

Financial Statements of

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

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of City of Mississauga Port Credit 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 Port Credit Business Improvement Area (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes 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, 2024, 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.



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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 7, 2025

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash	\$ 289,318	\$ 321,163
Investment (note 2)	514,246	278,367
Accounts receivable	87,914	42,359
Due from the Corporation of the City of Mississauga	942	–
	<u>892,420</u>	<u>641,889</u>
Financial Liabilities		
Accounts payable and accrued liabilities	148,590	66,857
Due to The Corporation of the City of Mississauga (note 3)	–	4,892
	<u>148,590</u>	<u>71,749</u>
Net financial assets	743,830	570,140
Non-Financial Assets		
Prepaid expenses	16,227	17,587
Tangible capital assets (note 4)	109,264	77,253
Accumulated surplus (note 5)	<u>\$ 869,321</u>	<u>\$ 664,980</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Treasurer

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024 (note 7)	Actual 2024	Actual 2023
Revenue:			
Special levy on business assessment	\$ 1,012,985	\$ 1,039,927	\$ 946,443
Fundraising	48,750	39,867	38,633
Grant	40,000	164,129	40,902
Interest	22,952	42,607	36,968
	1,124,687	1,286,530	1,062,946
Expenses:			
Office and general (note 6)	374,717	304,931	295,338
Beautification and maintenance	334,220	312,733	235,926
Project expenses	185,000	281,982	170,925
Sponsorships	70,400	69,452	67,392
Amortization of tangible capital assets	70,000	57,926	67,399
Advertising and promotion	82,350	43,294	22,486
Loss on disposal of tangible capital assets	–	2,500	13,170
Business development (note 6)	8,000	7,313	4,798
Repairs and maintenance	–	2,058	616
	1,124,687	1,082,189	878,050
Annual surplus	\$ <u>–</u>	204,341	184,896
Accumulated surplus, beginning of year		664,980	480,084
Accumulated surplus, end of year (note 5)	\$	\$ 869,321	\$ 664,980

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Annual surplus	\$ 204,341	\$ 184,896
Additions to tangible capital assets	(92,437)	–
Amortization of tangible capital assets	57,926	67,399
Loss on disposal of tangible capital assets	2,500	13,170
Change in prepaid expenses	1,360	(8,923)
Change in net financial assets	173,690	256,542
Net financial assets, beginning of year	570,140	313,598
Net financial assets, end of year	\$ 743,830	\$ 570,140

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 204,341	\$ 184,896
Items not involving cash:		
Amortization of tangible capital assets	57,926	67,399
Loss on disposal of tangible capital assets	2,500	13,170
Change in non-cash operating working capital:		
Accounts receivable	(45,555)	(3,222)
Prepaid expenses	1,360	(8,923)
Accounts payable and accrued liabilities	81,733	(24,375)
Due to The Corporation of the City of Mississauga	(5,834)	(30,616)
Deferred revenue	–	(24,232)
	296,471	174,097
Investing activities:		
Additions to tangible capital assets	(92,437)	–
Change in investments	(235,879)	(10,518)
	(328,316)	(10,518)
Increase (decrease) in cash	(31,845)	163,579
Cash, beginning of year	321,163	157,584
Cash, end of year	\$ 289,318	\$ 321,163

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2024

On December 20, 1984, 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 Port Credit 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. The Organization is dependent on the City for funding through the special levy on an annual basis.

1. Significant accounting policies:

The financial statements of City of Mississauga 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 ("PSAB") 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 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. Fundraising and interest revenue is recognized on an accrual basis.

Grants received for specific purposes are deferred and recognized as revenue as the funds are spent in accordance with the funder's restrictions.

(c) Investment:

Investment consists of a guaranteed investment certificate with original date to maturity of 91 days or longer and is recorded at amortized cost.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(d) 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 received as contributions are recorded at their fair market value at the date of receipt and are recorded as contributed assets in the statement of operations and accumulated surplus.

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:

Machinery and equipment	4 years
Furniture and fixtures	4 years
Leasehold improvements	5 years

(e) 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.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(f) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2024, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

PS 1202 - Financial Statement Presentation, was approved in March 2023. This standard supersedes PS 1201 and covers a new conceptual framework and reporting model. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026 (the first effective year for the City being the year ending December 31, 2027).

PS 3251, Employee Benefits, will replace the current section PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

(g) Adoption of new accounting policies:

Effective January 1, 2024, the Organization adopted the following standards issued by the PSAB:

(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 PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(iii) 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. The standard is effective for fiscal years beginning on or after April 1, 2023 (the Organization's December 31, 2024 year end).

2. Investments:

Investments consist of six (2023 - two) guaranteed investment certificates bearing interest at 5% (2023 - 4.6% and 5.2%) with maturity dates of September 8, 2025 (2023 - April 29, 2024 and March 11, 2024), respectively.

	2024	2023
Investment	\$ 500,000	\$ 268,514
Accrued interest	14,246	9,853
	<u>\$ 514,246</u>	<u>\$ 278,367</u>

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

The amount due to the City includes the cumulative overlevy as at December 31, 2024 (2023 - underlevy). The amount is non-interest bearing and payable on demand.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

4. Tangible capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Machinery and equipment	\$ 432,144	\$ 323,266	\$ 108,878	\$ 71,636
Furniture and fixtures	21,838	21,452	386	1,442
Leasehold improvements	22,775	22,775	–	4,175
	<u>\$ 476,757</u>	<u>\$ 367,493</u>	<u>\$ 109,264</u>	<u>\$ 77,253</u>

5. Accumulated surplus:

Accumulated surplus at December 31 comprises the following:

	2024	2023
Invested in tangible capital assets	\$ 109,264	\$ 77,253
Reserve for working capital needs	760,057	587,727
	<u>\$ 869,321</u>	<u>\$ 664,980</u>

6. Related party transactions:

Office and general and business development expenses include \$1,120 (2023 - \$1,130) of services provided by a company owned by a member of the Board of Directors.

7. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on November 20, 2023.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Risk management:

The Organization has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and market risk (interest rate risk).

(a) Credit risk:

Credit risk is the risk of a financial loss to the Organization if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Organization consisting of accounts receivables and due from City of Mississauga balance. The Organization's exposure to credit risk associated with accounts receivable and due from City of Mississauga is assessed as low because they are due largely from governments.

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due. The Organization's objective is to have sufficient liquidity to meet these liabilities when due. The Organization monitors its cash balance and cash flows generated from operations to meet its liquidity requirements. The liquidity risk arises from the financial liabilities consisting of accounts payable and accrued liabilities.

(c) Market risk:

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Organization manages its interest rate risk by maintaining a fixed income investment that is not subject to fair valuation fluctuations.

9. Comparative amounts:

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2024 financial statements.