



2020 Audited Financial Statements

For the period ending December 31, 2020

Prepared by:
Finance Division, Corporate Services Department
City of Mississauga



2020 Audited Financial Statements Table of Contents

2020 City of Mississauga Financial Statements

City of Mississauga Consolidated Financial Statements	3-37
City of Mississauga Public Library Board Financial Statements	38-52
City of Mississauga Trust Funds Financial Statements	53-60
Tourism Mississauga Financial Statements	61-70

2020 Business Improvement Area Financial Statements

Clarkson Business Improvement Association Financial Statements	71-81
Malton Business Improvement Area Financial Statements	82-93
Port Credit Business Improvement Area Financial Statements	94-105
Streetsville Business Improvement District Financial Statements	106-117
Cooksville Business Improvement Area Financial Statements	118-127

2020 Enersource Corporation Financial Statements

Enersource Corporation Financial Statements	128-150
---	---------

**The Corporation of the City of Mississauga
Consolidated Financial Statements**

December 31, 2020

**The Corporation of the City of Mississauga
December 31, 2020**

CONTENTS

	<u>Page</u>
Consolidated Financial Statements	
Auditors' Report	3
Consolidated Statement of Financial Position	6
Consolidated Statement of Operations	7
Consolidated Statement of Change in Net Financial Assets	8
Consolidated Statement of Cash Flows	9
Notes to Consolidated Financial Statements	10 - 35

DRAFT #1
April 7, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Mississauga

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Mississauga (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 consolidated financial position of the Entity as at December 31, 2020, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.

Auditors' 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 auditors' 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.

Page 3

- 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 30, 2021

The Corporation of the City of Mississauga

Consolidated Statement of Financial Position

as at December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	2020 \$	2019 \$
Financial Assets		
Cash	219,313	139,017
Taxes receivable (Note 2)	83,979	47,597
Accounts receivable (Note 2)	116,841	108,819
Loans and other receivables	400	450
Inventories for resale	97	107
Investments (Note 3)	1,098,945	1,179,887
Investment in Enersource Corporation (Note 4)	498,520	498,783
Total Financial Assets	2,018,095	1,974,660
Financial Liabilities		
Accounts payable and accrued liabilities	228,222	204,908
Deferred revenue - general (Note 5)	6,391	12,277
Deferred revenue - obligatory reserve funds (Note 6)	552,274	557,057
Employee benefits and other liabilities (Note 7)	220,439	207,034
Long-term debt (Note 8)	176,434	205,193
Total Financial Liabilities	1,183,760	1,186,469
Net Financial Assets	834,335	788,191
Non-Financial Assets		
Tangible capital assets (Note 9)	8,363,128	8,245,855
Inventories of supplies	8,338	8,859
Prepaid expenses	4,784	3,160
Total Non-Financial Assets	8,376,250	8,257,874
Accumulated Surplus (Note 10)	9,210,585	9,046,065

Contractual Rights (Note 20)

Commitments (Note 21)

The accompanying notes are an integral part of these consolidated financial statements.

The Corporation of the City of Mississauga

Consolidated Statement of Operations

for the year ended December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	Budget 2020 \$ (Note 16)	Actual 2020 \$	Actual 2019 \$
Revenues (Notes 14 and 15)			
Taxation (Note 11)	578,894	572,824	545,728
Municipal Accommodation Tax	9,800	3,799	12,152
User charges	252,678	168,587	263,215
Recoveries from third parties	6,199	19,415	29,117
Funding transfers from other governments (Note 19)	1,957	65,597	14,086
Development and other contributions applied	-	138,854	90,407
Investment income	35,254	44,125	43,607
Penalties and interest on taxes	8,610	5,334	10,806
Contributed and assumed assets (Note 9)	-	27,197	62,392
Other	6,864	10,128	5,604
Gain on Acquisition of Living Arts Centre	-	-	1,455
City's Share of Net Income in Enersource Corporation (Note 4)	-	17,467	10,758
City's Share of dilution gain recognized on Alectra's amalgamation with Guelph Hydro Electric Systems Inc. (GHESI) (Note 4)	-	-	1,324
Total Revenues	900,256	1,073,327	1,090,651
Expenses (Note 14)			
General government services	191,146	219,367	253,459
Protection services	145,816	140,545	135,446
Transportation services	362,156	345,802	345,613
Environmental services	18,827	19,650	18,121
Health services	605	566	560
Social and family services	755	487	638
Recreation and cultural services	185,496	157,353	174,978
Planning and development services	25,200	22,665	22,841
Loss on disposal of tangible capital assets (Note 9)	-	2,372	2,504
Total Expenses (Notes 15 & 17)	930,001	908,807	954,160
Annual Surplus/(Deficit)	(29,745)	164,520	136,491
Accumulated surplus, beginning of year	9,046,065	9,046,065	8,909,574
Accumulated Surplus, end of year (Note 10)	9,016,320	9,210,585	9,046,065

The accompanying notes are an integral part of these consolidated financial statements.

The Corporation of the City of Mississauga

Consolidated Statement of Change in Net Financial Assets

for the year ended December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	Budget 2020 \$ (Note 16)	Actual 2020 \$	Actual 2019 \$
Annual Surplus/(Deficit)	(29,745)	164,520	136,491
Acquisition of tangible capital assets (Note 9)	-	(264,288)	(207,551)
Amortization of tangible capital assets (Note 9)	144,568	144,655	140,098
Loss on disposal of tangible capital assets (Note 9)	-	2,372	2,504
	114,823	47,259	71,542
Acquisition of inventory of supplies	-	(8,338)	(8,859)
Acquisition of prepaid expenses	-	(4,784)	(3,160)
Consumption of inventory of supplies	-	8,847	7,616
Use of prepaid expenses	-	3,160	2,760
Change in Net Financial Assets	114,823	46,144	69,899
Net Financial Assets, beginning of year	788,191	788,191	718,292
Net Financial Assets, end of year	903,014	834,335	788,191

The accompanying notes are an integral part of these consolidated financial statements.

The Corporation of the City of Mississauga

Consolidated Statement of Cash Flows

for the year ended December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	2020 \$	2019 \$
Cash Provided By (Used In):		
Operating Activities		
Annual surplus	164,520	136,491
Items Not Involving Cash		
Amortization of tangible capital assets	144,655	140,098
Loss on disposal of tangible capital assets	2,372	2,504
Contributed and assumed assets	(27,197)	(62,392)
Change in employee benefits and other liabilities	13,405	(2,616)
Equity in income of Enersource Corporation	(17,467)	(10,758)
City's Share of dilution gain recognized on Alectra's amalgamation with GHESI	-	(1,324)
Change in Non-Cash Assets and Liabilities		
Taxes receivable	(36,382)	(2,030)
Accounts receivable	(8,022)	(12,024)
Inventories for resale	10	66
Accounts payable and accrued liabilities	23,302	20,966
Deferred revenue - general	(5,886)	2,256
Deferred revenue - obligatory reserve funds	(4,783)	83,991
Inventories of supplies	521	(1,243)
Prepaid expenses	(1,624)	(400)
Net Change in Cash from Operating Activities	247,424	293,585
Capital Activities		
Tangible capital asset additions	(237,091)	(145,159)
Net Change in Cash from Capital Activities	(237,091)	(145,159)
Investing Activities		
Decrease/(Increase) in investments	80,942	(159,746)
Decrease in loans and other receivables	50	50
Dividends from Enersource Corporation	17,730	15,660
Net Change in Cash from Investing Activities	98,722	(144,036)
Financing Activities		
Proceeds from issuance of long-term debt	-	48,150
Repayment of long-term debt	(28,759)	(24,448)
Net Change in Cash from Financing Activities	(28,759)	23,702
Net Change in Cash	80,296	28,092
Cash, beginning of year	139,017	110,925
Cash, end of year	219,313	139,017

The accompanying notes are an integral part of these consolidated financial statements.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

The Corporation of The City of Mississauga (the "City") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act 2001, Planning Act, Building Code Act, Provincial Offences Act and other related legislation.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Since the first quarter of 2020, the COVID-19 pandemic has impacted the global economic environment due to government-imposed lockdowns and social distancing requirements. The economic conditions and City's response to the COVID-19 pandemic had an operational and financial impact on the City. The full extent of the financial impact is currently indeterminable due to the evolving nature of the COVID-19 pandemic.

1. Significant Accounting Policies

The consolidated financial statements of the City are prepared by management in accordance with generally accepted accounting principles ("GAAP") for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). Significant aspects of the accounting policies adopted by the City are as follows:

a) Basis of consolidation

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity comprises all organizations, committees, and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City except for the City's Government Business Enterprise which is accounted for on the modified equity basis of accounting.

These entities and organizations included in the reporting entity are:

- City of Mississauga Public Library Board
- Clarkson Village Business Improvement Association
- Malton Business Improvement Area
- Port Credit Business Improvement Area
- Streetsville Business Improvement District Association
- Cooksville Business Improvement Area
- Tourism Mississauga

Inter-departmental and inter-organizational transactions and balances between these entities and organizations are eliminated.

(ii) Investment in a Government Business Enterprise

The City's investment in Enersource Corporation is accounted for on a modified equity basis, consistent with GAAP as recommended by PSAB for investments in Government Business Enterprises. Under the modified equity basis, the Government Business Enterprise's accounting policies are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income of Enersource Corporation in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the City may receive from Enersource Corporation will be reflected as reductions in the investment asset account.

(iii) Accounting for Region and School Board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Regional Municipality of Peel ("the Region") and the school boards are not reflected in these consolidated financial statements.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

1. Significant Accounting Policies

a) Basis of consolidation

(iv) Trust funds

Trust funds and their related operations administered by the City are not included in these consolidated financial statements. The Perpetual Care Fund and Election Trust Fund are not accounted for as part of the City's assets. The City acts as a trustee, investing and administering such funds, in accordance with regulations of the Funeral, Burial and Cremations Services Act and Municipal Elections Act.

b) Basis of accounting

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the legal obligation to pay.

c) Government transfers

Government grants are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

d) Taxation and user charges revenue

Taxation revenues and taxes receivable are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. Additional property taxation revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property taxation, after the return of the annual assessment roll used for billing purposes. The City may receive supplementary assessment rolls over the course of the year from MPAC, identifying new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then billed according to the approved tax rate for the property class. User charges are recognized when earned and measurable.

e) Municipal accommodation tax revenue

Municipal accommodation tax revenue is recognized as revenue in the period that the tax is levied on accommodation charges by accommodation providers.

f) Deferred revenue

Deferred revenues represent licenses, permits and other fees which have been collected, but for which the related services or inspections have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

g) Development charges

Development charges are charges imposed on land development or redevelopment projects. Fees are set out in a City by-law, which conforms to the requirements of the Development Charges Act, 1997. Development charges are collected when an above grade building permit is issued and are deferred and recognized in revenues when used to fund the growth-related portion of qualifying capital projects, as required by the Act.

h) Investment income

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

1. Significant Accounting Policies

i) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with original dates to maturity of 90 days or less. Cash and short-term investments are recorded at cost with write down to market when there is a decrease in value.

j) Loans and Other Receivables

Loans and other receivables are valued at cost. Recoverability is reviewed annually and a valuation allowance is recorded when recoverability is impaired. A loan receivable is written off when it is no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized as it is earned.

k) Inventories for resale

Inventory is valued at the lower of cost and net realizable value.

l) Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

m) Investments

Investments consist of bonds and debentures with original dates to maturity of 91 days or longer and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss of value that is other than a temporary decline in value, the respective investment is written down to recognize the loss in the consolidated statement of operations.

n) Employee future benefits

(i) The City provides certain employee benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and life insurance, extended health and dental benefits for early retirees.

The costs of sick leave, benefits under WSIB Act and life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discounted rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period when the events occur. Any actuarial gains or losses that are related to these benefits are recognized immediately in the period they arise.

(ii) The costs of a multi-employer defined benefit pension plan, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions which is accounted for as a defined contribution plan, are the employer's defined contributions to the plan in the period.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

1. Significant Accounting Policies

o) Loan guarantees:

Provisions for liabilities arising under the terms of a loan guarantee program are made when it is likely that a payment will be made and an amount can be estimated.

p) Contaminated sites

Contaminated sites are defined as the result of contamination being introduced that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists
- (ii) contamination exceeds the environmental standard
- (iii) the organization is directly responsible or accepts responsibility for the liability
- (iv) future economic benefits will be given up, and
- (v) a reasonable estimate of the liability can be made.

Note 7 provides disclosure regarding the nature, extent and sources of contaminated on City owned sites.

q) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives in accordance with City policy as follows:

Asset	Useful Life - Years
Land	Unlimited
Land improvements	20
Buildings	5 - 50
Equipment, books and other	4 - 40
Linear - storm drainage	25 - 100
Linear - transportation	10 - 100
Vehicles	3 - 20

A full year of amortization is charged in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and are also recorded as revenue.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

1. Significant Accounting Policies

q) Non-financial assets

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets, including archaeological artifacts, memorabilia, photographs, and other heritage assets to support the City's museum and cultural programming, are not recorded as assets in these consolidated financial statements, as a reasonable estimate of the future benefits associated cannot be made. These assets are non-operational and are not amortized.

(iv) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(v) Inventories of supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

r) Contingent Assets

PS 3320 requires disclosure of possible assets arising from existing conditions or situations involving uncertainty which will be ultimately resolved when one or more future events occur that are not wholly within the government's control, and when the occurrence of a confirming future event is likely.

As at December 31, 2020, there are no such contingent assets to disclose.

s) Contractual Rights

PS 3380 requires disclosure of information pertaining to future rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Note 20 provides disclosure regarding the nature, extent and timing of contractual rights.

t) Related Party Disclosures

PS 2200 requires disclosure of related party transactions when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has a material effect on the consolidated financial statements.

For the year ended December 31, 2020, there are no such related party transactions to disclose.

u) Inter-Entity Transactions

PS 3420 requires disclosure of transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. All City transactions are recorded at the exchange amount, being the amount agreed to by both parties.

For the year ended December 31, 2020, there were no material inter-entity transactions to disclose.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

1. Significant Accounting Policies

v) Use of estimates

The preparation of consolidated 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 consolidated financial statement, and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, carrying value of tangible capital assets, provisions for accrued liabilities and obligations related to employee benefits. Actual results could differ from these estimates.

The full extent of the impact that COVID-19 pandemic, including government and regulatory responses to the pandemic, will have on the Canadian economy and the City's operations remains uncertain at this time. Actual results could differ from these estimates.

w) Assets

The assets standard provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained. For the year ended December 31, 2020, all material assets have been disclosed and reported within this definition.

x) Adoption of budgets

The 2020 operating and capital budgets, as approved by Council, were adopted by the City at the January 22, 2020 meeting.

y) Future accounting pronouncements

These standards and amendments were not yet effective for the year ended December 31, 2020, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

(i) PS 1201, Financial Statement Presentation, was issued in June, 2011. This standard requires entities to present a new statement of remeasurement gains and losses separate from the consolidated statement of operations and accumulated surplus. This new standard includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is effective for fiscal years beginning on or after April 1, 2022 and applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted (the City's December 31, 2023 year-end).

(ii) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

(iii) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the City's December 31, 2023 year-end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.

(iv) PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

(v) PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 (the City's December 31, 2024 year-end).

(vi) 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 City's December 31, 2024 year-end).

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

2. Taxes Receivable and Accounts Receivable

Taxes receivable are reported net of valuation allowances of \$102 (2019 \$182). Accounts receivable are reported net of a valuation allowance of \$933 (2019 \$546) and comprises the following:

	2020 \$	2019 \$
Accounts Receivable		
Government of Canada	18,835	25,635
Government of Ontario	39,071	24,399
Other Municipalities	24,485	24,026
School Boards	10,773	7,311
Others	24,610	27,994
Sub-Total	117,774	109,365
Less: Valuation Allowance	933	546
Total Accounts Receivable	116,841	108,819

3. Investments

Investments reported on the consolidated statement of financial position have cost and market values as follows:

	2020		2019	
	Cost \$	Market Value \$	Cost \$	Market Value \$
Bank deposit notes and finance paper	39,800	41,006	204,073	205,307
Government and government guaranteed bonds	874,165	949,379	772,784	802,939
Municipal bonds	184,980	202,190	203,030	207,863
Total	1,098,945	1,192,575	1,179,887	1,216,109

4. Investment in Enersource Corporation

The City has a 90 per cent interest in Enersource Corporation (the "Corporation") which is accounted for on the modified equity basis in these consolidated financial statements.

Enersource acts as a holding company whereby the Corporation's principal business activity is represented by its equity interest in Alectra Inc. ("Alectra"). Dividends are received from Alectra. The Corporation also distributes dividends to its shareholders. Alectra's primary businesses are to distribute electricity to customers in the greater golden horseshoe area, as well as provide non-regulated energy services. As at December 31, 2019, Enersource's interest in Alectra was 29.57% (2018- 31%).

On January 1, 2019, Alectra amalgamated with Guelph Hydro Electric Systems Inc. ("GHESI"). As a result of this amalgamation, Enersource's interest in Alectra was reduced to 29.57%.

Enersource's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

4. Investment in Enersource Corporation

The following table provides condensed financial information for Enersource Corporation for its 2020 fiscal year, together with comparative figures for 2019:

	2020	2019
	\$	\$
Financial Position:		
Assets:		
Current	7,320	6,967
Investment in Alectra Inc.	597,800	600,243
Other	-	148
Total Assets	605,120	607,358
Liabilities:		
Current	27	30
Non-current liabilities	51,182	53,125
Total Liabilities	51,209	53,155
Shareholders' Equity:		
Share capital	175,691	175,691
Accumulated other comprehensive income/(loss)	(7,291)	(6,108)
Retained earnings	385,511	384,620
Total Shareholders' Equity	553,911	554,203
Total Liabilities and Shareholders' Equity	605,120	607,358
Results of Operations and Non-Operations:		
Revenues	22,445	18,195
Expenses (including income tax provision)	3,037	6,242
Net Income	19,408	11,953
City's Share of Net Income in Enersource Corporation	17,467	10,758
City's Share of dilution gain recognized on Alectra's amalgamation with GHESI	-	1,324

During the year, the City received a dividend of \$17,730 (2019 \$15,660) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in the following table for its 2020 fiscal year together with comparative figures for 2019.

	2020	2019
	\$	\$
Investment in Enersource Corporation		
Opening Balance, Beginning of Year	498,783	502,361
City's Share of Net Income in Enersource Corporation	17,467	10,758
City's Share of dilution gain recognized on Alectra's amalgamation with GHESI	-	1,324
City's Share of Dividend	(17,730)	(15,660)
Closing Balance, End of Year	498,520	498,783

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

5. Deferred Revenue - General

Advance sales of goods and services are revenues received from operations in advance of the services being provided. Government grants are externally restricted amounts that are recognized in revenue when the conditions of use are satisfied. Other contributions relate primarily to private sponsorships and donations received for which the related expenditures have not yet been incurred. These funds are recognized as revenue in the period they are used for the purpose specified.

Deferred revenue general is comprised of the following:

	2020 \$	2019 \$
Advance sales of goods and services	5,670	12,028
Government grants	176	4
Other contributions	545	245
Total Deferred Revenue General	6,391	12,277

6. Deferred Revenue - Obligatory Reserve Funds

Revenues received that have been set aside for specific purposes by Provincial legislation, certain City by-laws, or agreements are included in deferred revenue and reported on the consolidated statement of financial position. Details of these deferred revenues are as follows:

	2020 \$	2019 \$
Development charges	206,079	182,735
CIL Parkland	117,746	132,956
CIL Parking	10,898	10,069
Bonus Zoning	3,952	2,346
Provincial Public Transit Funds and Gas Tax	52,991	44,616
Federal Public Transit Funds and Gas Tax	160,608	184,335
Total Deferred Revenue - Obligatory Reserve Funds	552,274	557,057

Deferred Revenue - Obligatory Reserve Funds Continuity Schedule

Source	Opening Balance \$	Receipts and Interest Applied \$	Recognized as Revenue \$	Closing Balance \$
Development charges	182,735	58,391	35,047	206,079
CIL Parkland	132,956	21,533	36,245	118,244
CIL Parking	10,069	331	-	10,400
Bonus Zoning	2,346	1,910	304	3,952
Provincial Public Transit Funds and Gas Tax	44,616	19,862	11,487	52,991
Federal Public Transit Funds and Gas Tax	184,335	43,113	66,840	160,608
Total	557,057	145,140	149,923	552,274

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

7. Employee Benefits and Other Liabilities

Employee benefits and other liabilities, reported on the consolidated statement of financial position, are made up of the following:

	2020	2019
	\$	\$
WSIB	36,074	32,380
Sick leave benefits	17,010	15,166
Early retirement benefits	41,426	40,333
Post-employment benefits	9,635	8,226
Vacation pay	28,647	25,912
Developer charge credits	47,261	44,984
Contaminated sites liability	410	365
Other liabilities	39,976	39,668
Total	220,439	207,034

The City has established reserve funds of \$145,840 (2019 \$144,353) to mitigate the future impact of these obligations.

a) WSIB: The City has elected to be a Schedule 2 employer under the provisions of WSIB, and as such, remits payments to the WSIB only as required to fund disability payments. A full actuarial study of this obligation was completed in December 2019, in accordance with the financial reporting guidelines established by PSAB.

b) Sick leave benefits accrue to certain employees of the City and are paid out either on approved retirement, or upon termination or death. The accrued benefit obligation and the net periodic benefit cost were determined by an actuarial valuation completed in December 2019 in accordance with the financial reporting guidelines established by PSAB.

c) Early retirement benefits are representative of the City's share of the cost to provide certain employees with extended benefits upon early retirement. The accrued benefit obligation and the net periodic benefit cost were determined by an actuarial valuation completed in December 2019 in accordance with the financial reporting guidelines established by PSAB.

d) Post-employment benefits are paid on behalf of any employee on long-term disability. The accrued benefit obligation and the net periodic cost were determined by an actuarial valuation completed in December 2020, in accordance with the financial reporting guidelines established by PSAB.

Information about liabilities for defined benefit plans is as follows:

	WSIB	Sick	Early	Post	2020	2019
	\$	Leave	Retirement	Employment	Total	Total
	\$	\$	\$	\$	\$	\$
Accrued Benefit Liability, Beginning of Year	32,380	15,166	40,333	8,226	96,105	91,811
Service cost	5,365	1,789	1,946	2,350	11,450	7,084
Interest cost	1,555	844	1,452	267	4,118	3,861
Amortization of actuarial (gain)/loss	1,519	1,388	(60)	(263)	2,584	1,305
Benefit payments	(4,745)	(2,177)	(2,245)	(945)	(10,112)	(9,455)
Increase due to plan amendment	-	-	-	-	-	1,499
Accrued Benefit Liability, End of Year	36,074	17,010	41,426	9,635	104,145	96,105
Unamortized actuarial (gain)/loss	10,228	7,760	1,350	(444)	18,894	21,480
Actuarial valuation update, end of year	46,302	24,770	42,776	9,191	123,039	117,585
Expected average remaining service life	11 yrs	13 yrs	13 yrs	8 yrs	n/a	n/a

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

7. Employee Benefits and Other Liabilities

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimates. The following represents the more significant assumptions made:

		Sick	Early	Post Employment - Health and Dental	Post Employment - Life Insurance
	WSIB	Leave	Retirement		
Expected inflation rate	1.75%	1.75%	1.75%	1.75%	1.75%
Expected level of salary increases	n/a	2.75%	2.75%	2.75%	2.75%
Interest discount rate	3.50%	3.50%	3.50%	3.25%	3.25%
Expected health care increases	3.75%	n/a	6.75%	6.75%	n/a

e) Pension plans:

The City makes contributions to OMERS, a multi-employer plan, on behalf of 5,229 employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions for employees with a normal retirement age of 65 are being made at a rate of 9.0 per cent for earnings up to the annual maximum pensionable earnings of \$168,317 and at a rate of 14.6 per cent for earnings greater than the annual maximum pensionable earnings. Contributions for employees with a normal retirement age of 60 (firefighters) are being made at a rate of 9.2 per cent up to the annual maximum pensionable earnings of \$168,317 at a rate of 15.8 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2020 was \$44,375 (2019 \$41,035) for current service and is included as an expense on the consolidated statement of operations. Employees' contributions to OMERS in 2020 totalled \$44,631 (2019 \$41,039).

The City is current with all payments to OMERS; therefore, there is neither a surplus nor deficit with the pension plan contributions. However, at OMERS, the pension plan's funding deficit in 2020 dropped to \$3.2 billion (2019 \$3.4 billion).

OMERS has held contributions for both employees and employers in 2020 at the 2016 rates for employees with a normal retirement age of 65 and for employees and employers with a normal retirement age of 60 (firefighters). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, additional increases in the contributions may be required.

f) Developer charge credits are liabilities and obligations that arise through the Development Charges Act. For the year ended December 31, 2020, the developer charge credit liability is \$47,261 (2019 \$44,984).

g) The City is responsible for the remediation of contaminated sites that are no longer in productive use where the City is directly responsible or has accepted responsibility for remediation. A provision for future clean-up costs and monitoring has been accrued based on environmental assessments.

The liability for contaminated sites includes sites associated with former industrial operations. The nature of contamination includes polycyclic aromatic hydrocarbons, heavy metals and road salts. The sources of the contamination include, but are not limited to, activities related to historical operations and non-sanctioned activities on City land. Sites often have multiple sources of contamination.

From time to time, there may be uncertainty as to whether the City has a legal responsibility or accepts responsibility for a contaminated site or whether economic benefits will be foregone for a contaminated site. It is not expected that the impact of any such sites would have a material impact on the consolidated financial statements. When the City is able to determine that all inclusion criteria have been met, the City will accrue a liability for these future remediation costs. As at December 31, 2020, the amount of estimated recoveries is nil (2019 – nil).

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

8. Long-term Debt

The long-term debt reported on the consolidated statement of financial position of \$176,434 was issued by the Region of Peel. Principal payment dates, payment amounts and the outstanding amounts for debt issued each year are as follows:

Debt issuance year	Annual Payment Date	2020 Principal Payment \$	Outstanding Principal \$
2013	June 20th	4,700	12,900
2014	June 10th	3,500	13,000
2015	August 20th	4,000	20,000
2016	June 1st	3,500	23,000
2017	September 28th	3,500	27,500
2018	March 27th	4,909	36,534
2019	October 15th	4,650	43,500
Total		28,759	176,434

No debt was issued in 2020.

Debt from the issuance of serial debentures has been approved by Council by-law. The annual principal and interest payments required to service this liability are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing and the City's Debt Management Policy. Interest rates range from 1.60 to 3.30 per cent.

Principal payments are repayable annually, as follows:

	Principal Contributions \$	Interest \$	Total \$
2021	29,112	4,133	33,245
2022	29,927	3,475	33,402
2023	27,755	2,754	30,509
2024	22,995	2,030	25,025
2025	20,105	1,601	21,706
Thereafter	46,540	2,163	48,703
Total	176,434	16,156	192,590

Interest expense and fees of \$4,821 (2019 \$4,507) are reported in the consolidated statement of operations.

The consolidated statement of operations represents the expenses by function; the following classifies those same expenses by object:

9. Tangible Capital Assets

a) Assets under construction:

Assets under construction having a value of \$132,134 (2019 \$106,841) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed and assumed assets:

Contributed and assumed assets have been recognized at fair market value at the date of contribution. The value of contributed and assumed assets received during the year is \$27,197 (2019 \$62,392) comprising infrastructure in the amount of \$9,038 (2019 nil) and land in the amount of \$18,159 (2019 \$62,392).

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

9. Tangible Capital Assets

c) Works of art and historical treasures:

The City owns both works of art and historical treasures at various City-owned facilities such as Benares and Bradley Museums and the Mississauga Art Gallery. These assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. These assets are not recorded as tangible capital assets and are not amortized.

d) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$220 (2019 nil).

e) Disposal of tangible capital assets:

The costs of assets under construction are excluded in calculating the loss on disposal of tangible capital assets. Asset purchase costs of \$12,254 (2019 \$46,452) include land \$599; buildings \$32; land improvements \$1,112; linear transportation \$1,340 and vehicles \$9,171, less the accumulated amortization of \$9,882 (2019 \$38,870) resulted in a loss on disposal of \$2,372 (2019 \$2,504).

f) Interest capitalization:

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset relating to certain projects. Rather, the interest costs are expensed within normal operations.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

9. Tangible Capital Assets

2020 Tangible Capital Assets

Cost	December 31, 2019	Additions	Disposals	December 31, 2020
	\$	\$	\$	\$
Land	5,248,591	55,636	599	5,303,628
Land improvements	219,253	8,371	1,112	226,512
Buildings	1,137,543	31,565	32	1,169,076
Equipment, books and other	298,105	33,518	-	331,623
Linear - storm drainage	898,037	15,167	-	913,204
Linear - transportation	2,248,162	82,579	1,340	2,329,401
Vehicles	322,523	12,171	9,171	325,523
Assets under construction	106,841	74,304	49,011	132,134
Total	10,479,055	313,311	61,265	10,731,101

Accumulated Amortization	December 31, 2019	Amortization Expense	Disposals	December 31, 2020
	\$	\$	\$	\$
Land	-	-	-	-
Land improvements	114,624	8,404	835	122,193
Buildings	437,861	31,125	-	468,986
Equipment, books and other	188,136	27,290	-	215,426
Linear - storm drainage	256,862	8,126	-	264,988
Linear - transportation	1,036,402	52,849	1,119	1,088,132
Vehicles	199,315	16,861	7,928	208,248
Assets under construction	-	-	-	-
Total	2,233,200	144,655	9,882	2,367,973

Net Book Value	December 31, 2019	December 31, 2020
	\$	\$
Land	5,248,591	5,303,628
Land Improvements	104,629	104,319
Buildings	699,682	700,090
Equipment, books and other	109,969	116,197
Linear - storm drainage	641,175	648,216
Linear - transportation	1,211,760	1,241,269
Vehicles	123,208	117,275
Assets under construction	106,841	132,134
Total	8,245,855	8,363,128

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

10. Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2020	2019
	\$	\$
Surplus:		
Invested in Tangible Capital Assets		
Invested in tangible capital assets	8,362,653	8,245,561
Business Improvement Area tangible capital assets	475	294
Total Invested in Tangible Capital Assets	8,363,128	8,245,855
Operating surplus	119	-
Unexpended capital	164,357	204,257
Long-term debt	(176,434)	(205,193)
Enersource Corporation	498,520	498,783
Living Arts Centre	-	120
Unfunded employee benefits	(220,439)	(207,034)
Total Surplus	8,629,251	8,536,788
Reserves Set Aside by Council:		
Fiscal Stability Reserve	55,752	51,253
Operating Reserves	52,946	33,644
Stormwater Reserve	5,952	5,442
BIA Reserves	671	411
Total Reserves	115,321	90,750
Reserve Funds Set Aside for Specific Purposes by Council:		
Tax Reserve Funds	220,498	190,846
Stormwater Reserve Funds	64,450	40,756
Lot Levy Reserve Funds	65,305	62,868
Insurance Reserve Funds	46,052	45,891
Employee Benefits Reserve Funds	34,484	35,594
Development Contributions	23,157	21,444
Other Reserve Funds	12,067	21,128
Total Reserve Funds	466,013	418,527
Total Accumulated Surplus	9,210,585	9,046,065

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

11. Taxation

Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The City may receive supplementary assessment rolls over the course of the year from MPAC, identifying new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then billed according to the approved tax rate for the property class. Taxation revenue, reported on the consolidated statement of operations, is made up of the following:

	2020 \$	2019 \$
Municipal, region and school property taxes	1,778,229	1,718,457
Payments in lieu of property taxes	37,405	35,385
Total Property Taxes Collected	1,815,634	1,753,842
Payments to Region and school boards	(1,242,810)	(1,208,114)
Net Property Taxes and Payments in Lieu Available for Municipal Purposes	572,824	545,728

12. Trust funds

Trust funds administered by the City amounting to \$986 (2019 \$919) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations. Trust funds comprise cemetery perpetual care of \$986 (2019 \$919) and election trust funds of nil (2019 \$221).

13. Contingent liabilities & guarantee

a) As at December 31, 2020, the City has been named as defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed the likelihood of exposure as being likely and is able to reasonably assess the exposure, an amount is provided for in these consolidated financial statements.

b) On February 1, 2017, Enersource Corporation became a shareholder of Alectra, an entity created through the merger of certain hydro holding companies. The transactions included Enersource Corporation exchanging all of its ownership in its operating companies for this ownership in the newly created merged entity of Alectra. Included in these transactions and as of the same date, the City entered into an arrangement to provide \$70M of loan guarantees to Enersource Corporation. The secured bank loan balance as at December 31, 2020 is \$50,625 (2019 \$53,125).

14. Segmented information

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional areas in the Consolidated Statement of Operations. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) General Government Services:

The General Government Services segment comprises the following service areas: Mayor and Council, City Manager's Office, Internal Audit, Economic Development, Office of the City Clerk, Finance, Information Technology, Facilities and Property Management, Revenue, Materiel Management, Legal, and Strategic Communications. These divisions are responsible for by-laws and administrative policies, levying taxes, acquiring and managing City assets, ensuring effective financial management, planning and budgeting, monitoring financial and operating performance, and ensuring that high quality City service standards are met.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

14. Segmented information

b) Protection Services:

The Protection Services segment comprises the following service areas: Fire Services including fire suppression, fire prevention programs, and fire inspection, By-law Enforcement, Animal Control, Vehicle and Business Licensing, Security Services, and Provincial Offences Administration.

c) Transportation Services:

The Transportation Services segment comprises the following service areas: Road services including road maintenance, public works, street cleaning, traffic operations, planning, engineering and development, Winter maintenance control, MiWay Transit, and Street lighting.

d) Environmental Services:

The Environmental Services segment comprises primarily Storm Sewer Services. The City's Stormwater program manages the overall health and maintenance of creeks, rivers, and water channels in Mississauga. Water and sanitary sewer services are provided by the Region of Peel.

e) Health Services:

The Health Services segment comprises primarily the maintenance and operation of City-owned and managed cemeteries.

f) Social and Family Services:

The Social and Family Services segment comprises primarily assistance to aged persons. Social and Family Services are handled directly by the Region of Peel. However, the City does offer limited programs and services to support and aid seniors in Mississauga.

g) Recreation and Cultural Services:

The Recreation and Cultural Services segment comprises the following services: Parks, Forestry and Environment, Recreation Programs, Recreation Facilities, Marinas and Golf Courses, Libraries, Museums, the Living Arts Centre, and Other Cultural Services and Activities.

h) Planning and Development Services:

The Planning and Development Services segment comprises the following service areas: Planning and Zoning; Commercial and Industrial Developments, and Policy Planning. Planning and Development Services manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods and the downtown area through City planning and community development.

The segmented information was provided in accordance with the financial reporting guidelines established by the PSAB (section PS2700). For additional information, see the Segmented Information table.

Certain allocation methodologies are employed in the preparation of segmented financial information. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

Taxation revenues are reflected under General Government Services and not segmented based upon functional lines of service provided by the City. Municipal Taxes are allocated to the City's services based on the 2020 Operating Budget as approved by Council. The approved budget outlines how and where public resources will be spent, including the established framework for services, the way they will be provided, and how they will be funded.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

14. Segmented information

	2020										
	General Government Services \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Recreation and Cultural Services \$	Planning and Development Services \$	Other \$	2020 Total \$	2019 Total \$
Revenues:											
Taxation	571,110	-	-	-	-	-	-	1,714	-	572,824	550,983
Municipal Accommodation Tax	3,799	-	-	-	-	-	-	-	-	3,799	12,152
User charges	5,077	28,087	63,893	43,010	131	43	22,516	5,830	-	168,587	263,215
Recoveries from third parties	1,304	207	16,957	130	-	-	784	33	-	19,415	29,117
Funding transfers from other governments	21,081	-	40,509	1,948	-	43	1,691	325	-	65,597	14,086
Development and other contributions applied	-	-	-	-	-	-	-	-	138,854	138,854	90,407
Investment income	14,441	-	-	-	26	-	15	-	29,643	44,125	43,607
Penalties and interest on taxes	5,334	-	-	-	-	-	-	-	-	5,334	10,806
Contributed and assumed assets	-	-	-	-	-	-	-	-	27,197	27,197	62,392
Other	1,603	39	1,576	136	42	7	1,733	-	4,992	10,128	5,604
Equity in Enersource Corporation	-	-	-	-	-	-	-	-	17,467	17,467	12,082
Gain on Acquisition of Living Arts Centre	-	-	-	-	-	-	-	-	-	-	1,455
Total Revenues	623,749	28,333	122,935	45,224	199	93	26,739	7,902	218,153	1,073,327	1,095,906
Expenses:											
Salaries, wages and employee benefits	115,038	126,784	179,742	5,673	497	160	85,142	16,439	-	529,475	533,044
Long-term debt interest	4,721	-	-	100	-	-	-	-	-	4,821	4,507
Materials and supplies	11,127	3,205	34,105	400	40	3	12,123	734	-	61,737	65,049
Contracted services	35,367	862	40,192	3,346	20	1	3,994	3,030	-	86,812	138,702
Rents and financial expenses	29,548	4,297	17,521	1,504	9	8	18,268	689	-	71,844	68,770
External transfers to others	1,272	-	-	-	-	31	4,312	1,476	-	7,091	6,741
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	2,372	2,372	2,504
Amortization	22,294	5,397	74,242	8,627	-	284	33,514	297	-	144,655	140,098
Total Expenses	219,367	140,545	345,802	19,650	566	487	157,353	22,665	2,372	908,807	959,415
Annual Surplus (Deficit)	404,382	(112,212)	(222,867)	25,574	(367)	(394)	(130,614)	(14,763)	215,781	164,520	136,491

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

15. Segmented Information by Service Area

Segmented information by Service Area has been identified based upon lines of service provided by the City as presented in the City Budget Document. City services are provided by departments and their activities are reported by service areas. These services are not presented in the Consolidated Statement of Operations. Rather, they are reported as an additional note to relate back to the Budget book presentation. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) Business Services:

Business Services includes five interrelated teams within the City of Mississauga: Corporate Performance and Innovation (CPI), Finance, Human Resources (HR), Revenue and Materiel Management, and Strategic Communications. Together these teams partner with all Divisions across the City to enable the delivery of excellent public service by providing advice, expertise and essential support.

b) Culture Services:

Culture works collaboratively with a wide variety of partners to build strong cultural institutions, complete communities and stimulate a creative economy. The Culture Division has two sections: Culture and Heritage Planning and Culture Operations. Culture and Heritage Planning is responsible for heritage planning, culture planning, public art, policy development, research and digital engagement. Culture Operations delivers performing arts, film and television services, arts and culture programs, grants, civic and major events, manages operations of the Living Arts Centre, Meadowvale Theatre, museums, and Mississauga Celebration Square (Celebration Square).

c) City Manager's Office:

The City Manager's Office (CMO) co-ordinates efforts across all five City departments to ensure alignment with all of the City's key plans, including the Strategic Plan, the City Business Plan, the Economic Development Strategy and Corporate Policies. Internal Audit, Legal Services and Economic Development are part of the CMO.

d) Environmental Services:

The Environment Division drives environmental sustainability in Mississauga by providing environmental strategic planning to develop plans, policies and programs that advance the City's environmental priorities; providing a framework for the City of Mississauga and the community to take action on climate change; providing an efficient waste program for City facilities; and, providing awareness and education for residents and City staff to take environmental action.

e) Facilities and Property Management:

Facilities & Property Management provides expertise in property, asset and project management to maintain the City's infrastructure and support the safety and security of the public and City staff. The service provides facilities maintenance, building services and operations, facilities development and accessibility, capital planning and asset management, security services, realty services, and energy management.

f) Financial Transactions:

The Financial Transactions area includes such items as banking and other professional fees; miscellaneous revenues and expenses such as discounts earned; risk management and insurance expenses; worker's compensation and rehabilitation; transfers; payments in lieu of property taxes from other levels of government; and special purpose levies.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

15. Segmented Information by Service Area

g) Fire and Emergency Services:

Fire and Emergency Services' mission is to protect life, property and the environment in Mississauga from all risks through education, enforcement, engineering, emergency response and economic incentive.

h) Information Technology Services:

The Information Technology (IT) Service Area focuses on technology planning, service delivery, support, and operations to enable City services and drive efficiencies.

i) Land Development Services:

The mission of Land Development Services is to provide strategic, long term planning and high quality customer service, to ensure the health, safety, and wellbeing of the public. Land Development Services facilitates the legislated approval processes, creating policies and plans, processing development applications and building permits, and carrying out building inspections.

j) Legislative Services:

The purpose of Legislative Services is to meet customers' diverse service needs by providing statutory and legislated service to the public, Council and other internal and external customers through a variety of service channels. Examples of the kind of work done by this service include Access and Privacy; Administrative Penalty System (APS) Dispute/Review; Council and Committee support; Provincial Offences Court Administration; and municipal elections.

k) Library Services:

The Mississauga Library exists to provide library services to meet the life-long informational, educational, cultural and recreational needs of all citizens. The Library's 18 facilities provide physical spaces where the Library's services, programs and collections can be used and accessed. The Library also has a homebound service, and many online services and resources.

l) Mayor and Members of Council:

The Council Budget includes the Mayor's Office and Council. This includes the 12 elected officials (Mayor and 11 ward councillors) and their support staff. In Ontario, elections take place every four years. The next election year is 2022.

m) Parks, Forestry & Environment:

The Parks, Forestry and Environment Service provides an integrated approach to the planning, design, construction and ongoing maintenance of Mississauga's parks, woodlands, natural areas, boulevards, street trees and open space system. Services are delivered by a multi-disciplinary team composed of Park Planning, Park Development, Parks Operations, Forestry, and Environment working co-operatively to meet and deliver the open space and outdoor recreational needs of the community and drive environmental sustainability.

n) Recreation Services:

Recreation connects citizens, staff and Mississauga communities to one another through programming, infrastructure and recreational opportunities. The Recreation Division provides service to residents and customers through the following:

- Registration and drop-in recreational programs
- Community partnerships and affiliations
- Recreational facilities operations and facility rentals
- Sponsorship and grants
- Sport and tourism initiatives
- Banquet and food services
- Community events support

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

15. Segmented Information by Service Area

o) Regulatory Services:

Regulatory Services achieve compliance with municipal by-laws and provide services in a safe and professional manner to maintain order, safety and community standards in the City.

p) Road Services:

Road services are responsible for the planning, design, construction, operation and maintenance of roadways, bridges, the cycling network, sidewalks, noise walls and related infrastructure. Road Services also manages the City's traffic signals, street lighting, municipal parking, and fleet of vehicles (with the exception of transit and fire vehicles).

q) Stormwater Service:

The Stormwater Service Area plans, develops, constructs, maintains and renews a stormwater system which protects property, infrastructure and the natural environment from erosion and flooding and enhances water quality.

r) Transit Services:

Mississauga's transit service, MiWay, provides Mississauga with a shared travel choice that is friendly, reliable and respects the environment.

s) Other:

Other represents all other non-budgeted financial transactions which includes asset amortization, BIA consolidation, PSAB actuarial liability adjustments, Reserve Fund interest, development contributions applied, Enersource income, capital project revenues, and non-capitalized capital project expenses.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

15. Segmented Information by Service Area

t) Revenues by Service Area

	Property Tax and MAT*	User charges	Recoveries from third parties	Funding transfers from other governments	Development and other contributions applied	Investment income	Penalties and interest on taxes	Contributed and assumed assets	Other	Equity in Enersource Corporation	2020 Total	2020 Budget **	2019 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Business Services	-	1,770	71	-	-	-	163	-	5	-	2,009	2,666	2,429
City Manager's Office	-	210	1	315	-	-	-	-	8	-	534	393	1,508
Culture	-	1,656	427	283	-	13	-	-	456	-	2,835	6,352	6,739
Facilities & Property Management	-	352	-	-	-	-	-	-	227	-	579	449	907
Financial Transactions	574,755	258	66	20,473	-	14,433	5,171	27,197	5,826	-	648,179	611,926	652,132
Fire & Emergency Services	-	1,639	182	-	-	-	-	-	-	-	1,821	2,206	2,556
Information Technology	-	968	-	-	-	-	-	-	1	-	969	1,109	1,073
Legislative Services	-	6,671	-	-	-	-	-	-	-	-	6,671	11,983	9,642
Mississauga Library	-	658	-	768	-	2	-	-	112	-	1,540	2,102	2,037
Land Development Services	-	22,002	-	-	-	-	-	-	-	-	22,002	13,650	22,292
MiWay	-	44,993	1,980	35,060	-	-	-	-	196	-	82,229	93,555	95,019
Parks, Forestry & Environment	-	3,863	113	33	-	26	-	-	38	-	4,073	5,202	5,355
Recreation	1,868	18,004	-	607	-	8	-	-	403	-	20,890	51,419	49,021
Regulatory Services	-	11,137	-	-	-	-	-	-	39	-	11,176	18,079	17,351
Roads	-	11,035	5,849	-	-	-	-	-	(94)	-	16,790	14,252	17,385
Stormwater	-	42,938	-	-	-	-	-	-	136	-	43,074	41,606	40,185
Other	-	433	10,726	8,058	138,854	29,643	-	-	2,775	17,467	207,956	23,307	170,275
	576,623	168,587	19,415	65,597	138,854	44,125	5,334	27,197	10,128	17,467	1,073,327	900,256	1,095,906

* Municipal Accommodation Tax (MAT).

** The Service Area budget excludes the budgets for transfers between funds because they are eliminated in the financial statement consolidation.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

15. Segmented Information by Service Area

u) Expenses by Service Area

	Salaries, wages and employee benefits \$	Long-term debt interest \$	Materials and supplies \$	Contracted services \$	Rents and financial expenses \$	External transfers to others \$	Loss on disposal of tangible capital assets \$	Amortization \$	2020 Total \$	2020 Budget * \$	2019 Total \$
Business Services	32,190	-	462	1,912	1,314	-	-	-	35,878	37,065	33,633
City Manager's Office	9,830	-	104	2,601	421	134	-	-	13,090	13,252	14,390
Mayor & Members Of Council	4,315	-	309	2	161	-	-	-	4,787	4,886	4,892
Culture	7,643	-	587	504	1,154	3,432	-	-	13,320	15,379	13,558
Facilities & Property Management	15,153	-	451	3,252	6,872	-	-	-	25,728	27,561	25,030
Financial Transactions	16,327	4,721	124	986	10,897	2,035	2,372	144,568	182,030	182,812	168,579
Fire & Emergency Services	106,874	-	2,393	120	2,767	-	-	-	112,154	115,650	108,802
Information Technology	24,363	-	101	101	9,716	-	-	-	34,281	34,644	32,589
Legislative Services	7,460	-	636	673	(408)	-	-	-	8,361	9,831	7,683
Mississauga Library	20,285	-	4,096	52	2,151	-	-	-	26,584	30,452	29,239
Land Development Services	19,626	-	240	83	660	-	-	-	20,609	22,672	20,879
MiWay	144,507	-	28,169	1,733	9,560	-	-	-	183,969	201,884	189,065
Parks & Forestry	25,457	-	5,737	5,168	4,119	-	-	-	40,481	42,275	40,640
Recreation	42,713	-	2,532	1,021	11,911	897	-	-	59,074	81,410	75,147
Regulatory Services	15,500	-	782	638	537	-	-	-	17,457	19,019	16,564
Roads	32,665	-	5,630	37,839	8,347	-	-	-	84,481	81,377	78,325
Stormwater	4,535	100	434	3,656	1,454	-	-	-	10,179	9,832	9,274
Other	32	-	8,950	26,471	211	593	-	87	36,344	-	91,126
	529,475	4,821	61,737	86,812	71,844	7,091	2,372	144,655	908,807	930,001	959,415

* The Service Area budget excludes the budgets for transfers between funds because they are eliminated in the financial statement consolidation. Also an assigned budget for amortization has been included due to the large dollar value.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

16. Budget Data

Budget data presented in these consolidated financial statements are based upon the 2020 operating and capital budgets as approved by Council and adopted by the City on January 22, 2020. Adjustments to budgeted values were required to provide comparative budget values based on the full accrual basis of accounting. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

	Budget Amount
Revenue	\$
Approved Operating Budget	965,916
Adjustments:	
Budget adjustments	6,358
Contributions from reserve funds	(77,747)
BIAs	2,205
BIAs contributions from reserves	(90)
City budgeted levy for BIAs	(1,500)
Enersource dividend	(17,577)
Adjusted Operating Budget	877,565
Approved Capital Budget	268,987
Adjustments for transfers from reserve funds	(224,070)
Adjustments for debt proceeds	(43,000)
Adjusted Capital Budget	1,917
Reserve funds interest and other revenue	20,774
Total Revenue	900,256
Expenses	
Approved Operating Budget	965,557
Adjustments:	
Budget adjustments	6,718
Transfers to own	(156,938)
BIA budgeted expenses	2,205
BIA transfers to own	(15)
BIA budget on City's books	(1,500)
Amortization - City	144,568
Debt principal repayments, net of debt issuance	(30,594)
Adjusted Operating Budget	930,001
Approved Capital Budget	268,987
Adjustments:	
Eliminate capital expense budget	(268,987)
Adjusted Capital Budget	-
Total Expenses	930,001
Annual Deficit	(29,745)

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

17. Expenses by Object

The consolidated statement of operations represents the expenses by function; the following classifies those same expenses by object:

	Budget 2020 \$	Actual 2020 \$	Actual 2019 \$
Salaries, wages and employee benefits	559,519	529,475	533,044
Long-term debt interest and fees	5,680	4,821	4,507
Materials and supplies	60,913	61,737	65,049
Contracted services	58,611	86,812	138,702
Rents and financial expenses	84,318	71,844	68,770
External transfers to others	16,392	7,091	6,741
Loss on disposal of tangible capital assets	-	2,372	2,504
Amortization	144,568	144,655	140,098
Total	930,001	908,807	959,415

18. Provincial Offences Administration

The Ministry of the Attorney General in the Province of Ontario requires all municipal partners administering Provincial Offences Administration to disclose in the year-end audited financial statements the gross and net provincial offence revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding for the City's 2020 fiscal year with comparative figures for 2019:

	2020 \$	2019 \$
Revenues		
Gross revenues	5,508	9,527
Less refunds	53	91
Net Revenues	5,455	9,436
Expenses		
Provincial charges	385	843
City's operating expenses	3,632	3,555
Total Expenses	4,017	4,398
Net Contribution	1,438	5,038

19. Funding Transfers from Other Governments

	2020 \$	2019 \$
General government services	21,081	430
Protection services	-	-
Transportation services	40,509	10,605
Environmental services	1,948	678
Health services	-	4
Social and family services	43	-
Recreation and cultural services	1,691	2,109
Planning and development services	325	260
Total	65,597	14,086

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

19. Funding Transfers from Other Governments

During the current year, the City received total funding of \$46,083 from the Provincial government as part of the Safe Restart Agreement. The Safe Restart Agreement is a federal investment to help provinces and territories safely restart their economies. The province also announced \$110,507 in funding to be received in 2021. The City recognized \$9,450 as government transfers reported for the current year, as per the funding allocation from the Province of Ontario. The remaining \$101,057,300, or a portion thereof, will be recognized as revenue in 2021.

20. Contractual Rights

The City is involved with various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

The City has a number of Federal and Provincial funding agreements, revenues from incoming lease agreements for City-owned properties and a number of third party contracts to provide shared services with estimated future funding/recoveries as follows:

	2021	2022	2023	2024	2025	Total
Contractual Rights	\$	\$	\$	\$	\$	\$
Provincial Agreements	123,051	2,193	2,221	-	-	127,465
Federal Agreements	50,870	41,881	43,702	-	-	136,453
Incoming Lease Payments	2,767	2,362	1,615	1,298	8,041	16,083
Third Party Contracts	456	337	347	357	-	1,497
Total	177,144	46,773	47,885	1,655	8,041	281,498

21. Lease and other contractual commitments

The City of Mississauga has entered into various operating leases for premises. Anticipated payments under such leases during the next five years are approximately as follows:

	\$
2021	2,977
2022	2,623
2023	1,098
2024	426
2025	349
Total	7,473

The City has entered into an agreement with a third party to construct an Avro Arrow sculpture to be displayed in Malton for a remaining cost of up to \$2.2 million.

22. Comparative Figures

Certain comparative information has been reclassified to the financial presentation adopted in the current year.

City of Mississauga - Public Library Board
Financial Statements
Year Ended December 31, 2020

DRAFT #2
April 16, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Mississauga

Opinion

We have audited the financial statements of the City of Mississauga Public Library Board (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations for the year then ended
- the statement of change in net financial assets (debt) 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, 2020, and its results of operations, its change in net debt 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.

Auditors' 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 auditors' 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.

Page 3

- 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 auditors' 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 auditors' 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.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 30, 2021

City of Mississauga - Public Library Board

Statement of Financial Position

as at December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	2020 \$	2019 \$
Financial Assets		
Cash	727	15
Accounts receivable	19	27
Due from City of Mississauga (Note 2)	4,064	2,806
Total Financial Assets	4,810	2,848
Financial Liabilities		
Accounts payable and accrued liabilities	933	1,946
Employee benefits and other liabilities (Note 4)	3,363	3,043
Total Financial Liabilities	4,296	4,989
Net Financial Assets/(Debt)	514	(2,141)
Non-financial Assets		
Tangible capital assets (Note 7)	67,613	70,903
Prepaid expenses	78	51
Total Non-Financial Assets	67,691	70,954
Accumulated Surplus	68,205	68,813
Commitments (Note 5)		

The accompanying notes are an integral part of these financial statements.

City of Mississauga - Public Library Board

Statement of Operations

for the year ended December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	Budget 2020 \$ (Note 6)	Actual 2020 \$	Actual 2019 \$
Revenues			
City of Mississauga	28,928	28,557	27,258
Funding transfers from other governments	715	768	635
Contributed assets by the City of Mississauga	-	67	226
Fines, service charges and rents	1,217	563	1,141
Recoveries from third parties	40	97	117
Other	130	111	145
Total Revenues	31,030	30,163	29,522
Expenses			
Salaries, wages and employee benefits	23,416	20,605	22,275
Equipment	330	94	66
Materials and supplies	531	1,514	1,516
Communication	8	54	25
Staff development	166	99	167
Transportation	56	42	68
Professional Services	84	52	41
Advertising and promotion	41	68	30
Occupancy	1,757	1,814	1,849
Collection fees	50	15	54
Bank Charges	8	7	13
Amortization of tangible capital assets (Note 7)	5,897	5,897	5,715
Administrative support charged by the City	515	510	486
Total Expenses	32,859	30,771	32,305
Annual deficit	(1,829)	(608)	(2,783)
Accumulated surplus, beginning of year	68,813	68,813	71,596
Accumulated surplus, end of year	66,984	68,205	68,813

The accompanying notes are an integral part of these financial statements.

City of Mississauga - Public Library Board

Statement of Change in Net Financial Assets/(Debt)

for the year ended December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	2020 Actual \$	2019 Actual \$
Annual deficit	(608)	(2,783)
Acquisition of tangible capital assets (Note 7)	(2,607)	(3,254)
Amortization of tangible capital assets (Note 7)	5,897	5,715
Acquisition of prepaid expenses	(78)	(51)
Use of prepaid expenses	51	-
Change in Net Financial Assets/(Debt)	2,655	(373)
Net Debt, beginning of year	(2,141)	(1,768)
Net Financial Assets/(Debt), end of year	514	(2,141)

The accompanying notes are an integral part of these financial statements.

City of Mississauga - Public Library Board

Statement of Cash Flows

for the year ended December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	2020 \$	2019 \$
Cash provided by (used in):		
Operating activities:		
Annual deficit	(608)	(2,783)
Items not involving cash:		
Amortization of tangible capital assets	5,897	5,715
Contributed assets by the City of Mississauga	(67)	(226)
Change in employee benefits and other liabilities	320	(108)
Change in non-cash working capital:		
Accounts receivable	8	(27)
Due from the City of Mississauga	(1,258)	(367)
Accounts payable and accrued liabilities	(1,013)	890
Prepaid expenses	(27)	(51)
Net change in cash from operating activities	3,252	3,043
Capital Activities:		
Tangible capital asset additions	(2,540)	(3,028)
Net Change in Cash	712	15
Cash, beginning of year	15	-
Cash, end of year	727	15

The accompanying notes are an integral part of these financial statements.

City of Mississauga - Public Library Board

Notes to the Financial Statements

For the Year Ended December 31, 2020

(All dollar amounts are in \$000)

1. Significant Accounting Policies

The financial statements of the City of Mississauga Public Library Board (the “Board”) are prepared by management in accordance with generally accepted accounting principles (“GAAP”) for local governments as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada (“CPA Canada”). Significant aspects of the accounting policies adopted by the Board are as follows:

a) Basis of accounting

Sources of financing and expenses are reported on the accrual basis of accounting except for fines, service charges and rents which are reported upon receipt. The accrual basis of accounting recognizes revenues as they become measurable; expenses are the cost of goods and services acquired in the period whether or not payment has been made on invoices received.

b) Government transfers

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. The Corporation of the City of Mississauga’s (the “City”) contribution consists of the current year's requisition as approved by Council.

c) Pensions and employee benefits

The Board accounts for its participation in the Ontario Municipal Employee Retirement System (“OMERS”), a multi-employer public sector pension fund, as a defined contribution plan.

Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the Board’s employment. Other post-employment benefits and compensated absences are accrued in accordance with the projected benefit method prorated on service and management’s best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. Unamortized actuarial gains or losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups. Unamortized gains / losses for event-triggered liabilities, such as those determined as claims related to the Workplace Safety Insurance Board (“WSIB”) are amortized over the average expected period during which the benefits will be paid.

Costs related to prior period employee services arising out of plan amendments are recognized in the period in which the plan is amended. For the purposes of these financial statements, the plans are considered unfunded.

d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives for Library assets in accordance with City policy as follows:

Asset	Useful Life (Years)
Land	Unlimited
Land improvements	20
Buildings	19 - 45
Equipment, books and other	8 - 15
Vehicles	10

A full year of amortization is charged in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

City of Mississauga - Public Library Board

Notes to the Financial Statements

For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

1. Significant Accounting Policies

d) Non-financial assets

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt. The contributions are recorded as contributed assets in the statement of operations.

(iii) Leased assets

Leases are classified as either operating or capital leases. Lease agreements which substantially transfer all the risks and rewards of ownership to the Board are accounted for as a capital lease. All other leases are considered operating leases and the related payments are charged to operating expense as incurred.

(iv) Works of art and historical treasures

The Board does not own any notable works of art and historical treasures at their branches. Typically these assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The historic cost of art and treasures are not determinable or relevant to their significance hence a valuation is not assigned to these assets nor would they be disclosed of in the financial statements.

e) 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 period. Significant estimates include assumptions used in performing actuarial valuations of employee benefits and determining useful lives of tangible capital assets.

Actual amounts could differ from these estimates.

f) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2020, 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.

(i) PS 1201, Financial Statement Presentation, was issued in June, 2011. This standard requires entities to present a new statement of remeasurement gains and losses separate from the statement of operations. This new statement includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is effective for fiscal years beginning on or after April 1, 2022 and applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted (the Board's December 31, 2023 year-end).

(ii) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has recently been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the Board's December 31, 2023 year-end).

City of Mississauga - Public Library Board

Notes to the Financial Statements

For the Year Ended December 31, 2020

(All dollar amounts are in \$000)

1. Significant Accounting Policies

f) Future accounting pronouncements

(iii) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the Board's December 31, 2023 year-end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.

(iv) PS 3280, Asset Retirement Obligations (ARO), addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Board's December 31, 2023 year-end).

(v) PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 (the Board's December 31, 2024 year-end).

2. Due from the City of Mississauga

There are no specific terms of repayment and the amounts do not bear any interest due from the City.

3. Pension Agreements

The Board makes contributions to OMERS, a multi-employer defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay on behalf of all permanent, full-time members of its staff. The plan is accounted for as a defined contribution plan. During the year, the Board contributed \$1,456 (2019 \$1,453) on behalf of these eligible employees and the employees contributed \$1,501 (2019 \$1,452).

4. Employee Benefits & Other Liabilities

Employee benefits and other liabilities, reported on the statement of financial position, are made up of the following:

	2020	2019
	\$	\$
WSIB benefits	316	131
Accumulated sick leave benefit plan entitlements	60	107
Early retirement benefits	982	985
Post-employment benefits	1,031	909
Vacation Liability	974	911
Total	3,363	3,043

(i) WSIB: The Board has elected to be a Schedule 2 employer under the provisions of WSIB, and as such, remits payments to the WSIB only as required to fund disability payments. A full actuarial study of this obligation was completed in December 2019, in accordance with the financial reporting guidelines established by PSAB.

(ii) Accumulated sick leave benefits accrue to certain employees of the Board and are paid out either on approved retirement, or upon termination or death. The accrued benefit obligation and the net periodic benefit cost were determined by a full actuarial valuation completed in December 2019, in accordance with the financial reporting guidelines established by PSAB.

(iii) Early retirement benefits are representative of the Board's share of the cost to provide certain employees with extended benefits upon early retirement. The accrued benefit obligation and the net periodic benefit cost were determined by a full actuarial valuation completed in December 2019, in accordance with the financial reporting guidelines established by PSAB.

(iv) Post-employment benefits are paid on behalf of any employee on long-term disability. The accrued benefit obligation and the net periodic cost were determined by a full actuarial valuation completed in December 2019, in accordance with the financial reporting guidelines established by PSAB.

City of Mississauga - Public Library Board

Notes to the Financial Statements

For the Year Ended December 31, 2020

(All dollar amounts are in \$000)

4. Employee Benefits & Other Liabilities

Information about the Board's defined benefit plans is as follows:

	2020				2019	
	WSIB	Sick Leave	Early Retirement	Post-Employment	Total	Total
	\$	\$	\$	\$	\$	\$
Accrued benefit obligation, beginning of year	131	107	985	909	2,132	2,269
Service cost	190	-	31	171	392	63
Interest cost	37	1	31	31	100	68
Amortization of actuarial (gain)/loss	93	(41)	(5)	(5)	42	(55)
Benefit payments	(135)	(7)	(60)	(75)	(277)	(213)
Accrued benefit obligation, end of year	316	60	982	1,031	2,389	2,132
Unamortized actuarial (gain)/loss	814	(35)	(75)	(14)	690	734
Actuarial valuation update, end of year	1,130	25	907	1,017	3,079	2,866

Expected average remaining service life 10 years 3 years 13 years 8 years

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimates. The following represents the more significant assumptions made:

	WSIB	Sick Leave	Early Retirement	Post Employment
Expected inflation rate	1.75 %	1.75 %	1.75 %	1.75 %
Expected level of salary increases	n/a	2.75 %	2.75 %	2.75 %
Interest discount rate	3.50 %	3.50 %	3.50 %	3.25 %
Expected health care increases	3.75 %	n/a	6.75 %	6.75 %

5. Commitments

The Board has entered into various operating leases for premises. Anticipated payments under such leases during the next five years are approximately as follows:

	\$
2021	343
2022	202
2023	156
2024	39
Total	740

City of Mississauga - Public Library Board

Notes to the Financial Statements

For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

6. Budget Data

Budget data presented in these financial statements are based upon the 2020 operating and capital budgets as approved by Council and adopted by the Board at the April 22, 2020 meeting. Adjustments to budgeted values were required to provide comparative budget values based on the full accrual basis of accounting. The chart below reconciles the approved budget with the budget figures as presented in these financial statements.

	Budget Amount \$
Revenue	
Approved Operating Budget	2,102
Adjustments:	
City contribution (net of allocations)	28,928
Adjusted Operating Budget	31,030
Approved capital budget	4,021
Adjustments:	
Adjustments for transfers from reserve funds	(4,021)
Adjusted Capital Budget	-
Total Revenues	31,030
Expenses	
Approved Operating Budget	30,767
Adjustments:	
Budget adjustments	(252)
Allocations	515
Library books transferred to TCA	(4,005)
Transfers to own	(63)
Amortization	5,897
Adjusted Operating Budget	32,859
Approved capital budget	4,021
Adjustments:	
Eliminate capital expense budget	(4,021)
Adjusted Capital Budget	-
Total Expenses	32,859
Annual Deficit	(1,829)

City of Mississauga - Public Library Board

Notes to the Financial Statements

For the Year Ended December 31, 2020

(All dollar amounts are in \$000)

7. Tangible Capital Assets

Tangible capital assets are non-financial assets that are generally not available to the Board for use in discharging its existing liabilities and are held for use in the provision of services. These assets are significant economic resources that are not intended for sale in the ordinary course of business and have an estimated useful life that extends beyond the current year. Examples include buildings, books, furniture, land, etc.

Library Tangible Capital Assets

Cost	December 31, 2019 \$	Additions \$	Disposals \$	December 31, 2020 \$
Land	1,247	-	-	1,247
Land improvements	404	-	-	404
Buildings	99,488	-	-	99,488
Equipment, books and other	35,140	2,548	-	37,688
Vehicles	158	59	50	167
Total	136,437	2,607	50	138,994

Accumulated Amortization	December 31, 2019 \$	Amortization Expense \$	Disposals \$	December 31, 2020 \$
Land	-	-	-	-
Land improvements	349	11	-	360
Buildings	45,781	2,620	-	48,401
Equipment, books and other	19,286	3,255	-	22,541
Vehicles	118	11	50	79
Total	65,534	5,897	50	71,381

Net Book Value	December 31, 2019 \$	December 31, 2020 \$
Land	1,247	1,247
Land Improvements	55	44
Buildings	53,707	51,087
Equipment, books and other	15,854	15,147
Vehicles	40	88
Total	70,903	67,613

City of Mississauga - Public Library Board

Notes to the Financial Statements

For the Year Ended December 31, 2020

(All dollar amounts are in \$000)

8. Financial risk management

It is management's opinion that the Board is not exposed to significant liquidity, interest rate, credit, market, or cash flow risk. There has been no change to the risk exposure from 2019, except as noted below.

General economic risk:

During the year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures include the implementation of travel bans, self-imposed quarantine periods and social distancing.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. These emergency measures and economic impacts could include potential future decreases in revenue and expenses.

9. Comparative Figures

Certain comparative information has been reclassified to the financial presentation adopted in the current year.

City of Mississauga - Trust Funds
Financial Statements
Year Ended December 31, 2020

DRAFT #1
April 7, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Mississauga

Opinion

We have audited the financial statements of the trust funds of the Corporation of the City of Mississauga (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations 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 trust funds of the Entity as at December 31, 2020, and its results of operations 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 **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' 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.

Auditors' 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 auditors' 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.

Page 3

- 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 auditors' 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 auditors' 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.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 30, 2021

City of Mississauga - Trust Funds

Statement of Financial Position

as at December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	2020		2019	
	Perpetual Care \$	Election Surplus \$	Total \$	Total \$
Financial Assets				
Cash	55	-	55	256
Accounts Receivable	4	-	4	4
Due (to)/from City of Mississauga (Note 2)	41	-	41	(13)
Investments (Note 3)	886	-	886	893
Net Financial Assets and Accumulated Surplus	986	-	986	1,140

The accompanying notes are an integral part of these financial statements.

City of Mississauga - Trust Funds

Statement of Operations

for the year ended December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	2020		2019	
	Perpetual Care \$	Election Surplus \$	Total \$	Total \$
Revenues				
Interest	26	1	27	36
Receipts	67	-	67	19
Surplus Proceeds	-	-	-	217
Total Revenues	93	1	94	272
Expenses				
Surplus forfeited to City (Note 5)	-	222	222	-
Cemetery maintenance	26	-	26	32
Total Expenses	26	222	248	32
Annual surplus/(deficit)	67	(221)	(154)	240
Accumulated surplus, beginning of year	919	221	1,140	900
Accumulated surplus, end of year	986	-	986	1,140

The accompanying notes are an integral part of these financial statements.

City of Mississauga - Trust Funds

Notes to the Financial Statements

For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

1. Significant Accounting Policies

The financial statements of the City of Mississauga Trust Funds are prepared by management in accordance with general accepted accounting principles (GAAP) for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada). One significant aspect of the accounting policies adopted by the City is as follows:

a) Basis of Accounting

Perpetual Care revenue is reported on receipt and interest income is reported on the accrual basis of accounting. Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

2. Due (to)/from the City of Mississauga

This represents the net effect of the perpetual care receipts collected during the year offset by the interest earned resulting in an amount due to the City of Mississauga as at December 31, 2020 and transferred from the Trust Funds on March 1, 2021. The balance due (to)/from the City of Mississauga is non-interest bearing and due on demand.

3. Investments

The total investments by the Trust Funds of \$886 (2019 - \$893) reported on the statement of financial position at cost, have a market value of \$973 (2019 - \$936) at the end of the year.

4. Perpetual Care Fund

The Perpetual Care Fund administered by the City is funded by the sale of cemetery plots. These funds are invested and earnings derived therefrom are used to perform perpetual care maintenance to the municipality's cemeteries. The operations and investments of the Funds are undertaken by the City in accordance with the regulations of the Funeral, Burial and Cremations Services Act.

5. Election Trust Fund

The Election Trust Fund is established in accordance with the 2016 Municipal Elections Act ("Act"). The Act states, per S.88.31(4), that if the financial statement or supplementary financial statement filed with the clerk shows a surplus and the campaign period has ended at the time the statement is filed, the candidate or registered third party shall, when the statement is filed, pay the surplus to the clerk. Per S.88.31(5), the clerk shall hold the amount paid under subsection (4) in trust for the candidate or registered third party.

Per S.88.31(8), for a candidate, the amount held in trust becomes the property of the municipality or local board, as the case may be, when all of the following conditions are satisfied:

1. The election campaign period has ended under paragraph 2, 3 or 4 of subsection 88.24 (1).
2. It is no longer possible to recommence the campaign period under paragraph 5 of subsection 88.24 (1).
3. No recount, proceeding under section 83 (controverted elections) or compliance audit has been commenced.
4. The period for commencing a recount, a proceeding under section 83 or a compliance audit has expired.

Per S.88.31(9), for a registered third party, the amount held in trust becomes the property of the municipality when all of the following conditions are satisfied:

1. The campaign period has ended under paragraph 2 or 3 of section 88.28.
2. It is no longer possible to recommence the campaign period under paragraph 4 of section 88.28.
3. No compliance audit has been commenced.
4. The period for commencing a compliance audit has expired. 2016, c. 15, s. 62.

Per S.88.32(2), if the candidate or registered third party notifies the clerk in writing that he, she or it is incurring subsequent expenses relating to a compliance audit, the clerk shall return the amount of the surplus, with interest, to the candidate or registered third party.

City of Mississauga - Trust Funds

Notes to the Financial Statements

For the Year Ended December 31, 2020

(All dollar amounts are in \$000)

6. Financial Risk Management

It is management's opinion that the Trust Funds are not exposed to significant liquidity, interest rate, credit, market, or cash flow risk. There has been no change to the risk exposure from 2019, except as noted below.

General economic risk:

During the year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures include the implementation of travel bans, self-imposed quarantine periods and social distancing.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. These emergency measures and economic impacts could include potential future decreases in revenue and expenses.

City of Mississauga - Tourism Mississauga
Financial Statements
Year Ended December 31, 2020

DRAFT #1
April 14, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of City of Council, Inhabitants and Ratepayers of
The Corporation of the City of Mississauga

Opinion

We have audited the financial statements of Tourism Mississauga (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of operations 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, 2020, and its results of operations 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 **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' 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.

Auditors' 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 auditors' 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.

Page 3

- 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 auditors' 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 auditors' 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.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 30, 2021

Tourism Mississauga

Statement of Financial Position

as at December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	2020 \$	2019 \$
Financial Assets		
Due from the City of Mississauga (Note 2)	11,558	10,505
Total Financial Assets	11,558	10,505
Financial Liabilities		
Accounts payable and accrued liabilities	48	-
Net Financial Assets	11,510	10,505
Non-Financial Assets		
Prepaid expenses	1	-
Total Non-Financial Assets	1	-
Accumulated Surplus	11,511	10,505

The accompanying notes are an integral part of these financial statements.

Tourism Mississauga

Statement of Operations

for the year ended December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	Budget 2020 \$ (Note 3)	Actual 2020 \$	Actual 2019 \$
Revenues			
Municipal Accommodation Tax (Note 4)	4,861	1,868	10,505
Expenses			
Purchased services from the City	542	531	-
Staff development	30	12	-
Communication	2	2	-
Transportation	4	1	-
Equipment usage charge	35	31	-
Professional services	64	10	-
Advertising and promotion	370	186	-
Materials and supplies	42	59	-
External transfers to others	350	17	-
Administrative support charged by the City	13	13	-
Total Expenses	1,452	862	-
Annual surplus	3,409	1,006	10,505
Accumulated surplus, beginning of year	10,505	10,505	-
Accumulated surplus, end of year	13,914	11,511	10,505

The accompanying notes are an integral part of these financial statements.

Tourism Mississauga**Statement of Change in Net Financial Assets**

for the year ended December 31, 2020 with comparatives for 2019

(All dollar amounts are in \$000)

	2020 Actual \$	2019 Actual \$
Annual surplus	1,006	10,505
Acquisition of prepaid expenses	(1)	-
Increase in Net Financial Assets	1,005	10,505
Net Financial Assets, beginning of year	10,505	-
Net Financial Assets, end of year	11,510	10,505

The accompanying notes are an integral part of these financial statements.

Tourism Mississauga

Statement of Cash Flows

for the year ended December 31, 2020 with comparatives for 2019
(All dollar amounts are in \$000)

	2020 \$	2019 \$
Cash provided by (used in):		
Operating activities:		
Annual surplus	1,006	10,505
Items not involving cash:		
Change in non-cash working capital:		
Due from the City of Mississauga	(1,053)	(10,505)
Accounts payable and accrued liabilities	48	-
Prepaid expenses	(1)	-
Net change in cash, being cash, end of year	-	-

The accompanying notes are an integral part of these financial statements.

Tourism Mississauga

Notes to the Financial Statements

For the Year Ended December 31, 2020

(All dollar amounts are in \$000)

Tourism Mississauga (the “Corporation”), incorporated under Ontario Regulation 599/06, is a Municipal Services Corporation that was formed to promote tourism in The Corporation of the City of Mississauga (the “City”). The Corporation is owned 100% by the City.

1. Significant Accounting Policies

The Corporation’s financial statements are prepared by management in accordance with generally accepted accounting principles (GAAP) for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the Corporation are as follows:

a) Basis of accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become measurable; expenses are the cost of goods and services acquired in the period whether or not payment has been made on invoices received.

b) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

c) 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 period.

Actual results could differ from those estimates.

d) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2020, 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.

(i) PS 1201, Financial Statement Presentation, was issued in June, 2011. This standard requires entities to present a new statement of remeasurement gains and losses separate from the statement of operations. This new statement includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard is effective for fiscal years beginning on or after April 1, 2022 and applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted (the Corporation's December 31, 2023 year-end).

(ii) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has recently been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the Corporation's December 31, 2023 year-end).

(iii) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2022 (the Corporation's December 31, 2023 year-end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.

(iv) PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Corporation's December 31, 2023 year-end).

(v) PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 (the Corporation's December 31, 2024 year-end).

Tourism Mississauga

Notes to the Financial Statements

For the Year Ended December 31, 2020
(All dollar amounts are in \$000)

2. Due from the City of Mississauga

This represents the municipal accommodation tax revenue, less net expenses paid by the City on behalf of the Corporation, due from the City. There are no specific terms of repayment and the amounts do not bear any interest due from the City.

3. Budget Adoption

The 2020 budget was adopted by the Corporation on June 15, 2020, and subsequently approved by City Council on June 24, 2020.

4. Revenues - Municipal Accommodation Tax

This represents 50 percent of the City's net municipal accommodation tax revenue collected during the year of 2020. The 2019 amount represents revenue collected during the fiscal years of 2018 and 2019.

5. Financial Risk Management

It is management's opinion that the Corporation is not exposed to significant liquidity, interest rate, credit, market, or cash flow risk. There has been no change to the risk exposure from 2019, except as noted below.

General economic risk:

During the year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures include the implementation of travel bans, self-imposed quarantine periods and social distancing.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. These emergency measures and economic impacts could include potential future decreases in revenue and expenses.

Financial Statements of

**CITY OF MISSISSAUGA
CLARKSON VILLAGE BUSINESS
IMPROVEMENT ASSOCIATION**

And Independent Auditors' Report thereon

Year ended December 31, 2020



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' REPORT

To the Members of City of Mississauga Clarkson Village Business Improvement Association, Council, Inhabitants and Ratepayers of The Corporation of the City of Mississauga

Opinion

We have audited the financial statements of City of Mississauga Clarkson Village Business Improvement Association (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- 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, 2020, 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.



Page 2

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.

Auditors' 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 auditors' 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.



Page 3

- 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.
- 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 auditors' 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 auditors' 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

March 9, 2021

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial Assets		
Cash	\$ 98,699	\$ 71,495
Accounts receivable and other assets	4,347	4,991
Due from The Corporation of the City of Mississauga (note 2)	—	766
	103,046	77,252
Financial Liabilities		
Accounts payable and accrued liabilities	2,984	1,298
Due to The Corporation of the City of Mississauga (note 2)	1,635	—
	4,619	1,298
Net financial assets	98,427	75,954
Tangible capital assets (note 3)	5,494	6,868
Accumulated surplus (note 4)	\$ 103,921	\$ 82,822

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Treasurer

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020	Actual 2020	Actual 2019
Revenue:			
Special levy on business assessment	\$ 73,000	\$ 71,365	\$ 73,766
Sponsorship	5,000	—	4,775
Other	—	201	2,600
	78,000	71,566	81,141
Expenses:			
Advertising and promotion	32,900	899	25,257
Beautification and maintenance	37,000	29,143	31,031
Office and general	10,050	13,679	11,040
Professional fees	3,000	3,180	2,951
Amortization of tangible capital assets	1,500	1,374	1,717
Insurance	2,050	2,192	2,027
	86,500	50,467	74,023
Annual surplus (deficit)	(8,500)	21,099	7,118
Accumulated surplus, beginning of year	82,822	82,822	75,704
Accumulated surplus, end of year (note 4)	\$ 74,322	\$ 103,921	\$ 82,822

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Statement of Change in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	Actual 2020	Actual 2019
Annual surplus	\$ 21,099	\$ 7,118
Amortization of tangible capital assets	1,374	1,717
Change in net financial assets	22,473	8,835
Net financial assets, beginning of year	75,954	67,119
Net financial assets, end of year	\$ 98,427	\$ 75,954

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 21,099	\$ 7,118
Items not involving cash:		
Amortization of tangible capital assets	1,374	1,717
Changes in non-cash operating working capital:		
Accounts receivable and other assets	644	2,232
Accounts payable and accrued liabilities	1,686	—
	24,803	11,067
Financing activities:		
Due from/to The Corporation of the City of Mississauga	2,401	(1,866)
Increase in cash	27,204	9,201
Cash, beginning of year	71,495	62,294
Cash, end of year	\$ 98,699	\$ 71,495

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2020

On August 8, 1983, 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 Clarkson Business Improvement District. In 2012, the Clarkson Business Improvement District changed its name to Clarkson Village Business Improvement Association (the "Association"). 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 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 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 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.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

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 for furniture and fixtures is provided on a declining balance at 20% each year.

(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.

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

The amount due from/to The Corporation of the City of Mississauga includes the cumulative underlevy as of December 31, 2020 (2019 - overlevy). The amount receivable has no specific terms of repayment and does not bear any interest due from the City.

Amounts payable to the City are non-interest bearing and payable on demand.

3. Tangible capital assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 23,167	\$ 17,673	\$ 5,494	\$ 6,868

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

4. Accumulated surplus:

Accumulated surplus at December 31 comprises the following:

	2020	2019
Reserve for working capital needs	\$ 98,427	\$ 75,954
Invested in tangible capital assets	5,494	6,868
	<u>\$ 103,921</u>	<u>\$ 82,822</u>

5. Financial risk management:

It is management's opinion that the Association is not exposed to significant liquidity, interest rate, credit, market, or cash flow risk. There has been no change to the risk exposure from 2019, except as noted below.

General economic risk:

During the year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have resulted in a decline in revenues due to the cancellation of events and lockdown measures.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. These emergency measures and economic impacts could include potential future decreases in revenue and expenses.

Financial Statements of

**CITY OF MISSISSAUGA
MALTON BUSINESS
IMPROVEMENT AREA**

And Independent Auditors' Report thereon

Year ended December 31, 2020



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' REPORT

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

- the statement of financial position as at December 31, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets (debt) 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, 2020, and its results of operations, its change in net financial assets (debt) 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 **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' 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.



Page 2

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.

Auditors' 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 auditors' 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.



Page 3

- 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 auditors' 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 auditors' 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 12, 2021

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial Assets		
Cash	\$ 96,728	\$ 69,957
Accounts receivable and other assets (note 8)	35,642	40,454
Due from The Corporation of the City of Mississauga (note 3)	—	5,375
	<u>132,370</u>	<u>115,786</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 2)	17,692	30,496
Deferred revenue	24,937	—
Other liability (note 4)	535,995	—
Due to The Corporation of the City of Mississauga (note 3)	18,983	—
	<u>597,607</u>	<u>30,496</u>
Net financial assets (debt)	(465,237)	85,290
Non-Financial Assets		
Tangible capital assets (note 5)	742,602	157,912
Commitments (notes 4 and 7)		
Accumulated surplus (note 6)	<u>\$ 277,365</u>	<u>\$ 243,202</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

Year ended December 31, 2020, with comparative information for 2019

	2020 Budget	2020	2019
Revenue:			
Special levy on business assessment	\$ 146,140	\$ 127,157	\$ 151,515
Special event - Canada Day sponsorship revenue	110,000	—	57,000
Other grants	52,080	18,284	33,000
Other	—	29,599	33,250
	308,220	175,040	274,765
Expenses:			
Special event - Canada Day expenses	104,360	1,667	86,256
Office and administration (note 2)	75,382	70,193	79,205
Beautification and maintenance	5,500	6,044	13,463
Advertising and promotion	6,400	6,935	3,674
Amortization	—	42,510	16,800
Other event	47,300	13,528	720
Sponsorship	10,000	—	250
	248,942	140,877	200,368
Annual surplus	59,278	34,163	74,397
Accumulated surplus, beginning of year	243,202	243,202	168,805
Accumulated surplus, end of year	\$ 302,480	\$ 277,365	\$ 243,202

See accompanying notes to financial statements.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Statement of Change in Net Financial Assets (Debt)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Annual surplus	\$ 34,163	\$ 74,397
Additions to tangible capital assets	(627,200)	(141,643)
Amortization of tangible capital assets	42,510	16,800
Change in net financial debt	(550,527)	(50,446)
Net financial assets, beginning of year	85,290	135,736
Net financial assets (debt), end of year	\$ (465,237)	\$ 85,290

See accompanying notes to financial statements.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 34,163	\$ 74,397
Amortization of tangible capital assets which does not involve cash	42,510	16,800
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable and other assets	4,812	(25,775)
Increase (decrease) in accounts payable and accrued liabilities	(12,804)	567
Increase (decrease) in deferred revenue	24,937	(23,700)
Increase (decrease) in due to/from The Corporation of the City of Mississauga	24,358	(22,220)
	117,976	20,069
Capital activities:		
Additions to tangible capital assets	(627,200)	(141,643)
Other liability	535,995	—
	(91,205)	(141,643)
Increase (decrease) in cash	26,771	(121,574)
Cash, beginning of year	69,957	191,531
Cash, end of year	\$ 96,728	\$ 69,957

See accompanying notes to financial statements.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2020

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 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 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.

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

(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 MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2020

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 for fixtures and decorations is provided on a straight-line basis for a term of five years. Assets under construction are not amortized until the asset is available for productive use.

(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. Related party transactions:

Included in office and administration expense are \$4,862 (2019 - \$6,696) of services provided by companies owned by members of the Board of Directors. Accounts payable and accrued liabilities include \$684 (2019 - \$1,187) in respect of these related party transactions.

3. 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 as at December 31, 2020 (2019 - overlevy). The amount is non-interest bearing and payable on demand.

4. Other liability:

During the year, the Association entered into an agreement with the City whereby the Association would undertake to construct an Avro Arrow sculpture to be displayed in the area and the City will fund up to \$2,200,000 of the project. The Association is responsible for fundraising the remaining portion of the project costs. At the completion of the project, the sculpture and associated assets will transfer to the City at no cost.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2020

4. Other liability (continued):

Also during the year, the Association entered into a design and development agreement with a contractor to construct the sculpture at a cost of \$2,731,500. To date, \$533,995 has been received from the City and recorded within Avro Arrow project liability. Costs expended towards the sculpture have been recorded as asset under construction and are disclosed in note 5.

5. Tangible capital assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Fixtures and decorations	\$ 347,703	\$ 145,853	\$ 201,850	\$ 119,160
Assets under construction	540,752	—	540,752	38,752
	\$ 888,455	\$ 145,853	\$ 742,602	\$ 157,912

6. Accumulated surplus:

The accumulated surplus as at December 31 comprises the following:

	2020	2019
Reserve (deficit) for working capital needs	\$ (465,237)	\$ 85,290
Invested in tangible capital assets	742,602	157,912
	\$ 277,365	\$ 243,202

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2020

7. Commitments:

The Association has entered into an operating agreement for utilities that expires in 2021 and a lease agreement for premises that expires in 2023. Both agreements are with the Corporation of the City of Mississauga. The annual commitments are approximately as follows:

2021	\$ 3,600
2022	2,100
2023	525

8. Financial instruments:

It is management's opinion that the Association is not exposed to significant liquidity, interest rate, market, or cash flow risk. There has been no change to the risk exposure from 2019, except as noted in note 7(b).

(a) Credit risk:

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Association is exposed to credit risk on accounts receivable. The Association has recorded an allowance for doubtful accounts of nil (2019 - \$15,000) for accounts receivable.

(b) General economic risk:

During the year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have resulted in a decline in revenue due to the cancellation of events and lockdown measures.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. These emergency measures and economic impacts could include potential future decreases in revenue and expenses.

Financial Statements of

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

And Independent Auditors' Report thereon

Year ended December 31, 2020



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' 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, 2020
- 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, 2020, 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.



Page 2

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.

Auditors' 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 auditors' 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.



Page 3

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.
- 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 auditors' 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 auditors' 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

March 29, 2021

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial Assets:		
Cash	\$ 227,286	\$ 133,554
Investment (note 2)	39,725	-
Accounts receivable	61,006	62,252
	<u>328,017</u>	<u>195,806</u>
Financial Liabilities:		
Accounts payable and accrued liabilities	\$ 41,874	\$ 31,244
Due to The Corporation of the City of Mississauga (note 3)	36,045	19,703
	<u>77,919</u>	<u>50,947</u>
Net financial assets	250,098	144,859
Prepaid expenses	26,161	5,985
Tangible capital assets (note 4)	127,859	88,453
Commitment (note 7)		
Accumulated surplus (note 5)	<u>\$ 404,118</u>	<u>\$ 239,297</u>

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	2020 Budget	2020	2019
Revenue:			
Special levy on business assessment	\$ 901,000	\$ 864,955	\$ 836,830
Fundraising	78,300	120,386	52,619
Interest income	-	2,110	3,111
	979,300	987,451	892,560
Expenses:			
Office and general (note 6)	287,600	264,270	273,328
Beautification and maintenance	346,000	301,339	206,219
Project expenses	105,800	111,632	133,790
Advertising and promotion	81,500	88,359	49,484
Sponsorships	80,000	10,500	80,500
Amortization of tangible capital assets	-	26,009	33,162
Business development (note 6)	20,000	1,364	18,052
Information technology	5,000	15,050	-
Repairs and maintenance	20,000	4,107	4,396
Loss on disposal	-	-	12,655
	945,900	822,630	811,586
Annual surplus	33,400	164,821	80,974
Accumulated surplus, beginning of year	239,297	239,297	158,323
Accumulated surplus, end of year (note 5)	\$ 272,697	\$ 404,118	\$ 239,297

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, 2020, with comparative information for 2019

	2020	2019
Annual surplus	\$ 164,821	\$ 80,974
Additions to tangible capital assets	(65,415)	(94,244)
Amortization of tangible capital assets	26,009	33,162
Loss on disposal of tangible capital assets	-	12,655
Change in prepaid expenses	(20,176)	4,325
Change in net financial assets	105,239	36,892
Net financial assets, beginning of year	144,859	107,967
Net financial assets, end of year	\$ 250,098	\$ 144,859

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 164,821	\$ 80,974
Items not involving cash:		
Amortization of tangible capital assets	26,009	33,162
Loss on disposal of tangible capital assets	-	12,655
Changes in non-cash operating working capital:		
Increase (decrease) in accounts receivable	1,246	(17,357)
Increase (decrease) in prepaid expenses	(20,176)	4,325
Increase (decrease) in accounts payable and accrued liabilities	10,630	(3,202)
Increase in due to The Corporation of the City of Mississauga	16,342	4,514
	198,872	(115,071)
Investing activities:		
Increase in investment	(39,725)	-
Capital activities:		
Additions to tangible capital assets	(65,415)	(94,224)
Increase in cash	93,732	20,847
Cash, beginning of year	133,554	112,707
Cash, end of year	\$ 227,286	\$ 133,554

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2020

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 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 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 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 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 Corporation of the City of Mississauga on behalf of the Organization.

(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.

(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.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2020

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:

Asset	Basis	Rate
Machinery and equipment	Straight-line	4 years
Furniture and fixtures	Straight-line	4 years
Leasehold improvements	Straight-line	5 years

(e) 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. Investment:

Investment consists of a guaranteed investment certificate bearing interest at 0.75% (2019 - nil) with a maturity date of January 2022 (2019 - nil).

3. 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, 2020. 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, 2020

4. Tangible capital assets:

				2020	2019
	Cost	Accumulated amortization		Net book value	Net book value
Machinery and equipment	\$ 214,093	\$ 106,724	\$	107,369	\$ 64,583
Furniture and fixtures	18,748	16,098		2,650	1,475
Leasehold improvements	22,775	4,935		17,840	22,395
	\$ 255,616	\$ 127,757	\$	127,859	\$ 88,453

5. Accumulated surplus:

The accumulated surplus at December 31 comprised the following:

	2020	2019
Invested in tangible capital assets	\$ 127,859	\$ 88,453
Reserves for working capital needs	276,259	150,844
	\$ 404,118	\$ 239,297

6. Related party transactions:

Office and general and business development expenses includes \$1,140 (2019 - \$4,000) of services provided by a company owned by a member of the Board of Directors. There are nil (2019 - nil) amounts included in accounts payable and accrued liabilities in respect of these related party transactions.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2020

7. Commitment:

The Organization has an operating lease arrangement with the City for its office premises, expiring July 31, 2024.

Amounts payable under this lease is as follows:

2021	\$	16,666
2022		17,166
2023		17,681
2024		10,492
	\$	62,005

8. Financial risk management:

It is management's opinion that the Association is not exposed to significant liquidity, interest rate, credit, market, or cash flow risk. There has been no change to the risk exposure from 2019, except as noted below.

General economic risk:

During the year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have resulted in a decline in revenues due to the cancellation of events and lockdown measures.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. These emergency measures and economic impacts could include potential future decreases in revenue and expenses.

Financial Statements of

**CITY OF MISSISSAUGA
STREETSVILLE BUSINESS
IMPROVEMENT DISTRICT
ASSOCIATION**

And Independent Auditors' Report thereon

Year ended December 31, 2020



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' REPORT

To the Members of City of Mississauga Streetsville Business Improvement District Association, Council, Inhabitants and Ratepayers of The Corporation of the City of Mississauga

Opinion

We have audited the financial statements of City of Mississauga Streetsville Business Improvement District Association (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- 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, 2020, 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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.



Page 2

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.

Auditors' 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 auditors' 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.



Page 3

- 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 auditors' 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 auditors' 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.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

March 3, 2021

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash	\$ 84,267	\$ 12,299
Accounts receivable	26,150	41,773
	\$ 110,417	\$ 54,072

Financial liabilities:

Accounts payable and accrued liabilities	\$ 26,119	\$ 7,669
Due to The Corporation of the City of Mississauga (note 2)	22,048	2,633
Deferred revenue (note 4)	10,635	-
	58,802	10,302
Net financial assets	51,615	43,770
Tangible capital assets (note 3)	39,053	49,507
Accumulated surplus (note 5)	\$ 90,668	\$ 93,277

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director _____ Director

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	2020 Budget	2020	2019
Revenue:			
Special levy on business assessment	\$ 399,766	\$ 377,721	\$ 384,680
Fundraising	62,800	30,602	79,244
Other income	4,000	-	16
	466,566	408,323	463,940
Expenses:			
Advertising and promotion	136,750	72,456	154,177
Office and administration	174,323	166,115	160,326
Beautification and maintenance	142,993	156,480	133,668
Amortization of capital assets	-	15,881	17,644
	454,066	410,932	465,815
Annual surplus (deficit)	12,500	(2,609)	(1,875)
Accumulated surplus, beginning of year	93,277	93,277	95,152
Accumulated surplus, end of year (note 5)	\$ 105,777	\$ 90,668	\$ 93,277

See accompanying notes to financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Statement of Change in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Annual deficit	\$ (2,609)	\$ (1,875)
Additions to tangible capital assets	(5,427)	(4,800)
Amortization of tangible capital assets	15,881	17,644
Change in net financial assets	7,845	10,969
Net financial assets, beginning of year	43,770	32,801
Net financial assets, end of year	\$ 51,615	\$ 43,770

See accompanying notes to financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (2,609)	\$ (1,875)
Item not involving cash:		
Amortization of tangible capital assets	15,881	17,644
Changes in non-cash operating working capital:		
(Increase) decrease in accounts receivable	15,623	(20,794)
Increase (decrease) in accounts payable and accrued liabilities	18,450	(3,555)
Decrease in due to The Corporation of the City of Mississauga	19,415	(3,176)
Increase (decrease) in deferred revenue	10,635	(1,538)
	77,395	(13,294)
Capital activities:		
Additions to tangible capital assets	(5,427)	(4,800)
Increase (decrease) in cash	71,968	(18,094)
Cash, beginning of year	12,299	30,393
Cash, end of year	\$ 84,267	\$ 12,299

See accompanying notes to financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2020

On November 5, 1979, 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 Streetsville Business Improvement District Association (the "Association"). 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 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 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) Deferred revenue:

Deferred revenue represent grants for specific events or expenditures which have been received, but for which the related event or expenditures have yet to take place or be incurred. These amounts will be recognized as revenues in the fiscal year the event occurs or in which in the expenditures have been incurred.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

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 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:

Asset	Basis	Rate
Furniture, fixtures and decoratives	Straight line	5 - 10 years
Benches	Straight-line	5 years

(e) 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 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, 2020. The amount is non-interest bearing and payable on demand.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Tangible capital assets:

			2020		2019	
	Cost	Accumulated amortization	Net book value		Net book value	
Furniture, fixtures and decoratives	\$ 159,477	\$ 126,439	\$ 33,038	\$	46,535	
Benches	26,258	23,246	3,012		2,972	
Computer equipment	3,337	334	3,003		-	
	\$ 189,072	\$ 150,019	\$ 39,053	\$	49,507	

4. Deferred revenue:

Deferred revenue as at December 31 comprises the following:

			2020		2019	
Royal Bank of Canada grant			\$ 7,500	\$	-	
City of Mississauga grant			3,135		-	
			\$ 10,635	\$	-	

5. Accumulated surplus:

The accumulated surplus as at December 31 comprises the following:

			2020		2019	
Reserve for working capital needs			\$ 51,615	\$	43,770	
Invested in tangible capital assets			39,053		49,507	
			\$ 90,668	\$	93,277	

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2020

6. Financial risk management:

It is management's opinion that the Association is not exposed to significant liquidity, interest rate, credit, market, or cash flow risk. There has been no change to the risk exposure from 2019, except as noted below.

General economic risk:

During the year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have resulted in a decline in revenues due to the cancellation of events and lockdown measures.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. These emergency measures and economic impacts could include potential future decreases in revenue and expenses.

Financial Statements of

**CITY OF MISSISSAUGA
COOKSVILLE BUSINESS
IMPROVEMENT AREA**

And Independent Auditors' Report thereon

Period from February 19, 2020 to December 31, 2020



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' 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, 2020
- the statement of operations and accumulated surplus for the period from February 19, 2020 to December 31, 2020
- the statement of change in net financial assets for the period from February 19, 2020 to December 31, 2020
- the statement of cash flows for the period from February 19, 2020 to December 31, 2020
- 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, 2020, and its results of operations, its change in net financial assets and its cash flows for the period from February 19, 2020 to December 31, 2020 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 **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' 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.



Page 2

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.

Auditors' 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 auditors' 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.



Page 3

- 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 auditors' 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 auditors' 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

March 11, 2021

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2020

Financial Assets

Cash	\$ 272,115
Due from The Corporation of the City of Mississauga (note 2)	25
	<hr/> 272,140

Financial Liabilities

Accounts payable and accrued liabilities	<hr/> 2,620
Net financial assets	269,520
Prepaid expenses	706
Accumulated surplus (note 3)	<hr/> \$ 270,226

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Treasurer

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Operations and Accumulated Surplus

Period from February 19, 2020 to December 31, 2020

	Budget	Actual
Revenue:		
Special levy on business assessment	\$ 273,000	\$ 273,025
Expenses:		
Professional fees	8,500	2,620
Office and administration	79,062	179
Beautification and maintenance	165,040	—
Advertising and promotion	6,200	—
	258,802	2,799
Annual surplus, being accumulated surplus, end of period (note 3)	\$ 14,198	\$ 270,226

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Change in Net Financial Assets

Period from February 19, 2020 to December 31, 2020

Annual surplus	\$ 270,226
Change in prepaid expenses	(706)
Change in net financial assets, being net financial assets, end of period	\$ 269,520

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Period from February 19, 2020 to December 31, 2020

Cash provided by (used in):

Operating activities:

Annual surplus	\$ 270,226
Change in non-cash operating items:	
Prepaid expenses	(706)
Accounts payable and accrued liabilities	2,620
	<hr/> 272,140

Financing activities:

Due from The Corporation of the City of Mississauga	(25)
---	------

Increase in cash, being cash, end of period	\$ 272,115
---	------------

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Period from February 19, 2020 to December 31, 2020

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 revenues 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) 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 COOKSVILLE

BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Period from February 19, 2020 to December 31, 2020

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

The amount due from The Corporation of the City of Mississauga includes the cumulative overlevy as at December 31, 2020. The amount receivable has no specific terms of repayment and does not bear any interest due from the City.

3. Accumulated surplus:

Accumulated surplus at December 31 comprises the following:

Reserve for working capital needs	\$ 270,226
-----------------------------------	------------

4. Financial risk management:

It is management's opinion that the Organization is not exposed to significant liquidity, interest rate, credit, market, or cash flow risk.

General economic risk:

During the year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have resulted in a decline in revenues and expenses due to the cancellation of events and lockdown measures.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations is not known at this time. These emergency measures and economic impacts could include potential future decreases in revenue and expenses.

Financial Statements of

ENERSOURCE CORPORATION

Year ended December 31, 2020



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
Fax 905-265-6390

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Enersource Corporation

Opinion

We have audited the financial statements of Enersource Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in shareholders' equity 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, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' 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.



Page 2

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 International Financial Reporting Standards (IFRS), 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.

Auditors' 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 auditors' 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.



Page 3

- 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 27, 2021

ENERSOURCE CORPORATIONStatement of Financial Position
(In thousands of Canadian dollars)

December 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash	\$ 7,306	\$ 6,836
Prepaid expense	14	131
	<u>7,320</u>	<u>6,967</u>
Non-current assets:		
Investment in Alectra Inc. (note 5)	597,800	600,243
Interest rate swap (note 7)	-	148
	<u>597,800</u>	<u>600,391</u>
Total assets	\$ 605,120	\$ 607,358
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade payables	\$ 27	\$ 30
Loans and borrowings (note 7)	2,500	2,500
	<u>2,527</u>	<u>2,530</u>
Non-current liabilities:		
Loans and borrowings (note 7)	48,125	50,625
Interest rate swap (note 7)	557	-
	<u>48,682</u>	<u>50,625</u>
Total liabilities	51,209	53,155
Shareholders' equity:		
Share capital (note 8)	175,691	175,691
Accumulated other comprehensive loss	(7,291)	(6,108)
Retained earnings	385,511	384,620
Total shareholders' equity	<u>553,911</u>	<u>554,203</u>
Total liabilities and shareholders' equity	\$ 605,120	\$ 607,358

See accompanying notes to financial statements.

On behalf of the Board:

Director_____
Director

ENERSOURCE CORPORATIONStatement of Comprehensive Income
(In thousands of Canadian dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Finance income	\$ 124	\$ 187
Share of net income from investment in Alectra Inc. (note 5)	22,321	18,008
Dilution gain on Alectra Inc.'s acquisition of Guelph Hydro Electric Systems Inc. (note 5)	-	1,471
	22,445	19,666
Expenses:		
Office supplies	29	22
Professional and legal services fee	67	58
Board management fee (note 10)	79	82
Finance expense (note 7)	974	1,387
Unrealized fair value loss on interest rate swap (note 7)	705	257
	1,854	1,806
Income before income taxes	20,591	17,860
Income tax expense (note 6)	-	-
Net income	20,591	17,860
Other comprehensive loss:		
Share of other comprehensive loss from investment in Alectra Inc. (note 5)	(1,183)	(4,436)
Total comprehensive income	\$ 19,408	\$ 13,424

See accompanying notes to financial statements.

ENERSOURCE CORPORATIONStatement of Cash Flows
(In thousands of Canadian dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash flows provided by (used in):		
Operating activities:		
Comprehensive income	\$ 19,408	\$ 13,424
Items not involving cash:		
Share of net income from investment in Alectra Inc. (note 5)	(22,321)	(18,008)
Share of other comprehensive loss from investment in Alectra Inc. (note 5)	1,183	4,436
Gain recognized on Alectra Inc.'s acquisition of Guelph Hydro Electric Systems Inc. (note 5)	-	(1,471)
Change in fair value of Interest rate swap (note 7)	705	257
Finance income	(124)	(187)
Finance expense	(974)	1,387
Change in non-cash operating working capital (note 9)	114	(3)
Cash flows used in operating activities	(2,009)	(165)
Financing activities:		
Repayment of bank loans	(2,500)	(2,500)
Dividends paid	(19,700)	(17,400)
Interest paid	974	(1,387)
Cash flows used in financing activities	(21,226)	(21,287)
Investing activities:		
Interest received	124	187
Dividends from Alectra Inc. (note 5)	23,581	23,860
Cash flows used in investing activities	23,705	24,047
Increase in cash	470	2,595
Cash, beginning of year	6,836	4,241
Cash, end of year	\$ 7,306	\$ 6,836

See accompanying notes to financial statements.

ENERSOURCE CORPORATIONStatement of Changes in Shareholders' Equity
(In thousands of Canadian dollars)

Year ended December 31, 2020, with comparative information for 2019

2020	Share capital	Accumulated other comprehensive loss	Retained earnings	Total shareholders' equity
Balance, beginning of year	\$ 175,691	\$ (6,108)	\$ 384,620	\$ 554,203
Net income	—	—	20,591	20,591
Other comprehensive loss	—	(1,183)	—	(1,183)
Dividends paid	—	—	(19,700)	(19,700)
Balance, end of year	\$ 175,691	\$ (7,291)	\$ 385,511	\$ 553,911

2019	Share capital	Accumulated other comprehensive loss	Retained earnings	Total shareholders' equity
Balance, beginning of year	\$ 175,691	\$ (1,672)	\$ 384,160	\$ 558,179
Net income	—	—	17,860	17,860
Other comprehensive loss	—	(4,436)	—	(4,436)
Dividends paid	—	—	(17,400)	(17,400)
Balance, end of year	\$ 175,691	\$ (6,108)	\$ 384,620	\$ 554,203

See accompanying notes to financial statements.

ENERSOURCE CORPORATION

Notes to Financial Statements
(In thousands of Canadian dollars)

Year ended December 31, 2020

1. General information:

(a) Corporate information:

Enersource Corporation (the "Corporation"), incorporated under the Ontario Business Corporations Act. The Corporation is owned 90% by the City of Mississauga (the "City") and 10% by BPC Energy Corporation ("Borealis"), a wholly owned subsidiary of the Ontario Municipal Employees Retirement System ("OMERS").

The Corporation's equity is not traded in a public market. The Corporation's registered office is located at 300 City Centre Drive, Mississauga, Ontario, L5B 3C1.

The Corporation's audited financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

Further, all amounts contained herein are rounded to the nearest thousand, unless otherwise noted.

On January 31, 2017, Enersource Holdings Inc. amalgamated with Power Stream Holdings Inc. and Horizon Holdings Inc. to form Alectra Inc. ("Alectra"). Alectra's primary businesses are to distribute electricity to customers in municipalities in the greater golden horseshoe area, as well as provide non-regulated energy services.

On January 31, 2017, the Corporation received a 31% ownership interest in Alectra Inc.'s issued and outstanding common shares as a result of the formation of Alectra through a series of unrelated transactions. Accordingly, the Corporation is considered to have significant influence over Alectra's financial and operating policies and has accounted for its investment in Alectra under the equity method. Refer to note 5 for further details.

On January 1, 2019, Alectra Inc. amalgamated with Guelph Hydro Electric Systems Inc. ("GHESI").

The current shareholder ownership of Alectra Inc. as a result of the 2019 merger is as follows: Barrie Hydro Holdings - 8.4%, Enersource Corporation - 29.57%, Hamilton Utilities Corporation - 17.3%, Markham Enterprises Corporation - 15%, St. Catharines Hydro Inc. - 4.6%, Vaughan Holdings Inc. - 20.5% and GMHI - 4.6%.

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

1. General information (continued):

(b) Nature of operations:

The Corporation acts as a holding company. The Corporation's principal business activity is to hold its equity interest in Alectra. The Corporation also distributes dividends to its shareholders.

2. Basis of preparation:

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been approved by the Corporation's Board of Directors on April 27, 2021.

(b) Basis of measurement:

These financial statements have been prepared on a historical cost basis, with the exception of the unrealized fair value gain (loss) on interest rate swap, which is measured at fair value through profit and loss.

3. Key accounting judgments, estimates and assumptions:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and amounts reported and disclosed in the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

There were no key sources of estimation uncertainty and judgments at the end of the reporting year that could have a significant impact on the financial statements.

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

4. Significant accounting policies:

(a) Changes in accounting policies:

The Corporation did not adopt any new IFRS standards in preparing the financial statements:

(b) Investment in Alectra:

The Corporation's interest in Alectra is recognized and measured in accordance with IAS 28, Investments in Associates and Joint Ventures.

Associates are those entities over which the Corporation has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Corporation holds between 20% and 50% of the voting power of another entity, but can also arise where the Corporation holds less than 20%, if it has the power to be actively involved and influential in policy decisions affecting the entity.

Investments in associates are accounted for using the equity method. The equity method involves the recording of the initial investment at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Corporation's share of profit or loss and any other changes in the associates' net assets, such as dividends of equity accounted investees, until the date on which significant influence ceases.

Adjustments are made to align the accounting policies of the associate with those of the Corporation before applying the equity method. When the Corporation's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Corporation has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Corporation resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

(c) Revenue recognition:

The Corporation's source of income is interest and investment income. Interest income is recognized when earned, while investment income from Alectra is recorded as per note 4(b) above.

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

4. Significant accounting policies (continued):

(d) Income taxes:

The Corporation recognizes deferred tax using the balance sheet method. Under this method, deferred income taxes reflect the net tax effects of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are probable. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that includes the date of enactment or substantive enactment.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are generally recognized on all taxable temporary differences, except on investments in subsidiaries where it is probable that the reversal of temporary differences associated with investments in subsidiaries will not occur.

Current taxes are based on taxable profit or loss for the year, which differ from profit or loss as reported in the statement of comprehensive income because it excludes items that are taxable or deductible in other years and items that are neither taxable nor deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting year.

Both current and deferred taxes are included as part of income tax expense in the statement of comprehensive income.

In determining the amount of current and deferred tax, the Corporation takes into account the impact of uncertain tax provisions and whether additional taxes and interest may be due. The Corporation believes that its accruals for tax liabilities are adequate for all tax years subject to audit based on its assessment of many factors, including interpretations of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Corporation to change its judgment regarding its income taxes.

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

4. Significant accounting policies (continued):

(e) Provisions and contingencies:

The Corporation recognizes provisions if, as a result of a past event, there is a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The evaluation of the likelihood of the contingent events requires judgment by management as to the probability of exposure to potential gain or loss. Actual results could differ from these estimates.

A contingent asset is not recognized in the financial statements. However, a contingent asset is disclosed where an inflow of economic benefits is probable.

5. Investment in Alectra:

	2020	2019
Investment in Alectra	\$ 597,800	\$ 600,243

Movement in equity-accounted investee:

	2020	2019
Balance, beginning of year	\$ 600,243	\$ 609,060
Share of net income from investment in Alectra	22,321	18,008
Share of other comprehensive loss	(1,183)	(4,436)
Gain recognized on acquisition of GHESI	-	1,471
Dividends received from Alectra	(23,581)	(23,860)
Balance, end of year	\$ 597,800	\$ 600,243

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

5. Investment in Alectra (continued):

Certain former shareholders of predecessor companies which amalgamated to form Alectra own Class S shares of Alectra relating to Ring Fenced Solar Portfolio, a division of Alectra. In accordance with the Solar Services and Indemnity Agreement between the former shareholders and Alectra, the solar division within Alectra is beneficially owned indirectly by the former shareholders and as such, allocates the risks and rewards of Ring Fenced Solar Portfolio's operations to the former shareholders through Alectra's Class S shares. The Corporation does not hold Class S shares of Alectra.

On January 1, 2019, Alectra amalgamated with GHESI. Alectra issued 485,000 Class G common Shares to GMHI in consideration for all the issued and outstanding shares of GHESI. The dilution in ownership from 31% to 29.57% resulted in a gain of \$1,471 recorded in the statement of comprehensive income for 2019.

The following table summarizes the financial information of Alectra as included in its own financial statements, adjusted for fair value adjustments at acquisition as well as the removal of Ring Fenced Solar Portfolio's net assets and operating results. The table also reconciles the summarized financial information to the carrying amount of the Corporation's interest in Alectra.

	2020	2019
Ownership interest	29.57%	29.57%
Current assets	\$ 745,000	\$ 625,000
Non-current assets	4,605,000	4,431,000
Current liabilities	(1,060,000)	(750,000)
Non-current liabilities	(2,554,000)	(2,559,000)
Net assets (100%)	1,736,000	1,747,000
Ring Fenced Solar Portfolio net assets	(10,395)	(13,212)
Fair value adjustments from purchase price	296,145	296,145
	\$ 2,021,750	\$ 2,029,933

ENERSOURCE CORPORATIONNotes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

5. Investment in Alectra (continued):

	2020	2019
Carrying value of investment in Alectra (29.57%)	\$ 597,800	\$ 600,243
Revenue	\$ 4,162,000	\$ 3,779,000
Depreciation and amortization	(165,000)	(158,000)
Other expenses	(3,816,000)	(3,463,000)
Finance expenses	(74,000)	(74,000)
Income tax expense	(28,000)	(20,000)
Net income	79,000	64,000
Other comprehensive loss	(4,000)	(15,000)
Total comprehensive income	75,000	49,000
Ring Fenced Solar Portfolio net gain	3,513	3,102
Share of income (29.57%)	\$ 22,321	\$ 18,008
Share of other comprehensive loss (29.57%)	(1,183)	(4,436)

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

6. Income taxes:

The components of income tax recovery for the years ended December 31, 2020 and 2019 were as follows:

	2020	2019
Current income tax expense:		
Expense for the year	\$ -	\$ -
Total income tax expense	\$ -	\$ -

The provision for income taxes differs from the amount that would have been recorded using the combined federal and Ontario statutory income tax rate. Reconciliation between the statutory and effective tax rates is provided as follows:

	2020	2019
Income before income taxes	\$ 20,591	\$ 17,860
Federal and Ontario statutory income tax rate	26.50%	26.50%
Provision for income taxes at statutory rate	\$ 5,457	\$ 3,557
Increase (decrease) resulting from:		
Differences between accounting and tax treatment of investments in subsidiaries	(5,915)	(3,557)
Losses not recognized as deferred tax asset	458	-
Provision for income taxes	\$ -	\$ -
Effective income tax rate	0.00%	0.00%

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

7. Loans and borrowings:

	2020	2019
Bank loan:		
Current	\$ 2,500	\$ 2,500
Non-current	48,125	50,625
	<u>\$ 50,625</u>	<u>\$ 53,125</u>

Outstanding debt is comprised of two bank loans, Credit Facility A and Credit Facility B which were entered into on January 27, 2017 and an interest rate swap, held with Canadian Imperial Bank of Commerce ("CIBC"). The interest rate on Credit Facility A and B bank loans is determined through a combination of the 3-month CDOR rate, reset 4 times each year: February 1st, May 1st, August 1st and November 1st plus a stamping fee of 0.60%. Credit Facility A has a 10 year term to maturity with a balance of \$35,000 and will be carried for the duration of the Facility. Credit Facility A has a floating interest rate with the last interest rate being reset at 1.09% on November 1, 2020 and is carried with quarterly interest payments. Credit Facility B has a 10 year term to maturity and an outstanding balance of \$15,625. Credit Facility B is being paid down with quarterly principal and interest payments at a rate of \$625 per quarter and has an accompanying amortizing interest rate swap associated with it, to create an effective fixed interest rate of 2.414%.

The credit facilities contain a covenant stating that the Corporation cannot incur any additional debt without CIBC's consent. In addition, the Corporation must advise CIBC if dividends are not received from Alectra in any quarter if the dividend amount is not sufficient to make the required monthly or quarterly payments of principal and interest. These covenants have not been breached in 2020 or 2019. The secured bank loans are guaranteed by the City of Mississauga in the amount of \$70,000.

The Corporation included \$705 unrealized loss (2019 - \$257 loss) in its financial statements related to the interest rate swap. \$557 liability (2019 - \$148 asset) is the fair value of the interest rate swap, which represents the amount that the Corporation would have paid to unwind its position as at December 31, 2020. The notional value on the interest rate swap is equal to the outstanding value of Credit Facility B, or \$15,625.

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

7. Loans and borrowings (continued):

Reconciliation of debt arising from financing activities:

	2020	2019
Balance, beginning of year	\$ 53,125	\$ 55,625
Principal repayment	(2,500)	(2,500)
Balance, end of year	\$ 50,625	\$ 53,125

The Corporation made interest payments of \$974 (2019 - \$1,387).

8. Share capital:

	2020	2019
Authorized:		
Unlimited Class A shares, voting		
1,000 Class B shares, non-voting		
100 Class C shares, voting		
Issued:		
180,555,562 Class A shares	\$ 155,628	\$ 155,628
1,000 Class B shares	1	1
100 Class C shares	20,062	20,062
	\$ 175,691	\$ 175,691

The holders of Class A shares and Class C shares are entitled to receive notice of, to attend, and to vote at all general and special meetings of the Corporation's shareholders. The holders of Class B shares are not entitled to vote at any meeting of the Corporation's shareholders (except as required by law) and are only entitled to receive notice of special meetings called to consider certain fundamental changes.

Holders of Class A shares are entitled to one vote per share. Holders of Class C shares are entitled to such number of votes in respect of each Class C share as will entitle the holders of the Class C shares, as a class, to the proportion of the total number of votes of all shareholders entitled to vote at any such meeting that the Class C total base equity is of the aggregate regulated rate base equity of the Corporation's and its subsidiaries.

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

8. Share capital (continued):

The holders of the Class A shares and holders of the Class C shares, in priority to the holders of the Class B shares, are entitled to receive, if, as and when declared by the Corporation's Board of Directors, concurrent preferential dividends at a rate per annum equal to the regulated rate of return on the rate base equity represented by each such class of shares. The cumulative portion of such preferential dividend is the amount by which the preferential dividend for each class of shares exceeds the amount of regulated capital expenditures represented by each class of shares. The remaining portion is non-cumulative. As at December 31, 2020, there were no cumulative preferential dividends outstanding (2019 – \$Nil). Once these preferential dividend entitlements have been satisfied, holders of each class of shares are entitled to receive, on a concurrent basis with each other class of shares, additional dividends if, as and when declared by the Corporation's Board of Directors and in such amounts and payable in such manner as may be determined from time to time by the Corporation's Board of Directors. Holders of the Class A shares and the Class C shares are together entitled to 60% of any such additional dividends, which are to be allocated between the holders of each such class of shares in proportion to the rate base equity represented by each such class. Holders of the Class B shares are entitled to 40% of any such additional dividends. Class A, B and C shares have no par value.

Dividends may be declared by the Board of Directors through a resolution. In 2020, dividends of \$19,700 (2019 - \$17,400) were declared and paid to the shareholders of the Corporation.

9. Change in non-cash operating working capital:

	2020	2019
Prepaid expense	\$ 117	\$ 6
Trade payables	(3)	(9)
	<u>\$ 114</u>	<u>\$ (3)</u>

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

10. Related party transactions and balances:

For 2020, a dividend of \$17,730 was declared and paid to the City of Mississauga (2019 - \$15,660), and a dividend of \$1,970 was declared and paid to Borealis (2019 - \$1,740). No Director had, during or at the end of the period, any material interest in any contract of significance in relation to the Corporation's business.

The following compensation has been provided to the key management personnel of the Corporation and members of the Board of Directors ("Directors Honorarium"), who have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

	2020	2019
Directors Honorarium and per diems	\$ 79	\$ 82

11. Contingencies, provisions, commitments and guarantees:

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange ("MEARIE"). A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members. Insurance premiums charged to each member consist of a levy per thousand dollars of service revenue subject to a credit or surcharge based on each member's claims experience. Current liability coverage is provided to a level of \$30,000 per occurrence.

As at December 31, 2020 and December 31, 2019, there are no legal actions where the Corporation is a defendant.

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

12. Financial instruments and risk management:

Financial instruments which are disclosed at fair value are to be classified using a three-level hierarchy. Each level reflects the inputs used to measure the fair values disclosed of the financial liabilities, and are as follows:

- Level 1 - inputs are unadjusted quoted prices for identical instruments in active markets;
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the instrument, either directly or indirectly; and
- Level 3 - inputs that are not based on observable market data. There were no financial instruments carried at fair value categorized in Level 3 as at December 31, 2020 and 2019.

There were no transfers between levels during the year.

The fair values of cash and trade payables approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

The Corporation entered into an amortizing Interest Rate Swap ("IRS") with CIBC on January 31 2017. The IRS is amortizing (being paid down) at the same rate as Credit Facility B. Both Credit Facility B and the IRS will be retired effective February 1, 2027. The IRS is an interest rate hedging instrument against CIBC Credit Facility B (identified in note 7) and has the effect of locking in the interest rate associated with Credit Facility B at 2.414%. As a stand-alone financial instrument, CIBC provides a month-end "fair market value (FMV)" associated with the IRS. The fair market value for the IRS is a liability of \$557 (2019 - \$148 asset). The interest rate swap is classified as a Level 2 in the hierarchy.

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

12. Financial instruments and risk management (continued):

The Corporation considers its capital to be its shareholders' equity. The Corporation manages its capital exposure to risk as described below. Exposure to market risk, credit risk and liquidity risk arises in the normal course of the Corporation's business.

(a) Market risk:

Market risk refers primarily to risk of loss that results from changes in commodity prices, foreign exchange rates and interest rates.

The Corporation does not have a commodity risk or foreign exchange risk at December 31, 2020 and 2019.

The Corporation is exposed to short-term interest rate risk on its loans and borrowings and its net cash balances. The Corporation manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

(b) Credit risk:

The Corporation is not exposed to significant credit risk given the nature of its operations.

(c) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. Short-term liquidity is provided through cash and funds from operations. Short-term liquidity is expected to be sufficient to fund normal operating requirements.

The Corporation has contractual obligations in the normal course of business; future minimum undiscounted contractual maturities are as follows:

Financial liabilities	Due within 1 year	Due between 1 and 5 years	Due past 5 years
Trade payables	\$ 27	\$ –	\$ –
Bank loan (interest and principal)	3,221	12,283	37,915
	<u>\$ 3,248</u>	<u>\$ 12,283</u>	<u>\$ 37,915</u>

ENERSOURCE CORPORATION

Notes to Financial Statements (continued)
(In thousands of Canadian dollars)

Year ended December 31, 2020

13. Subsequent event:

Dividend:

On March 19, 2021, the Corporation received a dividend of \$10,522 from Alectra.