

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



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## 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.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***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.



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- 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 horizontal line that starts under the 'K' and ends under the 'P'.

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

# 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 \$
<b>Revenues</b>			
Municipal Accommodation Tax (Note 4)	4,861	1,868	10,505
<b>Expenses</b>			
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	-
<b>Total Expenses</b>	<b>1,452</b>	<b>862</b>	<b>-</b>
<b>Annual surplus</b>	<b>3,409</b>	<b>1,006</b>	<b>10,505</b>
Accumulated surplus, beginning of year	10,505	10,505	-
<b>Accumulated surplus, end of year</b>	<b>13,914</b>	<b>11,511</b>	<b>10,505</b>

# 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 \$
<b>Annual surplus</b>	1,006	10,505
Acquisition of prepaid expenses	(1)	-
<b>Increase in Net Financial Assets</b>	<b>1,005</b>	<b>10,505</b>
<b>Net Financial Assets, beginning of year</b>	10,505	-
<b>Net Financial Assets, end of year</b>	<b>11,510</b>	<b>10,505</b>

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



# 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.