

Appendix 8

DRAFT
April 16, 2024

Financial Statements of

**CITY OF MISSISSAUGA
COOKSVILLE BUSINESS
IMPROVEMENT AREA**

And Independent Auditor's Report thereon

Year ended December 31, 2023

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of City of Mississauga Cooksville Business Improvement Area (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

DRAFT Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Financial Assets		
Cash	\$ 299,514	\$ 428,581
Accounts receivable	24,914	27,000
	<u>324,428</u>	<u>455,581</u>
Financial Liabilities		
Accounts payable and accrued liabilities	17,816	34,485
Due to The Corporation of the City of Mississauga (note 2)	2,763	3,082
	<u>20,579</u>	<u>37,567</u>
Net financial assets	303,849	418,014
Prepaid expenses	2,329	–
Tangible capital assets (note 3)	19,806	21,292
Accumulated surplus (note 4)	<u>\$ 325,984</u>	<u>\$ 439,306</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Chair

_____ Treasurer

CITY OF MISSISSAUGA COOKSVILLE

BUSINESS IMPROVEMENT AREA

DRAFT Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	Budget 2023 (note 5)	Actual 2023	Actual 2022
Revenue:			
Special levy on business assessment	\$ 280,838	\$ 170,359	\$ 280,838
Grant	–	–	3,945
Other	25,000	13,263	–
Interest	5,000	7,179	4,131
	<u>310,838</u>	<u>190,801</u>	<u>288,914</u>
Expenses:			
Office and administration	155,442	130,737	93,139
Beautification and maintenance	125,200	81,873	89,515
Amortization	–	8,586	6,665
Professional fees	11,400	14,583	5,724
Advertising and promotion	9,000	4,395	3,205
Events	62,500	63,949	2,043
	<u>363,542</u>	<u>304,123</u>	<u>200,291</u>
Annual surplus (deficit)	\$ <u>(52,704)</u>	(113,322)	88,623
Accumulated surplus, beginning of year	–	439,306	350,683
Accumulated surplus, end of year (note 4)		\$ 325,984	\$ 439,306

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE

BUSINESS IMPROVEMENT AREA

DRAFT Statement of Change in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Annual surplus (deficit)	\$ (113,322)	\$ 88,623
Additions to tangible capital assets	(7,100)	(8,123)
Amortization of tangible capital assets	8,586	6,665
Change in prepaid expenses	(2,329)	–
Change in net financial assets	(114,165)	87,165
Net financial assets, beginning of year	418,014	330,849
Net financial assets, end of year	\$ 303,849	\$ 418,014

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

DRAFT Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (113,322)	\$ 88,623
Item not involving cash:		
Amortization of tangible capital assets	8,586	6,665
Change in non-cash operating working capital:		
Accounts receivable	2,086	(13,783)
Prepaid expenses	(2,329)	–
Accounts payable and accrued liabilities	(16,669)	(3,364)
Due to/from The Corporation of the City of Mississauga	(319)	(5,370)
	(121,967)	72,771
Capital activities:		
Additions to tangible capital assets	(7,100)	(8,123)
Increase (decrease) in cash	(129,067)	64,648
Cash, beginning of year	428,581	363,933
Cash, end of year	\$ 229,514	\$ 428,581

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements

Year ended December 31, 2023

On February 19, 2020, the Council of The Corporation of the City of Mississauga (the "City") passed a by-law pursuant to the Municipal Act, to designate an area as an improvement area to be known as the Cooksville Business Improvement Area (the "Organization"). The Organization 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 area as a business or shopping area.

1. Significant accounting policies:

The financial statements of the Organization 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 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 they become available and measurable; expenses are the cost of goods or services acquired in the year, 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 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.

CITY OF MISSISSAUGA COOKSVILLE

BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization of tangible capital assets is provided on a straight-line basis as follows:

Furniture and fixtures	4 years
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(d) Use of estimates:

The preparation of the 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.

(e) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2023, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of these standards on the future financial statements.

- (i) PS 3400, Revenue, establishes a single framework to categorize revenue of enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 (the Organization's December 31, 2024 year end).
- (ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023 (the Organization's December 31, 2024 year end).

CITY OF MISSISSAUGA COOKSVILLE

BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(f) Adoption of new accounting policies:

Effective January 1, 2023, the Organization adopted the following standards issued by the PSAB:

- (i) PS 3450, Financial Instruments, establishes standards on how to account for and report types of financial instruments including derivatives.
- (ii) PS 2601, Foreign Currency Translation, which replaces PS 2600, establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements.
- (iii) PS 1201, Financial Statement Presentation, which replaces PS 1200, establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the statement of remeasurement gains and losses, which reports changes in the values of financial assets and financial liabilities arising from their remeasurement at current exchange rates and/or fair value.
- (iv) PS 3041, Portfolio Investments, which replaces PS 3040, establishes standards on how to account for and report portfolio investments in government financial statements.
- (v) PS 3280, Asset Retirement Obligations, establishes standards on how to account for and report a liability for asset retirement obligations.
- (vi) PS 3160, Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3s arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

PS 1201, Financial Statement Presentation, PS 3450, Financial Instruments, PS 2601, Foreign Currency Translation, and PS 3041 Portfolio Investments required concurrent adoption and implementation. The Organization implemented the above standards and there was no significant impact on the financial statements.

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 of December 31, 2023 (2022 - underlevy). The amount receivable has no specific terms of repayment and does not bear any interest due to the City.

3. Tangible capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 37,890	\$ 18,084	\$ 19,806	\$ 21,292

4. Accumulated surplus:

Accumulated surplus at December 31 comprises the following:

	2023	2022
Invested in tangible capital assets	\$ 19,806	\$ 8,123
Reserve for working capital needs	306,178	431,183
	\$ 325,984	\$ 439,306

5. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on April 5, 2023.