	Net book value	Net book value		
Machinery and equipment	\$ 58,664	\$ 36,292	\$ 22,372	\$ 27,171		

4. Accumulated surplus (deficit):

The accumulated surplus (deficit) at December 31 comprised the following:

	2014		2013	
Invested in tangible capital assets	\$	22,372	\$	27,171
Reserves for working capital needs		28,455		24,293
Total	\$	50,827	\$	51,464