2021 Audited Consolidated Financial Statements

For the period ending December 31, 2021

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

MISSISSAUGA

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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, 2021
- 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, 2021, 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.
- 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

May 3, 2022

The Corporation of the City of Mississauga
Consolidated Statement of Financial Position

as at December 31, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	2021 $	2020 $
Financial Assets		
Cash	284,702	219,313
Taxes receivable (Note 2)	57,100	83,979
Accounts receivable (Note 2)	125,958	116,841
Loans and other receivables	350	400
Inventories for resale	80	97
Investments (Note 3)	1,331,686	1,098,945
Investment in Enersource Corporation (Note 4)	510,531	498,520
Total Financial Assets	**2,310,407**	**2,018,095**
Financial Liabilities		
Accounts payable and accrued liabilities	223,234	228,222
Deferred revenue - general (Note 5)	15,026	6,391
Deferred revenue - obligatory reserve funds (Note 6)	668,359	552,274
Employee benefits and other liabilities (Note 7)	231,246	220,439
Long-term debt (Note 8)	237,322	176,434
Total Financial Liabilities	**1,375,187**	**1,183,760**
Net Financial Assets	**935,220**	**834,335**
Non-Financial Assets		
Tangible capital assets (Note 9)	8,457,200	8,363,128
Inventories of Supply	8,191	8,338
Prepaid expenses	3,910	4,784
Total Non-Financial Assets	**8,469,301**	**8,376,250**
Accumulated Surplus (Note 10)	**9,404,521**	**9,210,585**

Contingent liabilities and guarantee (Note 13)

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, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	Budget 2021 $ (Note 16)	Actual 2021 $	Actual 2020 $
Revenues (Notes 14 and 15)			
Taxation (Note 11)	593,846	591,198	572,824
Municipal accommodation tax	9,800	5,907	3,799
User charges (Note 18)	255,742	184,236	168,587
Recoveries from third parties	27,996	16,699	19,415
Funding transfers from other governments (Note 19)	3,909	80,860	65,597
Development and other contributions applied	150	154,415	150,930
Investment income	31,180	32,711	32,049
Penalties and interest on taxes	8,610	14,592	5,334
Contributed and assumed assets (Note 9)	-	35,899	27,197
Other	7,885	2,698	10,128
City's share of net income in Enersource Corporation (Note 4)	-	28,712	17,467
Total Revenues	**939,118**	**1,147,927**	**1,073,327**
Expenses (Notes 14, 15 & 17)			
General government services	173,912	220,290	219,367
Protection services (Note 18)	150,539	150,569	140,545
Transportation services	365,498	357,192	345,802
Environmental services	21,603	21,232	19,650
Health services	655	735	566
Social and family services	857	481	487
Recreation and cultural services	206,471	175,282	157,353
Planning and development services	28,119	27,361	22,665
Loss on disposal of tangible capital assets, net of write-down (Note 9)	-	849	2,372
Total Expenses (Notes 14, 15 & 17)	**947,654**	**953,991**	**908,807**
Annual Surplus/(Deficit)	**(8,536)**	**193,936**	**164,520**
Accumulated surplus, beginning of year	9,210,585	9,210,585	9,046,065
Accumulated Surplus, end of year (Note 10)	**9,202,049**	**9,404,521**	**9,210,585**

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, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	Budget 2021 $ (Note 16)	Actual 2021 $	Actual 2020 $
Annual Surplus/(Deficit)	**(8,536)**	**193,936**	**164,520**
Acquisition of tangible capital assets	-	(246,357)	(264,288)
Amortization of tangible capital assets (Note 9)	149,776	150,343	144,655
Loss on disposal of tangible capital assets, net of write-down (Note 9)	-	849	2,372
Proceeds of disposition of tangible capital assets (Note 9)	-	1,093	-
	141,240	**99,864**	**47,259**
Acquisition of inventory of supplies	-	(8,191)	(8,338)
Acquisition of prepaid expenses	-	(3,910)	(4,784)
Consumption of inventory of supplies	-	8,338	8,847
Use of prepaid expenses	-	4,784	3,160
Change in Net Financial Assets	**141,240**	**100,885**	**46,144**
Net Financial Assets, beginning of year	834,335	834,335	788,191
Net Financial Assets, end of year	**975,575**	**935,220**	**834,335**

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, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	2021 $	2020 $
Cash Provided By (Used In):		
Operating Activities		
Annual surplus	193,936	164,520
Items Not Involving Cash		
Amortization of tangible capital assets	150,343	144,655
Loss on disposal of tangible capital assets	849	2,372
Contributed and assumed assets	(35,899)	(27,197)
Change in employee benefits and other liabilities	10,807	13,405
Equity income of Enersource Corporation	(28,712)	(17,467)
Change in Non-Cash Assets and Liabilities		
Taxes receivable	26,879	(36,382)
Accounts receivable	(9,117)	(8,022)
Inventories for resale	17	10
Accounts payable and accrued liabilities	(4,988)	23,302
Deferred revenue - general	8,635	(5,886)
Deferred revenue - obligatory reserve funds	116,085	(4,783)
Inventories of supply	147	521
Prepaid expenses	874	(1,624)
Net Change in Cash from Operating Activities	**429,856**	**247,424**
Capital Activities		
Tangible capital asset additions	(210,458)	(237,091)
Proceeds of disposition of tangible capital assets	1,093	-
Net Change in Cash from Capital Activities	**(209,365)**	**(237,091)**
Investing Activities		
Decrease/(Increase) in investments	(232,741)	80,942
Decrease in loans and other receivables	50	50
Dividends from Enersource Corporation	16,701	17,730
Net Change in Cash from Investing Activities	**(215,990)**	**98,722**
Financing Activities		
Proceeds from issuance of long-term debt	90,000	-
Repayment of long-term debt	(29,112)	(28,759)
Net Change in Cash from Financing Activities	**60,888**	**(28,759)**
Net Change in Cash	**65,389**	**80,296**
Cash, beginning of year	219,313	139,017
Cash, end of year	**284,702**	**219,313**

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, 2021
(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. The pandemic continued throughout 2021 impacting the global economic environment through government-imposed lockdowns and social distancing requirements. The economic conditions and the City's response to the COVID-19 pandemic has had an operational and financial impact on the City in 2021.

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
- Tourism Mississauga
- Clarkson Village Business Improvement Association
- Cooksville Business Improvement Area
- Malton Business Improvement Area
- Port Credit Business Improvement Area
- Streetsville Business Improvement District Association

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, 2021
(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, 2002 and 2016 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 Municipal Property Assessment Corporation (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 accomodation tax revenues represent revenues collected from accommodation owners offering short-term accommodation of 30 days or less under the Municipal Accommodation tax By-law 0023-2018. These amounts are recognized as revenues in the year that the tax is levied on accommodation charges by accommodation providers.

f) Deferred revenue-general

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

g) Development and other contributions applied

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. Other contributions received and initially deferred such as cash-in-lieu of parkland, bonus zoning, provincial and federal gas tax and provincial and federal public transit funds are recognized as revenues when spent.

h) Investment income

Investment income is reported as revenues in the year 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. Investment income earned on deferred revenue-obligatory reserve funds forms part of the deferred revenue balance, and recognized as revenues when spent through development and other contributions applied. Investment income earned on deferred revenue-obligatory reserve funds

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

1. Significant Accounting Policies

h) Investment income

are not included in investment income but recognized as a receipt and applied as development and other contributions applied when actual operating or capital expenditures are incurred.

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 years. 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 years 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 year when the events occur. Any actuarial gains or losses that are related to these benefits are recognized immediately in the year 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 year.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(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 contamination 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 revenues.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(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 net realizable value.

r) Contingent Assets

Public Sector (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, 2021, 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 revenues 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.

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, 2021, 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, 2021
(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 year. 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, 2021, all material assets have been disclosed and reported within this definition.

x) Adoption of budgets

The 2021 operating and capital budgets, as approved by Council, were adopted by the City at the February 24, 2021 meeting.

y) Future accounting pronouncements

These standards and amendments were not yet effective for the year ended December 31, 2021, 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 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. This standard is effective for fiscal years 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. This standard is effective for fiscal years 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 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

(v) 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).

(vi) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

1. Significant Accounting Policies

y) Future accounting pronouncements

P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

(vii) 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).

(viii) 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).

2. Taxes Receivable and Accounts Receivable

Taxes receivable are reported net of valuation allowances of $nil (2020 $102). Accounts receivable are reported net of a valuation allowance of $619 (2020 $933) and comprises the following:

	2021	**2020**
	$	**$**
Accounts Receivable		
Government of Canada	9,291	18,835
Government of Ontario	37,458	39,071
Other Municipalities	28,938	24,485
School Boards	30,517	10,773
Other	20,373	24,610
Sub-Total	**126,577**	**117,774**
Less: Valuation Allowance	619	933
Total Accounts Receivable	**125,958**	**116,841**

3. Investments

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

	2021		**2020**	
	Cost	**Market Value**	**Cost**	**Market Value**
	$	**$**	**$**	**$**
Bank deposit notes and finance paper	10,103	10,208	39,800	41,006
Government and government guaranteed bonds	1,096,275	1,117,537	874,165	949,379
Municipal bonds	225,308	233,152	184,980	202,190
Total	**1,331,686**	**1,360,897**	**1,098,945**	**1,192,575**

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.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

4. Investment in Enersource Corporation

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, 2021, Enersource's interest in Alectra was 29.57% (2020- 29.57%).

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

The following table provides condensed financial information for Enersource Corporation for its 2021 fiscal year, together with comparative figures for 2020:

	2021	**2020**
Financial Position:	**$**	**$**
Assets		
Current	7,555	7,320
Investment in Alectra Inc.	607,902	597,800
Total Assets	**615,457**	**605,120**
Liabilities		
Current	-	27
Non-current liabilities	48,200	51,182
Total Liabilities	**48,200**	**51,209**
Shareholders' Equity		
Share capital	175,691	175,691
Accumulated other comprehensive income/(loss)	(5,221)	(7,291)
Retained earnings	396,787	385,511
Total Shareholders' Equity	**567,257**	**553,911**
Total Liabilities and Shareholders' Equity	**615,457**	**605,120**
Results of Operations and Non-Operations		
Revenues	32,829	22,445
Expenses (including income tax provision)	927	3,037
Net Income	**31,902**	**19,408**
City's Share of Net Income in Enersource Corporation	**28,712**	**17,467**

During the year, the City received a dividend of $16,701 (2020 $17,730) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in the following table for its 2021 fiscal year together with comparative figures for 2020.

	2021	**2020**
Investment in Enersource Corporation	**$**	**$**
Opening Balance, Beginning of Year	498,520	498,783
City's Share of Net Income in Enersource Corporation	28,712	17,467
City's Share of Dividend	(16,701)	(17,730)
Closing Balance, End of Year	**510,531**	**498,520**

In December 2021, the City purchased 3214 and 3240 Mavis Road from Alectra Utilities Corporation for a purchase price of $28,433. The City subsequently entered into a lease-back agreement with Alectra Utilities Corporation for the period December 2021 to September 2023. The tenant will pay the City basic rent of $1,304 per annum and will also be responsible for all related realty taxes and utilities during that period.

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Notes to Consolidated Financial Statements

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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 revenues 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 revenues in the year they are used for the purpose specified.

Deferred revenue general is comprised of the following:

	2021 $	2020 $
Advanced sales of goods and services	6,889	5,670
Government grants	6,780	176
Other contributions	1,357	545
Total Deferred Revenue General	**15,026**	**6,391**

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-obligatory reserve funds and reported on the consolidated statement of financial position. Included in the Receipts and Interest Applied balance was $13,968 of investment earnings (2020 $12,076). Details of these deferred revenues are as follows:

	2021 $	2020 $
Development charges	270,889	206,079
Cash-in-lieu (CIL) Parkland	126,679	117,746
Cash-in-lieu (CIL) Parking	11,163	10,898
Bonus Zoning	4,422	3,952
Provincial Gas Tax	33,224	31,688
Federal Gas Tax	188,653	154,442
Provincial Public Transit Funds	8,948	21,303
Federal Public Transit Funds	6,153	6,166
Safe Restart	18,228	-
Total Deferred Revenue - Obligatory Reserve Funds	**668,359**	**552,274**

Deferred Revenue - Obligatory Reserve Funds Continuity Schedule

Source	Opening Balance $	Receipts and Interest Applied $	Recognized as Revenue $	Closing Balance $
Development Charges	206,079	89,326	24,516	270,889
CIL Parkland	117,746	52,620	43,687	126,679
CIL Parking	10,898	394	129	11,163
Bonus Zoning	3,952	416	(54)	4,422
Provincial Gas Tax	31,688	20,047	18,511	33,224
Federal Gas Tax	154,442	85,415	51,204	188,653
Provincial Public Transit Funds	21,303	3,133	15,488	8,948
Federal Public Transit Funds	6,166	94	107	6,153
Safe Restart (Note 19)	-	66,489	48,261	18,228
Total	**552,274**	**317,934**	**201,849**	**668,359**

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(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:

	2021 $	2020 $
Workplace Safety and Insurance Board (WSIB)	40,532	36,074
Sick leave benefits	18,944	17,010
Early retirement benefits	42,577	41,426
Post-employement benefits	11,137	9,635
Vacation pay	32,282	28,647
Developer charges credits	43,835	47,261
Contaminated sites liability	322	410
Other liabilities	41,617	39,976
Total	**231,246**	**220,439**

The City has established reserve funds of $146,107 (2020 $145,840) 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 2019, in accordance with the financial reporting guidelines established by PSAB.

e) Vacation pay entitlements are accrued for as earned by the employee. Values are derived by the employees' current wage rate and vacation entitlement, unless specified otherwise in employment contracts or union agreements.

f) Other liabilities are comprised of legal and insurance liabilities and are accrued as the liability is determined.

Information about liabilities for defined benefit plans is as follows:

	WSIB $	Sick Leave $	Early Retirement $	Post Employment $	2021 Total $	2020 Total $
Accrued Benefit Liability, Beginning of Year	36,074	17,010	41,426	9,635	104,145	96,105
Service cost	5,516	1,889	2,055	2,414	11,874	11,450
Interest cost	1,630	862	1,492	322	4,306	4,118
Amortization of actuarial (gain)/loss	1,355	1,387	(60)	(263)	2,419	2,584
Benefit payments	(4,952)	(2,204)	(2,336)	(971)	(10,463)	(10,112)
Increase due to survivor claims	909	-	-	-	909	-
Accrued Benefit Liability, End of Year	**40,532**	**18,944**	**42,577**	**11,137**	**113,190**	**104,145**
Unamortized actuarial (gain)/loss	8,873	6,373	1,410	(181)	16,475	18,894
Actuarial valuation update, end of year	**49,405**	**25,317**	**43,987**	**10,956**	**129,665**	**123,039**
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, 2021
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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:

	WSIB	Sick Leave	Early Retirement	Post Employment - Health and Dental	Post Employment - Life Insurance
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 4,986 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 $61,600 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 $61,600 at a rate of 15.8 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2021 was $42,976 (2020 $44,375) for current service and is included as an expense on the consolidated statement of operations. Employees' contributions to OMERS in 2021 totalled $42,974 (2020 $44,631).

The City is current with all payments to OMERS; therefore, there is neither a surplus nor deficit with the pension plan contributions. The pension plan's funding deficit at OMERS in 2021 dropped to $3.1 billion (2020 $3.2 billion).

OMERS has held contributions for both employees and employers in 2021 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, 2021, the developer charge credit liability is $43,835 (2020 $47,261).

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 (such as a former industrial or commercial operation) and non-sanctioned activities on City lands. Sites can often have multiple sources of contamination. The nature of contamination generally includes, but are not limited to, metals, petroleum hydrocarbons and polycyclic aromatic hydrocarbons.

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, 2021, the amount of estimated recoveries is $nil (2020 – $nil).

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

8. Long-term Debt

The long-term debt reported on the consolidated statement of financial position of $237,322 (2020 $176,434) was issued by the Region of Peel. The City issued $90,000 in 2021 (2020 $nil). The following table summarizes outstanding principal payments along with their respective interest rates and maturity dates:

				Outstanding Principal	
Debt Series	**Interest Rate**	**Maturity Date**	**Principal Amount**	**2021**	**2020**
2013	1.30%-3.30%	June 20, 2023	50,000	8,300	12,900
2014	1.20%-3.30%	June 10, 2024	36,607	9,500	13,000
2015	0.95%-2.40%	August 20, 2025	40,000	16,000	20,000
2016	1.15%-2.50%	June 1, 2026	37,584	19,000	23,000
2017	1.70%-3.00%	September 28, 2027	38,853	24,000	27,500
2018	1.80%-3.05%	March 27, 2028	46,270	31,522	36,534
2019	1.90%-2.25%	October 15, 2029	48,150	39,000	43,500
2021-1	0.25%-1.50%	February 17, 2031	43,000	43,000	-
2021-2	0.08%-2.30%	November 8, 2031	47,000	47,000	-
Total				**237,322**	**176,434**

Interest and issuance costs for the year consisted of the following:

	2021	**2020**
	$	**$**
Interest expense on debt	4,469	4,655
Debt issuance costs	208	166
Total	**4,677**	**4,821**

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.

Principal payments are repayable annually, as follows:

	Principal Contributions	**Interest**	**Total**
	$	**$**	**$**
2022	38,227	4,661	42,888
2023	36,055	3,894	39,949
2024	32,295	3,203	35,498
2025	29,405	2,579	31,984
2026	27,022	1,946	28,968
Thereafter	74,318	3,304	77,622
Total	**237,322**	**19,587**	**256,909**

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
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9. Tangible Capital Assets

a) Assets under construction:

Assets under construction having a value of $97,072 (2020 $132,134) 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 $65,106 (2020 $16,597) comprising infrastructure in the amount of $901 (2020 $9,038), equipment in the amount of $17 (2020 $nil) and land in the amount of $64,188 (2020 $7,559). Contributed assets of $35,899 (2020 $27,197) includes a net adjustment decrease of $29,207 (2020 increase of $10,600) resulting from changes to land ownership between the City and other entities.

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 $1,417 (2020 $220), mainly due to replacing tangible capital assets that were near the end of their useful lives.

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 $14,752 (2020 $12,034) include land $365; buildings $881; land improvements $467; equipment $8,086; linear transportation $103 and vehicles $4,850, less the accumulated amortization of $14,227 (2020 $9,882) and proceeds of $1,093 (2020 $nil) resulted in a gain on disposal of $568 (2020 loss on disposal of $2,152).

f) Interest capitalization:

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. 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, 2021
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9. Tangible Capital Assets

2021 Tangible Capital Assets

Cost	**December 31, 2020** **$**	**Additions** **$**	**Disposals** **$**	**December 31, 2021** **$**
Land	5,303,628	105,596	365	5,408,859
Land improvements	226,512	26,116	467	252,161
Buildings	1,169,076	45,611	881	1,213,806
Equipment, books and other	331,623	31,709	8,086	355,246
Linear - storm drainage	913,204	20,757	-	933,961
Linear - transportation	2,329,401	35,134	103	2,364,432
Vehicles	325,523	16,496	6,267	335,752
Assets under construction	132,134	73,416	108,478	97,072
Total	**10,731,101**	**354,835**	**124,647**	**10,961,289**

Included in the additions of $354,835 (2020 $313,311) is contributed assets of $35,899 (2020 $27,197).

Accumulated Amortization	**December 31, 2020** **$**	**Amortization Expense** **$**	**Disposals** **$**	**December 31, 2021** **$**
Land	-	-	-	-
Land improvements	122,193	9,570	403	131,360
Buildings	468,986	32,460	814	500,632
Equipment, books and other	215,426	27,827	8,073	235,180
Linear - storm drainage	264,988	8,925	-	273,913
Linear - transportation	1,088,132	52,511	96	1,140,547
Vehicles	208,248	19,050	4,841	222,457
Assets under construction	-	-	-	-
Total	**2,367,973**	**150,343**	**14,227**	**2,504,089**

Net Book Value	**December 31, 2020** **$**	**December 31, 2021** **$**
Land	5,303,628	5,408,859
Land Improvements	104,319	120,801
Buildings	700,090	713,174
Equipment, books and other	116,197	120,066
Linear - storm drainage	648,216	660,048
Linear - transportation	1,241,269	1,223,885
Vehicles	117,275	113,295
Assets under construction	132,134	97,072
Total	**8,363,128**	**8,457,200**

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

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10. Accumulated surplus

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

	2021 $	2020 $
Surplus:		
Invested in Tangible Capital Assets		
Tangible capital assets	8,456,229	8,362,653
Business Improvement Area tangible capital assets	971	475
Total Invested in Tangible Capital Assets	**8,457,200**	**8,363,128**
Operating surplus	-	119
Unexpended capital	-	164,357
Unfunded employee benefits and other liabilities	(231,246)	(220,439)
Long-term debt	(237,322)	(176,434)
Investment in Enersource	510,531	498,520
Total Surplus	**8,499,163**	**8,629,251**
Reserves Set Aside by Council:		
Fiscal Stability Reserve	59,188	55,752
Operating Reserves	60,488	52,946
Stormwater Reserve	5,371	5,952
BIA Reserves	294	671
Total Reserves	**125,341**	**115,321**
Reserve Funds Set Aside for Specific Purposes by Council:		
Tax Reserve Funds	431,518	220,498
Stormwater Reserve Funds	128,524	64,450
Lot Levy Reserve Funds	67,747	65,305
Insurance Reserve Funds	44,750	46,052
Employee Benefits Reserve Funds	33,610	34,484
Development Contributions	28,323	23,157
Other Reserve Funds	45,545	12,067
Total Reserve Funds	**780,017**	**466,013**
Total Accumulated Surplus	**9,404,521**	**9,210,585**

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11. Taxation

Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenues 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 revenues, reported on the consolidated statement of operations, is made up of the following:

	2021	**2020**
	$	**$**
Municipal, region and school property taxes	1,787,325	1,780,224
Payments in lieu of property taxes	36,773	35,410
Total Property Taxes Collected	**1,824,098**	**1,815,634**
Region and school board clearing	(1,232,900)	(1,242,810)
Net Property Taxes and Payments in Lieu Available for Municipal Purposes	**591,198**	**572,824**

12. Trust funds

Trust funds administered by the City amounting to $1,083 (2020 $986) 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 of cemetery perpetual care of $1,083 (2020 $986) and election trust funds of $nil (2020 $nil).

13. Contingent liabilities & guarantee

a) As at December 31, 2021, 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 $70,000 of loan guarantees to Enersource Corporation. The secured bank loan balance as at December 31, 2021 is $48,125 (2020 $50,625). Enersource Corporation's obligations are in good standing and no loss has been recognized by the City.

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 and 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.

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Notes to Consolidated Financial Statements

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14. Segmented information

b) Protection Services:

The Protection Services segment comprises the following service areas: Fire and Emergency 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 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 some 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 City Planning Strategies. 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 revenues have been allocated to the segments based upon the segment that generated the revenues. 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 Other segment category.

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 2021 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
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14. Segmented information

	2021										
	General Government Services $	Protection Services $	Transportation Services $	Environmental Services $	Health Services $	Social and Family Services $	Recreation and Cultural Services $	Planning and Development Services $	Other $	2021 Total $	2020 Total $
Revenues:											
Taxation	589,513	-	-	-	-	-	-	1,685	-	591,198	572,824
Municipal accommodation tax	2,998	-	-	-	-	-	2,909	-	-	5,907	3,799
User charges	3,875	33,168	75,339	41,368	250	37	22,922	7,277	-	184,236	168,587
Recoveries from third parties	3,431	2,046	8,541	61	28	-	2,495	97	-	16,699	19,415
Funding transfers from other governments	36,718	211	38,967	240	-	66	3,456	1,202	-	80,860	65,597
Development and other contributions applied	37,080	128	42,503	566	-	-	57,538	345	16,255	154,415	138,854
Investment income	14,465	-	-	-	-	-	(2)	-	18,248	32,711	44,125
Penalties and interest on taxes	14,592	-	-	-	-	-	-	-	-	14,592	5,334
Contributed and assumed assets	35,882	-	-	-	-	-	-	17	-	35,899	27,197
Other	1,077	32	(120)	139	-	4	1,536	30	-	2,698	10,128
City's share of net income in Enersource Corporation	28,712	-	-	-	-	-	-	-	-	28,712	17,467
Total Revenues	**768,343**	**35,585**	**165,230**	**42,374**	**278**	**107**	**90,854**	**10,653**	**34,503**	**1,147,927**	**1,073,327**
Expenses:											
Salaries, wages and employee benefits	112,621	134,131	186,192	6,211	647	135	95,353	20,126	-	555,416	529,475
Long-term debt interest and fees	4,591	-	-	86	-	-	-	-	-	4,677	4,821
Materials and supplies	(909)	3,680	36,997	427	34	8	12,518	2,453	-	55,208	61,737
Contracted services	49,379	1,422	40,218	3,763	19	2	5,507	3,564	-	103,874	86,812
Rents and financial expenses	33,003	4,674	18,621	1,253	12	8	20,519	751	-	78,841	71,844
External transfers to others	273	-	-	560	-	44	3,818	88	-	4,783	7,091
Loss on disposal of tangible capital assets, net of write-down	-	-	-	-	-	-	-	-	849	849	2,372
Amortization of tangible capital assets	21,332	6,662	75,164	8,932	23	284	37,567	379	-	150,343	144,655
Total Expenses	**220,290**	**150,569**	**357,192**	**21,232**	**735**	**481**	**175,282**	**27,361**	**849**	**953,991**	**908,807**
Annual Surplus (Deficit)	**548,053**	**(114,984)**	**(191,962)**	**21,142**	**(457)**	**(374)**	**(84,428)**	**(16,708)**	**33,654**	**193,936**	**164,520**

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(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.

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) 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.

e) 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.

f) 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.

g) 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.

h) 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.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

15. Segmented Information by Service Area

i) 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.

j) 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.

k) 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.

l) 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.

m) 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, 2021
(All dollar amounts are in $000)

15. Segmented Information by Service Area

n) 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.

o) 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).

p) 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.

q) Transit Services:

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

r) Other:

Other represents all other non-budgeted financial transactions which includes asset amortization, PSAB actuarial liability adjustments, Reserve Fund interest, 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, 2021
(All dollar amounts are in $000)

15. Segmented Information by Service Area

s) 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 $	City's share of net income in Enersource Corporation $	2021 Total $	2021 Budget ** $	2020 Total $
Business Services	-	2,447	87	20,259	-	-	(261)	-	22	-	22,554	2,773	2,009
City Manager's Office	-	284	54	32	-	-	-	-	-	-	370	369	534
Culture	-	2,864	964	505	-	-	-	-	329	-	4,662	11,604	2,835
Facilities & Property Management	-	358	156	936	-	-	-	-	10	-	1,460	437	579
Financial Transactions	592,511	10	1,699	1	-	14,465	14,853	-	1,046	28,712	653,297	620,689	648,179
Fire & Emergency Services	-	1,675	1,928	211	-	-	-	-	-	-	3,814	2,306	1,821
Information Technology	-	59	1,552	(2)	-	-	-	-	-	-	1,609	1,551	969
Legislative Services	-	6,543	-	-	-	-	-	-	-	-	6,543	12,058	6,671
Mississauga Library	-	537	98	760	-	1	-	-	130	-	1,526	2,109	1,540
Land Development Services	1,685	29,193	1	312	-	-	-	17	33	-	31,241	17,084	22,002
MiWay	-	49,947	658	37,016	-	-	-	-	14	-	87,635	93,355	82,229
Parks, Forestry & Environment	-	4,536	1,092	1,283	-	-	-	-	393	-	7,304	5,265	4,073
Recreation	2,909	16,013	546	1,865	-	(3)	-	-	685	-	22,015	56,663	20,890
Regulatory Services	-	11,296	136	-	-	-	-	-	31	-	11,463	18,697	11,176
Roads	-	17,186	7,653	1,950	-	-	-	-	(134)	-	26,655	15,578	16,790
Stormwater	-	41,288	75	240	-	-	-	-	139	-	41,742	43,730	43,074
Other	-	-	-	15,492	154,415	18,248	-	35,882	-	-	224,037	34,850	207,956
	597,105	**184,236**	**16,699**	**80,860**	**154,415**	**32,711**	**14,592**	**35,899**	**2,698**	**28,712**	**1,147,927**	**939,118**	**1,073,327**

* 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, 2021
(All dollar amounts are in $000)

15. Segmented Information by Service Area

t) Expenses by Service Area

	Salaries, wages and employee benefits $	Long-term debt interest and fees $	Materials and supplies $	Contracted services $	Rents and financial expenses $	External transfers to others $	Loss on disposal of tangible capital assets, net of write-down $	Amortization of tangible capital assets $	2021 Total $	2021 Budget * $	2020 Total $
Business Services	32,932	-	261	1,686	1,432	-	-	21,332	57,643	59,567	35,878
City Manager's Office	10,576	-	106	2,882	220	-	-	-	13,784	13,626	13,090
Mayor & Members Of Council	4,391	-	187	23	268	-	-	-	4,869	4,934	4,787
Culture	7,207	-	801	625	2,020	2,844	-	2,535	16,032	21,593	13,320
Facilities & Property Management	15,765	-	367	2,612	6,445	-	-	-	25,189	28,382	25,728
Financial Transactions	6,865	4,591	883	1,017	11,169	807	(474)	-	24,858	29,242	182,030
Fire & Emergency Services	112,810	-	2,844	373	2,521	-	(59)	6,529	125,018	123,943	112,154
Information Technology	24,871	-	71	19	9,269	-	-	-	34,230	34,473	34,281
Legislative Services	8,069	-	706	773	11	-	(2)	-	9,557	10,856	8,361
Mississauga Library	21,448	-	3,726	103	1,852	-	-	7,528	34,657	35,936	26,584
Land Development Services	23,293	-	1,845	540	1,161	88	8	139	27,074	28,869	20,609
MiWay	143,441	-	31,351	2,534	9,925	-	(19)	24,713	211,945	219,384	183,969
Parks, Forestry & Environment	27,771	-	6,931	6,159	4,490	-	-	11,867	57,218	53,898	40,481
Recreation	40,142	-	1,800	1,653	11,717	974	(1)	16,185	72,470	99,164	59,074
Regulatory Services	15,825	-	788	954	537	-	-	133	18,237	19,481	17,457
Roads	36,271	-	5,259	36,801	8,366	-	(538)	50,450	136,609	135,594	84,481
Stormwater	4,705	86	448	4,067	1,188	58	-	8,932	19,484	20,458	10,179
Other	19,034	-	(3,166)	41,053	6,250	12	1,934	-	65,117	8,254	36,344
	555,416	**4,677**	**55,208**	**103,874**	**78,841**	**4,783**	**849**	**150,343**	**953,991**	**947,654**	**908,807**

* 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, 2021
(All dollar amounts are in $000)

16. Budget Data

Budget data presented in these consolidated financial statements are based upon the 2021 operating and capital budgets as approved by Council and adopted by the City on February 24, 2021. 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.

Revenue	**Budget Amount $**
Approved Operating Budget	**1,010,705**
Adjustments:	
Budget in year adjustments	(1,574)
Contributions from reserve funds	(84,990)
Tax ratio assessment	709
Business Improvement Associations (BIAs)	2,109
BIAs contributions from reserves	(205)
City budgeted levy for BIAs	(1,530)
Enersource dividend	(16,577)
Obligatory reserve fund revenue	150
Reclassification of tax adjustments	(4,379)
Adjusted Operating Budget	**904,418**
Approved Capital Budget	**300,091**
Transfers from reserve funds and debt proceeds	(300,091)
Budgeted recoveries from external sources	18,000
Adjusted Capital Budget	**18,000**
Reserve funds interest and other revenue	16,700
Total Revenue	**939,118**
Expenses	
Approved Operating Budget	**1,010,705**
Adjustments:	
Budget adjustments	(865)
BIA transfers to own	(22)
Transfers to own	(181,013)
BIA budgeted expenses	2,109
BIA budget on City's books	(1,530)
Amortization - City	149,776
Debt principal repayments, net of debt issuance	(35,383)
Changes in employee benefits and other liabilities	8,256
Reclassification of tax adjustments	(4,379)
Adjusted Operating Budget	**947,654**
Approved Capital Budget	**300,091**
Adjustments:	
Eliminate capital expense budget	(300,091)
Adjusted Capital Budget	**-**
Total Expenses	**947,654**
Annual Deficit	**(8,536)**

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(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 2021 $	Actual 2021 $	Actual 2020 $
Salaries, wages and employee benefits	578,780	555,416	529,475
Long-term debt interest and fees	5,501	4,677	4,821
Materials and supplies	57,995	55,208	61,737
Contracted services	59,696	103,874	86,812
Rents and financial expenses	86,001	78,841	71,844
External transfers to others	9,905	4,783	7,091
Loss on disposal of tangible capital assets, net of write-down	-	849	2,372
Amortization of tangible capital assets	149,776	150,343	144,655
Total	**947,654**	**953,991**	**908,807**

18. Provincial Offences Administration

The Ministry of the Attorney General in the Province of Ontario requires all municipal partners administering Provincial Offences Administration (POA) 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 between the City and the Ontario Ministry of Attorney General.

	2021 $	2020 $
Revenues		
Gross revenues	5,018	5,508
Less: Refunds	28	53
Net Revenues	**4,990**	**5,455**
Expenses		
Provincial charges	508	385
City's operating expenses	3,860	3,632
Total Expenses	**4,368**	**4,017**
Net Contribution	**622**	**1,438**

POA financial summary is reported on a gross basis. Revenues are included within user charges in the consolidated statement of operations and expenses are primarily included within Protection Services.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

19. Funding Transfers from Other Governments

	Federal Grants	Provincial Grants	2021 $	2020 $
General government services	746	35,973	36,719	21,081
Protection services	-	211	211	-
Transportation services	1,739	37,228	38,967	40,509
Environmental services	165	75	240	1,948
Social and family services	-	66	66	43
Recreation and cultural services	946	2,510	3,456	1,691
Planning and development services	668	533	1,201	325
Total	**4,264**	**76,596**	**80,860**	**65,597**

During the current year, the City received total funding of $85,930 (2020-$55,533) from the Provincial government as part of the Safe Restart and the COVID-19 Recovery for Municipalities agreements to address operating pressures and respond to COVID-19 impacts. The City recognized combined revenues of $68,521 (2020 $55,533) as Safe Restart funding transfer from other governments revenue comprising $48,261 recognized from deferred revenue - obligatory reserve funds (note 6), and $20,260 recognized directly as funding transfers from other governments revenues. Interest applied to the respective deferred revenue-obligatory reserve funds was $819 (2020 $nil),

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 revenues 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:

Contractual Rights	2022 $	2023 $	2024 $	2025 $	2026 $	Total $
Development Charge Agreements	4,523	4,131	4,132	5,156	13,386	**31,328**
Provincial Agreements	87,133	60,719	68,416	45,511	105,998	**367,777**
Federal Agreements	47,471	112,246	77,500	54,702	127,616	**419,535**
Incoming Lease Payments	2,450	2,130	1,763	1,280	7,623	**15,246**
Third Party Contracts	4,579	1,472	1,429	1,433	4,307	**13,220**
Total	**146,156**	**180,698**	**153,240**	**108,082**	**258,930**	**847,106**

A transfer payment agreement with the Ministry of Transportation to support public transit infrastructure has been formally committed and officially communicated to the City and is expected to be signed/executed in April 2022. The City is expecting to receive $386,577 with the initial agreement and an additional $224,170 which has been approved but not included in the original agreement.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

21. Commitments

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

	$
2022	2,879
2023	1,361
2024	685
2025	617
2026	637
Total	**6,179**

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. Recognition of Natural Assets (unaudited)

The City has a variety of natural assets that provide ecosystem benefits and services and reduce some needs for engineered infrastructure such as heating and cooling, rainfall run-off and flooding, noise and air quality systems. These natural assets include the City's 299,352 trees (223,422 located near city streets and 75,930 located within Mississauga's parks) that moderate urban temperature, lower atmospheric carbon dioxide (CO2), reduce building energy use, mitigate rainfall run-off and flooding, moderate noise levels and improve air quality. Currently, Canadian public sector accounting standards do not provide guidance for financial statement valuation and recording of natural assets or their related services. Consequently, natural assets are not reported in these consolidated financial statements. The City's provision of services is dependent upon the continuing service provision of its natural assets over time. Recognizing this dependency, the challenges of climate change and extreme weather events, and natural asset lifecycles, the City has been continually investing in its natural assets. In 2021, these investments included: planting 31,439 trees, a controlled burn of the tallgrass prairie area at Jack Darling Memorial Park, completion of the City's Forestry Tree Inventory, an Urban Forest Canopy Study, a preliminary Natural Asset Inventory, and Risk Management Plans in accordance with O.Reg. 588/17.

23. Comparative Figures

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

2021 Audited Public Library Board Financial Statements

For the period ending December 31, 2021

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

The Corporation of the City of Mississauga – Mississauga Public Library Board

Financial Statements

For the Year Ended December 31, 2021

KPMG LLP
Vaughan Metropolitan Centre
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Canada
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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, 2021
- 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, 2021, 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.

KPMG

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 3, 2022

City of Mississauga - Public Library Board
Statement of Financial Position

as at December 31, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	2021 $	2020 $
Financial Assets		
Cash	9	727
Accounts receivable	60	19
Due from the City of Mississauga (Note 2)	4,782	4,064
Total Financial Assets	**4,851**	**4,810**
Financial Liabilities		
Accounts payable and accrued liabilities	657	933
Employee benefits and other liabilities (Note 4)	3,619	3,363
Deferred revenue	1	-
Total Financial Liabilities	**4,277**	**4,296**
Net Financial Assets	**574**	**514**
Non-financial Assets		
Tangible capital assets (Note 7)	63,196	67,613
Prepaid expenses	-	78
Total Non-Financial Assets	**63,196**	**67,691**
Accumulated Surplus	**63,770**	**68,205**

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, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	Budget 2021 $ (Note 6)	Actual 2021 $	Actual 2020 $
Revenues			
The City of Mississauga	29,657	26,347	28,557
Funding transfers from other governments	715	760	768
Contributed assets from the City of Mississauga	-	574	67
Fines, service charges and rents	1,223	536	563
Recoveries from third parties	40	98	97
Other	130	131	111
Total Revenues	**31,765**	**28,446**	**30,163**
Expenses			
Salaries, wages and employee benefits	22,997	21,704	20,605
Amortization of tangible capital assets (Note 7)	5,955	7,528	5,897
Occupancy	1,915	1,423	1,814
Materials and supplies	1,810	1,161	1,507
Administrative support charged by the City of Mississauga	522	506	510
Equipment	500	202	94
Professional Services	99	103	52
Communication	8	76	54
Staff development	166	76	99
Advertising and promotion	39	55	68
Transportation	51	29	42
Bank Charges	8	9	7
Collection fees	60	7	15
Other	12	2	7
Total Expenses	**34,142**	**32,881**	**30,771**
Annual deficit	**(2,376)**	**(4,435)**	**(608)**
Accumulated surplus, beginning of year	68,205	68,205	68,813
Accumulated surplus, end of year	**65,829**	**63,770**	**68,205**

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, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	2021 Actual $	2020 Actual $
Annual deficit	**(4,435)**	**(608)**
Acquisition of tangible capital assets (Note 7)	(3,111)	(2,607)
Amortization of tangible capital assets (Note 7)	7,528	5,897
Acquisition of prepaid expenses	-	(78)
Use of prepaid expenses	78	51
Change in Net Financial Assets/(Debt)	**(60)**	**2,655**
Net Assets/(Debt), beginning of year	514	(2,141)
Net Financial Assets/(Debt), end of year	**574**	**514**

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, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	2021 $	2020 $
Cash provided by (used in): Operating activities:		
Annual deficit	(4,435)	(608)
Items not involving cash:		
Amortization of tangible capital assets	7,528	5,897
Contributed assets from the City of Mississauga	(574)	(67)
Change in employee benefits and other liabilities	256	320
Change in non-cash working capital:		
Accounts receivable	(41)	8
Due from the City of Mississauga	(718)	(1,258)
Accounts payable and accrued liabilities	(276)	(1,013)
Deferred revenue	1	-
Prepaid expenses	78	(27)
Net change in cash from operating activities	**1,819**	**3,252**
Capital Activities:		
Tangible capital asset additions	(2,537)	(2,540)
Net Change in Cash	**(718)**	**712**
Cash, beginning of year	727	15
Cash, end of year	**9**	**727**

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, 2021
(All dollar amounts are in $000)

In 2020, 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.

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.

City of Mississauga - Public Library Board
Notes to the Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

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	20 - 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.

(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.

City of Mississauga - Public Library Board
Notes to the Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

f) Future accounting pronouncements

These standards and amendments were not yet effective for the year ended December 31, 2021, 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 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. This standard is effective for fiscal years 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. This standard is effective for fiscal years 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 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

(v) 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).

(vi) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

(vii) 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).

(viii) 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).

City of Mississauga - Public Library Board
Notes to the Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

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 $1,566 (2020 $1,456) on behalf of these eligible employees and the employees contributed $1,565 (2020 $1,501).

4. Employee Benefits & Other Liabilities

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

	2021 **$**	**2020** **$**
WSIB benefits	504	316
Accumulated sick leave benefit plan entitlements	33	60
Early retirement benefits	982	982
Post-employment benefits	1,158	1,031
Vacation Liability	942	974
Total	**3,619**	**3,363**

(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.

(v) 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.

(vi) Vacation entitlements are accrued for as earned by the employee. Values are derived by the employees current wage rate and vacation entitlement, unless specified otherwise in employment contracts or union agreements.

City of Mississauga - Public Library Board
Notes to the Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

4. Employee Benefits & Other Liabilities

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

	2021					2020
	WSIB $	Sick Leave $	Early Retirement $	Post-Employment $	Total $	Total $
Accrued benefit obligation, beginning of year	**316**	**60**	**982**	**1,031**	**2,389**	**2,132**
Service cost	196	-	32	175	**403**	**392**
Interest cost	41	1	31	34	**107**	**100**
Amortization of actuarial (gain)/loss	92	(23)	(5)	(5)	**59**	**42**
Benefit payments	(141)	(5)	(58)	(77)	**(281)**	**(277)**
Accrued benefit obligation, end of year	**504**	**33**	**982**	**1,158**	**2,677**	**2,389**
Unamortized actuarial (gain)/loss	722	(12)	(69)	(9)	**632**	**690**
Actuarial valuation update, end of year	1,226	21	913	1,049	**3,309**	**3,079**
Expected average remaining service life	11 years	13 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:

	$
2022	207
2023	160
2024	41
2025	-
2026	-
Total	**408**

City of Mississauga - Public Library Board
Notes to the Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

6. Budget Data

Budget data presented in these financial statements are based upon the 2021 operating and capital budgets as approved by Council and adopted by the Board at the April 21, 2021 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.

Revenue	Budget Amount $
Approved Operating Budget	**2,108**
Adjustments:	
City contribution (net of allocations)	29,657
Adjusted Operating Budget	**31,766**
Approved capital budget	**19,104**
Adjustments:	
Adjustments for transfers from reserve funds	(19,104)
Adjusted Capital Budget	**-**
Total Revenues	**31,766**
Expenses	
Approved Operating Budget	**31,244**
Adjustments:	
Allocations from the City of Mississauga	522
Library books transferred to TCA	(2,316)
Transfers to Reserve Funds	(1,263)
Amortization of tangible capital assets	5,955
Adjusted Operating Budget	**34,142**
Approved capital budget	**19,104**
Adjustments:	
Eliminate capital expense budget	(19,104)
Adjusted Capital Budget	**-**
Total Expenses	**34,142**
Annual Deficit	**(2,376)**

City of Mississauga - Public Library Board
Notes to the Financial Statements

For the Year Ended December 31, 2021
(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, 2020 $	Additions $	Disposals $	December 31, 2021 $
Land	1,247	-	-	1,247
Land improvements	404	192	-	596
Buildings	99,488	346	-	99,834
Equipment, books and other	37,688	2,573	-	40,261
Vehicles	167	-	-	167
Total	**138,994**	**3,111**	**-**	**142,105**

Accumulated Amortization	December 31, 2020 $	Amortization Expense $	Disposals $	December 31, 2021 $
Land	-	-	-	-
Land improvements	360	20	-	380
Buildings	48,401	2,689	-	51,090
Equipment, books and other	22,541	4,807	-	27,348
Vehicles	79	12	-	91
Total	**71,381**	**7,528**	**-**	**78,909**

Net Book Value	December 31, 2020 $	December 31, 2021 $
Land	1,247	1,247
Land Improvements	44	216
Buildings	51,087	48,744
Equipment, books and other	15,147	12,913
Vehicles	88	76
Total	**67,613**	**63,196**

City of Mississauga - Public Library Board
Notes to the Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

8. Contractual Rights

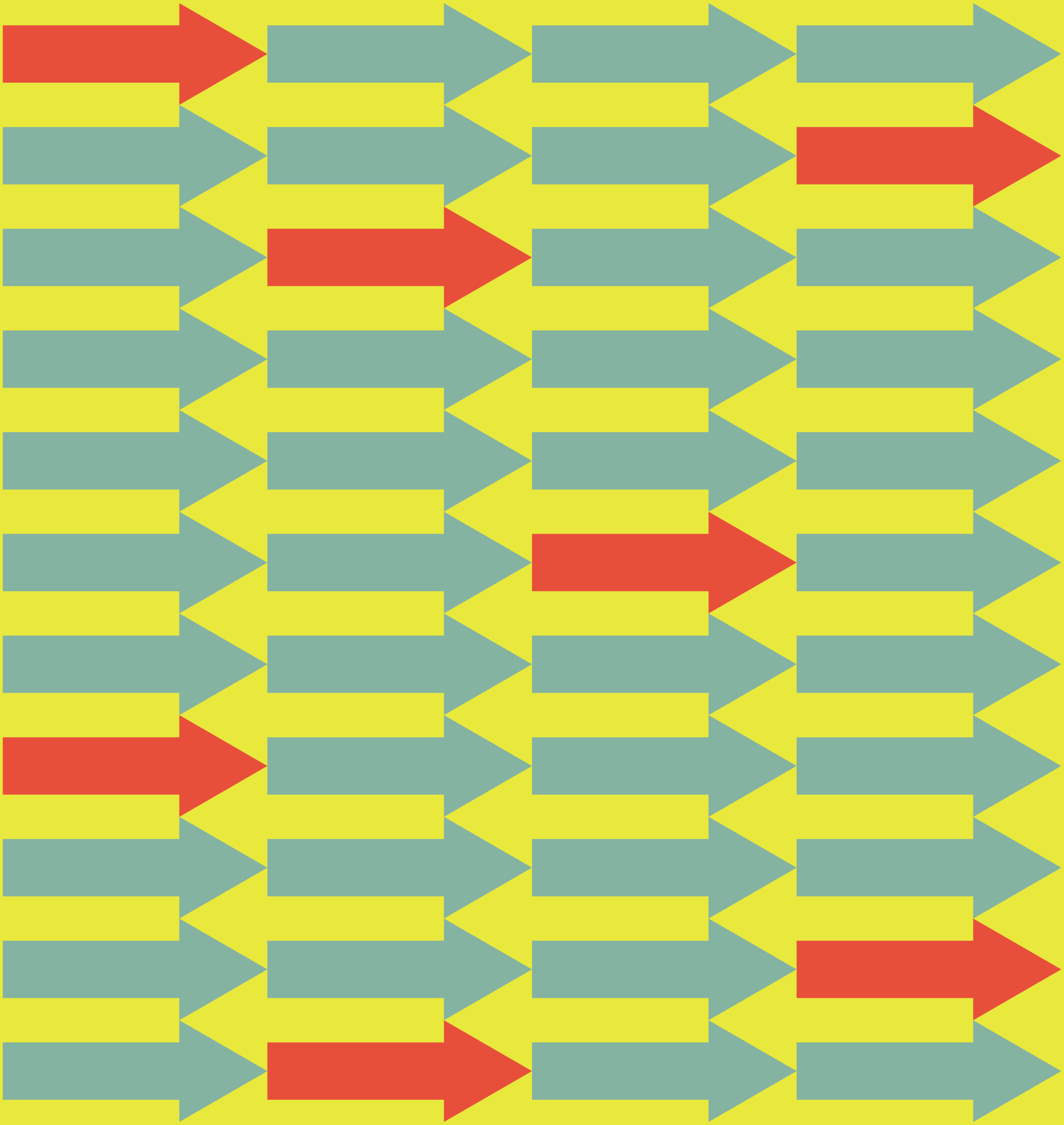
The Board is involved with various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

The Board has revenues from incoming lease agreements for Board-owned properties as follows:

	2022	2023	2024	2025	2026	Total
Contractual Rights	**$**	**$**	**$**	**$**	**$**	**$**
Incoming Lease Payments	275	281	287	294	300	1,437
Total	**275**	**281**	**287**	**294**	**300**	**1,437**

9. Comparative Figures

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



2021 Audited Tourism Mississauga Financial Statements

For the period ending December 31, 2021

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

MISSISSAUGA

The Corporation of the City of Mississauga - Tourism Mississauga

Financial Statements

Year Ended December 31, 2021

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 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, 2021
- 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, 2021, 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.

KPMG

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 3, 2022

Tourism Mississauga
Statement of Financial Position

as at December 31, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	2021	2020
	$	$
Financial Assets		
Due from the City of Mississauga (Note 2)	12,848	11,558
Funding receivable	717	-
Total Financial Assets	**13,565**	**11,558**
Financial Liabilities		
Accounts payable and accrued liabilities	219	48
Employee vacation liability	18	-
Total Financial Liabilities	**237**	**48**
Net Financial Assets	**13,328**	**11,510**
Non-Financial Assets		
Prepaid expenses	30	1
Total Non-Financial Assets	**30**	**1**
Accumulated Surplus (Note 6)	**13,358**	**11,511**

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

Tourism Mississauga
Statement of Operations

for the year ended December 31, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	Budget 2021 $ (Note 3)	Actual 2021 $	Actual 2020 $
Revenues			
Municipal Accommodation Tax (Note 4)	4,837	2,909	1,868
External funding	-	717	-
Total Revenues	**4,837**	**3,626**	**1,868**
Expenses			
Purchased services from the City of Mississauga	1,026	1,001	531
Advertising and promotion	535	454	186
Event hosting and partnerships	-	182	-
Subscription and equipment purchases	55	41	31
Staff development	35	34	12
Administrative support charged by the City of Mississauga	23	23	13
Professional services	137	17	10
Communication	2	11	2
Miscellaneous	-	8	-
Transportation	9	6	1
Materials and supplies	69	2	59
External transfers to others	850	-	17
Total Expenses	**2,741**	**1,779**	**862**
Annual surplus	**2,096**	**1,847**	**1,006**
Accumulated surplus, beginning of year	11,511	11,511	10,505
Accumulated surplus, end of year (Note 6)	**13,607**	**13,358**	**11,511**

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, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	2021 Actual $	2020 Actual $
Annual surplus	1,847	1,006
Acquisition of prepaid expenses	(30)	(1)
Use of prepaid expenses	1	-
Increase in Net Financial Assets	**1,818**	**1,005**
Net Financial Assets, beginning of year	11,510	10,505
Net Financial Assets, end of year	**13,328**	**11,510**

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

Tourism Mississauga
Statement of Cash Flows

for the year ended December 31, 2021 with comparatives for 2020
(All dollar amounts are in $000)

	2021 $	2020 $
Cash provided by (used in): Operating activities:		
Annual surplus	1,847	1,006
Items not involving cash:		
Change in non-cash working capital:		
Due from the City of Mississauga	(1,290)	(1,053)
Funding receivable	(717)	-
Accounts payable and accrued liabilities	171	48
Employee vacation liabilities	18	-
Prepaid expenses	(29)	(1)
Net change in cash, beginning of year, 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, 2021
(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.

In 2020, 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.

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) External Funding

Represents revenues recognized from the Corporation’s agreement with Destination Toronto for financial support for a number of projects, including Mississauga Marketing Initiatives, Mississauga Fall Campaign, Mississauga Festival Support, Marketing Study & Assessment and Subscriptions & Software. Revenues are recognized when the corresponding expensed are incurred.

e) Employee Vacation Liability

Vacation entitlements are accrued for as earned by the employee. Values are derived by the employees current wage rate and vacation entitlement, unless specified otherwise in employment contracts or union agreements

Tourism Mississauga
Notes to the Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

f) Future accounting pronouncements

These standards and amendments were not yet effective for the year ended December 31, 2021, 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 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. This standard is effective for fiscal years 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. This standard is effective for fiscal years 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 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

(v) 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).

(vi) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

(vii) 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).

(viii) 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).

Tourism Mississauga
Notes to the Financial Statements

For the Year Ended December 31, 2021
(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

The 2021 budget was adopted by the Corporation on October 26, 2020, and subsequently approved by City Council on November 25, 2020.

4. Municipal Accommodation Tax

This represents 50 percent of the City's net municipal accommodation tax revenue collected during the year.

5. Contractual Rights

The Corporation 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 Corporation has a Provincial funding agreement with estimated future funding/recoveries as follows:

Contractual Rights	2022 $	2023 $	2024 $	2025 $	2026 $	Total $
Provincial Agreements	553	-	-	-	-	553
Total	**553**	**-**	**-**	**-**	**-**	**553**

6. Accumulated Surplus

Accumulated surplus consists of surplus and reserves as follows:

	2021 $	2020 $
Surplus:		
Unfunded vacation liability	(18)	-
Reserves Set Aside by Council:		
Tourism Mississauga	13,376	11,510
Total Accumulated Surplus	**13,358**	**11,510**

2021 Audited Trust Funds Financial Statements

For the period ending December 31, 2021

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

MISSISSAUGA

The Corporation of the City of Mississauga - Trust Funds

Financial Statements

Year Ended December 31, 2021

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
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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, 2021
- 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, 2021, 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 3, 2022

City of Mississauga - Trust Funds
Statement of Financial Position

as at December 31, 2021 with comparatives for 2020
(All dollar amounts are in $000)

			2021	2020
	Perpetual Care $	Election Surplus $	Total $	Total $
Financial Assets				
Cash	226	-	226	55
Accounts Receivable	7	-	7	4
Due (to)/from City of Mississauga (Note 2)	46	-	46	41
Investments (Note 3)	804	-	804	886
Net Financial Assets and Accumulated Surplus	**1,083**	**-**	**1,083**	**986**

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, 2021 with comparatives for 2020
(All dollar amounts are in $000)

			2021	2020
	Perpetual Care $	Election Surplus $	Total $	Total $
Revenues				
Interest	28	-	28	27
Receipts	97	-	97	67
Total Revenues	**125**	**-**	**125**	**94**
Expenses				
Surplus forfeited to City (Note 5)	-	-	-	222
Cemetery maintenance	28	-	28	26
Total Expenses	**28**	**-**	**28**	**248**
Annual surplus/(deficit)	**97**	**-**	**97**	**(154)**
Accumulated surplus, beginning of year	986	-	986	1,140
Accumulated surplus, end of year	**1,083**	**-**	**1,083**	**986**

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, 2021
(All dollar amounts are in $000)

In 2020, 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.

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 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.

b) Future accounting pronouncements

These standards and amendments were not yet effective for the year ended December 31, 2021, 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 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. This standard is effective for fiscal years 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. This standard is effective for fiscal years 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 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

(v) 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).

(vi) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).

City of Mississauga - Trust Funds
Notes to the Financial Statements

For the Year Ended December 31, 2021
(All dollar amounts are in $000)

(vii) 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).

(viii) 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).

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 Trust Funds as at December 31, 2021 and transferred from the City of Mississauga on April 5, 2022. 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 $804 (2020 - $886) reported on the statement of financial position at cost, have a market value of $862 (2020 - $973) 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 burial rights. 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.

Financial Statements of

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

And Independent Auditors' Report thereon

Year ended December 31, 2021

KPMG

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
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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, 2021
- 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, 2021, 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.

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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 12, 2022

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial Assets		
Cash and cash equivalents	$ 98,012	$ 98,699
Accounts receivable and other assets	7,881	3,044
Prepaid deposits	1,327	1,302
	107,220	103,045
Financial Liabilities		
Accounts payable and accrued liabilities	12,527	2,984
Due to The Corporation of the City of Mississauga (note 2)	3,671	1,635
Deferred revenue	1,329	–
	17,527	4,619
Net financial assets	89,693	98,426
Tangible capital assets (note 3)	7,446	5,494
Accumulated surplus (note 4)	$ 97,139	$ 103,920

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, 2021, with comparative information for 2020

	Budget 2021 (note 5)	Actual 2021	Actual 2020
Revenue:			
Special levy on business assessment	$ 73,000	$ 69,329	$ 71,365
Other	2,000	20,798	201
Sponsorship	3,000	3,465	–
Contributed tangible capital assets by the City of Mississauga	–	3,103	–
	78,000	96,695	71,566
Expenses:			
Advertising and promotion	31,000	40,714	900
Beautification and maintenance	39,500	36,047	29,143
Office and general	17,250	18,394	13,679
Professional fees	3,000	4,920	3,180
Insurance	2,250	2,250	2,192
Amortization of tangible capital assets	–	1,151	1,374
	93,000	103,476	50,468
Annual surplus (deficit)	(15,000)	(6,781)	21,098
Accumulated surplus, beginning of year	99,220	103,920	82,822
Accumulated surplus, end of year (note 4)	$ 84,220	$ 97,139	$ 103,920

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, 2021, with comparative information for 2020

	2021	2020
Annual surplus (deficit)	$ (6,781)	$ 21,098
Contributed tangible capital assets by the City of Mississauga	(3,103)	–
Amortization of tangible capital assets	1,151	1,374
Change in net financial assets	(8,733)	22,472
Net financial assets, beginning of year	98,426	75,954
Net financial assets, end of year	$ 89,693	$ 98,426

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	$ (6,781)	$ 21,098
Items not involving cash:		
Amortization of tangible capital assets	1,151	1,374
Contributed tangible capital assets by the City of Mississauga	(3,103)	–
Change in non-cash operating working capital:		
Accounts receivable and other assets	(4,862)	644
Accounts payable and accrued liabilities	9,543	1,687
Deferred revenue	1,329	–
	(2,723)	24,803
Financing activities:		
Due to The Corporation of the City of Mississauga	2,036	2,401
Increase (decrease) in cash	(687)	27,204
Cash, beginning of year	98,699	71,495
Cash, end of year	$ 98,012	$ 98,699

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2021

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.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic and the measures taken to contain the virus continue to impact the global economy. Canadian and Provincial governments continue to enact 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 of the Association are not known at this time.

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.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(b) Revenue:

The special levy on business assessment represents the amounts levied by the City on behalf of the Association.

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

Accounts receivable include amounts to be received that can be reasonably estimated and collection is reasonably assured.

Other revenue includes grants, associate member fees and miscellaneous revenue, and are recognized as revenue as funds spent in accordance with the grant restriction, and reasonably estimated and collection is reasonably assured.

(c) Tangible capital assets:

(i) Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization for furniture and fixtures is provided on a declining balance at 20% each year.

(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 recorded as contributed assets in the statement of operations and accumulated surplus.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(d) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(e) 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.

(f) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2021, 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 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 Association's December 31, 2023 year end).

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(ii) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association'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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association'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 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year end).

(v) PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets either in productive use or no longer in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year end).

(vi) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year end).

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(vii) 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 Association's December 31, 2024 year end).

(viii) 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 Association's December 31, 2024 year end).

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

The amount due to The Corporation of the City of Mississauga includes the cumulative underlevy as of December 31, 2021 (2020 - underlevy). 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:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	$ 26,270	$ 18,824	$ 7,446	$ 5,494

Included in tangible capital assets are contributed assets donated from the City of Mississauga for street banners during the year with an amount of $3,103.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Accumulated surplus:

Accumulated surplus at December 31 comprises the following:

	2021	2020
Reserve for working capital needs	$ 89,693	$ 98,426
Invested in tangible capital assets	7,446	5,494
	$ 97,139	$ 103,920

5. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on June 2, 2021.

6. Comparative information:

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

Financial Statements of

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

And Independent Auditors' Report thereon

Year ended December 31, 2021

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
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Tel 905-265-5900
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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, 2021
- 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, 2021, 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.

KPMG

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.

KPMG

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 21, 2022

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial Assets		
Cash	$ 363,933	$ 272,115
Accounts receivable	13,217	–
Due from The Corporation of the City of Mississauga (note 2)	–	25
	377,150	272,140
Financial Liabilities		
Accounts payable and accrued liabilities	37,849	2,620
Due to The Corporation of the City of Mississauga (note 2)	8,452	–
	46,301	2,620
Net financial assets	330,849	269,520
Prepaid expenses	–	706
Tangible capital assets (note 3)	19,834	–
Accumulated surplus (note 4)	$ 350,683	$ 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

Year ended December 31, 2021, with comparative information for the period from February 19, 2020 to December 31, 2020

	Budget 2021	Actual 2021	Actual 2020
	(note 5)		
Revenue:			
Special levy on business assessment	$ 319,350	$ 264,547	$ 273,025
Grant	–	7,500	–
Contributed tangible capital assets from the City of Mississauga (note 3)	–	2,564	–
Interest	–	438	–
	319,350	275,049	273,025
Expenses:			
Beautification and maintenance	165,050	118,766	–
Office and administration	111,900	72,870	179
Amortization	–	2,834	–
Professional fees	6,700	122	2,620
Advertisement and promotion	22,900	–	–
	306,550	194,592	2,799
Annual surplus	12,800	80,457	270,226
Accumulated surplus, beginning of period	270,226	270,226	–
Annual surplus, end of period (note 4)	$ 283,026	$ 350,683	$ 270,226

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Change in Net Financial Assets

Year ended December 31, 2021, with comparative information for the period from February 19, 2020 to December 31, 2020

	2021	2020
Annual surplus	$ 80,457	$ 270,226
Additions to tangible capital assets	(22,668)	–
Amortization of tangible capital assets	2,834	–
Change in prepaid expenses	706	(706)
Change in net financial assets	61,329	269,520
Net financial assets, beginning of period	269,520	–
Net financial assets, end of period	$ 330,849	$ 269,520

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for the period from February 19, 2020 to December 31, 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 80,457	$ 270,226
Items not involving cash:		
Amortization of tangible capital assets	2,834	–
Contributed tangible capital assets from the City of Mississauga	(2,564)	–
Changes in non-cash operating working capital:		
Accounts receivable	(13,217)	–
Prepaid expenses	706	(706)
Accounts payable and accrued liabilities	35,229	2,620
Due from (to) the City	8,477	(25)
	111,922	272,115
Capital activities:		
Additions to tangible capital assets	(20,104)	–
Increase in cash	91,818	272,115
Cash, beginning of period	272,115	–
Cash, end of period	$ 363,933	$ 272,115

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2021

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.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic and the measures taken to contain the virus continue to impact the global economy. Canadian and Provincial governments continue to enact 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 of the Organization are not known at this time.

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.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(c) Tangible capital assets:

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

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

Furniture and fixtures	4 years

(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.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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1. Significant accounting policies (continued):

(e) Future accounting pronouncements

These standards and amendments were not yet effective for the year ended December 31, 2021, 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 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 Association'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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association'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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association'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 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(v) PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets either in productive use or no longer in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

(vi) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

(vii) 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 Association's December 31, 2024 year-end).

(viii) 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 Association's December 31, 2024 year-end).

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, 2021 (2020 - overlevy). The amount receivable has no specific terms of repayment and does not bear any interest due from (to) the City.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Tangible capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	$ 22,668	$ 2,834	$ 19,834	$ –

Included in tangible capital assets are contributed assets donated from the City of Mississauga for street banners during the year with an amount of $2,564.

4. Accumulated surplus:

Accumulated surplus at December 31 comprises the following:

	2021	2020
Invested in tangible capital assets	$ 20,104	$ –
Reserve for working capital needs	330,579	270,226
	$ 350,683	$ 270,226

5. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on June 2, 2021.

Financial Statements of

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

And Independent Auditors' Report thereon

Year ended December 31, 2021

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, 2021
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial 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, 2021, and its results of operations, its change in net financial 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.

KPMG

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 25, 2022

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial Assets		
Cash	$ 118,692	$ 96,728
Accounts receivable and other assets	20,354	35,642
	139,046	132,370
Financial Liabilities		
Accounts payable and accrued liabilities (note 2)	50,309	17,692
Deferred revenue	24,937	24,937
Other liability (note 4)	535,995	535,995
Due to The Corporation of the City of Mississauga (note 3)	5,285	18,983
	616,526	597,607
Net financial debt	(477,480)	(465,237)
Tangible capital assets (note 5)	766,201	742,602
Commitments (notes 4 and 7)		
Accumulated surplus (note 6)	$ 288,721	$ 277,365

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, 2021, with comparative information for 2020

	Budget 2021 (note 8)	Actual 2021	Actual 2020
Revenue:			
Special levy on business assessment	$ 146,140	$ 142,193	$ 127,157
Special event - Canada Day sponsorship revenue (note 2)	50,250	37,000	–
Other grants (note 2)	–	8,500	39,784
Other	5,000	34	8,099
Contributed tangible capital asset (note 5)	–	3,882	–
	201,390	191,609	175,040
Expenses:			
Special event - Canada Day	5,000	34,673	1,667
Office and administration (note 2)	93,380	58,117	70,193
Beautification and maintenance	18,610	8,185	6,044
Advertising and promotion	5,900	4,604	6,935
Amortization	–	69,685	42,510
Other event	27,000	4,989	13,528
Sponsorship	11,500	–	–
	161,390	180,253	140,877
Annual surplus	40,000	11,356	34,163
Accumulated surplus, beginning of year	277,365	277,365	243,202
Accumulated surplus, end of year	$ 317,365	$ 288,721	$ 277,365

See accompanying notes to financial statements.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Statement of Change in Net Financial Debt

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Annual surplus	$ 11,356	$ 34,163
Additions to tangible capital assets	(93,284)	(627,200)
Amortization of tangible capital assets	69,685	42,510
Change in net financial debt	(12,243)	(550,527)
Net financial assets (debt), beginning of year	(465,237)	85,290
Net financial debt, end of year	$ (477,480)	$ (465,237)

See accompanying notes to financial statements.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 11,356	$ 34,163
Items not involving cash:		
Amortization of tangible capital assets	69,685	42,510
Contributed tangible capital asset	(3,882)	–
Change in non-cash operating working capital:		
Decrease in accounts receivable and other assets	15,288	4,812
Increase (decrease) in accounts payable and accrued liabilities	32,617	(12,804)
Increase in deferred revenue	–	24,937
Increase (decrease) in due to The Corporation of the City of Mississauga	(13,698)	24,358
	111,366	117,976
Capital activities:		
Additions to tangible capital assets	(89,402)	(627,200)
Other liability	–	535,995
	(89,402)	(91,205)
Increase in cash	21,964	26,771
Cash, beginning of year	96,728	69,957
Cash, end of year	$ 118,692	$ 96,728

See accompanying notes to financial statements.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2021

On December 12, 2012, 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 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.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic and the measures taken to contain the virus continue to impact the global economy. Canadian and provincial governments continue to enact 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 on the Association are not known at this time.

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 City 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.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(c) Tangible capital assets:

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization for 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.

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

(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.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(e) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2021, 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 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 Association'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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association'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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association'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.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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1. Significant accounting policies (continued):

(iv) PS 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

(v) PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets either in productive use or no longer in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

(vi) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

(vii) 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 Association's December 31, 2024 year-end).

(viii) 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 Association's December 31, 2024 year-end).

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Related party transactions:

The Association recognized $27,000 of special event - Canada Day sponsorship revenue (2020 - nil), and nil of other grants revenue (2020 - $12,978) received from the City.

Included in office and administration expense are $5,696 (2020 - $4,862) of services provided by companies owned by members of the Board of Directors. Accounts payable and accrued liabilities include $170 (2020 - $684) in respect of these related party transactions.

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 of $3,947 as at December 31, 2021 (2020 - $18,983). The amount is non-interest bearing and payable on demand.

4. Other liability:

In 2020, 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.

Also in 2020, 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 as other liability. Costs expended towards the sculpture have been recorded as asset under construction and are disclosed in note 5.

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Tangible capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Fixtures and decorations	$ 440,987	$ 215,538	$ 225,449	$ 201,850
Asset under construction	540,752	–	540,752	540,752
	$ 981,739	$ 215,538	$ 766,201	$ 742,602

Included in fixtures and decorations are $3,882 of banners contributed by the City.

6. Accumulated surplus:

The accumulated surplus as at December 31 comprises the following:

	2021	2020
Deficit for working capital needs	$ (477,480)	$ (465,237)
Invested in tangible capital assets	766,201	742,602
	$ 288,721	$ 277,365

7. Commitments:

The Association has entered into an operating agreement for utilities that expires in 2026 and a lease agreement for premises that expires in 2023. Both agreements are with the City. The annual commitments are approximately as follows:

2022	$ 3,454
2023	1,879
2024	1,354
2025	1,354
2026	1,354
	$ 9,395

CITY OF MISSISSAUGA MALTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2021

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8. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on June 2, 2021.

9. Comparative information:

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

DRAFT #4
March 31, 2022

Financial Statements of

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

And Independent Auditors' Report thereon

Year ended December 31, 2021

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, 2021
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, 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.

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.

- 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

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

DRAFT Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial Assets		
Cash	$ 224,367	$ 227,286
Investment (note 2)	39,725	39,725
Accounts receivable	40,672	61,006
	304,764	328,017
Financial Liabilities		
Accounts payable and accrued liabilities	43,495	41,874
Due to The Corporation of the City of Mississauga (note 3)	724	36,045
	44,219	77,919
Net financial assets	260,545	250,098
Non-Financial Assets		
Prepaid expenses	12,491	26,161
Tangible capital assets (note 4)	151,446	127,859
Commitment (note 7)		
Accumulated surplus (note 5)	$ 424,482	$ 404,118

See accompanying notes to financial statements.

On behalf of the Board:

_________________________________ Director

_________________________________ Treasurer

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

DRAFT Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

	Budget 2021 (note 8)	Actual 2021	Actual 2020
Revenue:			
Special levy on business assessment	$ 801,000	$ 800,276	$ 864,955
Fundraising	92,800	46,847	120,386
Contributed tangible capital assets by the City of Mississauga	–	4,395	–
Interest	–	1,611	2,110
	893,800	853,129	987,451
Expenses:			
Office and general (note 6)	302,700	290,538	264,270
Beautification and maintenance	340,000	268,516	301,339
Project expenses	91,500	103,631	111,632
Sponsorships	75,000	58,000	10,500
Advertising and promotion	69,500	51,397	88,359
Amortization of tangible capital assets	–	48,572	26,009
Loss on disposal of tangible capital assets	–	8,161	–
Business development (note 6)	7,000	3,569	1,364
Repairs and maintenance	–	381	4,107
Information technology	27,000	–	15,050
	912,700	832,765	822,630
Annual surplus (deficit)	(18,900)	20,364	164,821
Accumulated surplus, beginning of year	404,118	404,118	239,297
Accumulated surplus, end of year (note 5)	$ 385,218	$ 424,482	$ 404,118

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

DRAFT Statement of Changes in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Annual surplus	$ 20,364	$ 164,821
Additions to tangible capital assets	(80,320)	(65,415)
Amortization of tangible capital assets	48,572	26,009
Loss on disposal of tangible capital assets	8,161	–
Change in prepaid expenses	13,670	(20,176)
Change in net financial assets	10,447	105,239
Net financial assets, beginning of year	250,098	144,859
Net financial assets, end of year	$ 260,545	$ 250,098

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

DRAFT Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 20,364	$ 164,821
Items not involving cash:		
Amortization of tangible capital assets	48,572	26,009
Contributed tangible capital assets by the City of Mississauga	(4,395)	–
Loss on disposal of tangible capital assets	8,161	–
Change in non-cash operating working capital:		
Decrease in accounts receivable	20,334	1,246
Decrease (increase) in prepaid expenses	13,670	(20,176)
Increase in accounts payable and accrued liabilities	1,621	10,630
Increase (decrease) in due to The Corporation of the City of Mississauga	(35,321)	16,342
	73,006	198,872
Capital activities:		
Additions to tangible capital assets	(75,925)	(65,415)
Investing activities:		
Increase in investment	–	(39,725)
Increase (decrease) in cash	(2,919)	93,732
Cash, beginning of year	227,286	133,554
Cash, end of year	$ 224,367	$ 227,286

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements

Year ended December 31, 2021

On December 20, 1984, the Council of the Corporation of the City of Mississauga (the "City") passed a by-law pursuant to the Municipal Act, to designate an area as an improvement area to be known as the Port Credit Business Improvement Area (the "Organization"). The Organization was entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the area, beyond such improvement, beautification and maintenance as provided at the expense of the municipality at large, and with the promotion of the area as a business or shopping area.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic and the measures taken to contain the virus continue to impact the global economy. Canadian and provincial governments continue to enact 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 of the Organization are not known at this time.

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 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 on behalf of the Organization. Fundraising and interest revenue is recognized on an accrual basis.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(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.

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

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

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

(e) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2021

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1. **Significant accounting policies (continued):**

(f) Future accounting pronouncements

These standards and amendments were not yet effective for the year ended December 31, 2021, 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 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 Association'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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association'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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association'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 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2021

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1. Significant accounting policies (continued):

(v) PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets either in productive use or no longer in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

(vi) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

(vii) 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 Association's December 31, 2024 year-end).

(viii) 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 Association's December 31, 2024 year-end).

2. Investment:

Investment consists of a guaranteed investment certificate bearing interest at 0.75% with a maturity date of January 2022.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2021

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

The amount due to the City includes the cumulative underlevy as at December 31, 2021. The amount is non-interest bearing and payable on demand.

4. Tangible capital assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Machinery and equipment	$ 283,163	$ 149,512	$ 133,651	$ 107,369
Furniture and fixtures	21,838	17,328	4,510	2,650
Leasehold improvements	22,775	9,490	13,285	17,840
	$ 327,776	$ 176,330	$ 151,446	$ 127,859

Included in tangible capital assets are contributed assets donated from the City of Mississauga for street banners during the year with an amount of $4,395.

5. Accumulated surplus:

Accumulated surplus at December 31 comprises the following:

	2021	2020
Invested in tangible capital assets	$ 151,446	$ 127,859
Reserve for working capital needs	273,036	276,259
	$ 424,482	$ 404,118

6. Related party transactions:

Office and general and business development expenses include $394 (2020 - $1,140) of services provided by a company owned by a member of the Board of Directors. There are no (2020 - nil) amounts included in accounts payable and accrued liabilities in respect of these related party transactions.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2021

6. Related party transactions (continued):

The Organization recorded $7,500 of special event - Art at the Port funding revenue (2020 - nil), and $1,000 other grants revenue (2020 - nil) received from the City.

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 are as follows:

2022	$ 17,166
2023	17,681
2024	10,492
	$ 45,339

8. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on June 2, 2021.

Financial Statements of

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

And Independent Auditors' Report thereon

Year ended December 31, 2021

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, 2021
- 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, 2021, 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.

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.

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 11, 2022

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets		
Cash	$ 77,269	$ 84,267
Investments (note 1(d))	24,000	–
Accounts receivable	27,067	26,150
	128,336	110,417
Financial liabilities		
Accounts payable and accrued liabilities	27,482	26,119
Due to The Corporation of the City of Mississauga (note 2)	5,434	22,048
Deferred revenue (note 4)	6,000	10,635
	38,916	58,802
Net financial assets	89,420	51,615
Non-Financial Assets		
Tangible capital assets (note 3)	26,430	39,053
Accumulated surplus (note 5)	$ 115,850	$ 90,668

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, 2021, with comparative information for 2020

	2021 Budget (note 7)	2021 Actual	2020 Actual
Revenue:			
Special levy on business assessment	$ 401,750	$ 401,320	$ 377,721
Fundraising	41,000	73,788	30,602
Contributed tangible capital assets by the City of Mississauga	–	3,223	–
Other	10,200	167	–
	452,950	478,498	408,323
Expenses:			
Advertising and promotion	168,950	114,286	72,456
Office and administration (note 6)	122,900	182,749	166,115
Beautification and maintenance	152,600	139,435	156,480
Amortization of capital assets	–	16,846	15,881
	444,450	453,316	410,932
Annual surplus (deficit)	8,500	25,182	(2,609)
Accumulated surplus, beginning of year	90,668	90,668	93,277
Accumulated surplus, end of year (note 5)	$ 99,168	$ 115,850	$ 90,668

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, 2021, with comparative information for 2020

	2021	2020
Annual surplus (deficit)	$ 25,182	$ (2,609)
Additions to tangible capital assets	(4,223)	(5,427)
Amortization of tangible capital assets	16,846	15,881
Change in net financial assets	37,805	7,845
Net financial assets, beginning of year	51,615	43,770
Net financial assets, end of year	$ 89,420	$ 51,615

See accompanying notes to financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	$ 25,182	$ (2,609)
Items not involving cash:		
Amortization of tangible capital assets	16,846	15,881
Contributed tangible capital assets by the City of Mississauga	(3,223)	–
Change in non-cash operating working capital:		
Accounts receivable	(917)	15,623
Accounts payable and accrued liabilities	1,363	18,450
Due to The Corporation of the City of Mississauga	(16,614)	19,415
Deferred revenue	(4,635)	10,635
	18,002	77,395
Investing activities:		
Additions to tangible capital assets	(1,000)	(5,427)
Purchase of investments	(24,000)	–
	(25,000)	(5,427)
Increase (decrease) in cash	(6,998)	71,968
Cash, beginning of year	84,267	12,299
Cash, end of year	$ 77,269	$ 84,267

See accompanying notes to financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2021

On November 5, 1979, 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 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.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The pandemic and the measures taken to contain the virus continue to impact the global economy. Canadian and Provincial governments continue to enact 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 of the Association are not known at this time.

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 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. Fundraising and other revenues are recognized on an accrual basis.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(c) Deferred revenue:

Deferred revenue represents 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.

(d) Investment:

Investment consists of guaranteed investment certificates bearing interest between 0.25% to 0.45% with a maturity date of January 2023.

(e) Tangible capital assets:

(i) 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:

Furniture, fixtures and decoratives	5 - 10 years
Benches	5 years
Computer equipment	5 years

(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 contributions are recorded as contributed assets in the statement of operations and accumulated surplus.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) 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.

(g) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2021, 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 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 Association'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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association'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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association'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.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

1. Significant accounting policies (continued):

(iv) PS 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

(v) PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets either in productive use or no longer in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association’s December 31, 2023 year-end).

(vi) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2022 (the Association's December 31, 2023 year-end).

(vii) 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 Association's December 31, 2024 year-end).

(viii) 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 Association's December 31, 2024 year-end).

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

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

The amount due to the City includes the cumulative underlevy as at December 31, 2021. The amount is non-interest bearing and payable on demand.

3. Tangible capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Furniture, fixtures and decoratives	$ 163,700	$ 141,398	$ 22,302	$ 33,038
Benches	26,258	24,466	1,792	3,012
Computer equipment	3,337	1,001	2,336	3,003
	$ 193,295	$ 166,865	$ 26,430	$ 39,053

Included in tangible capital assets are contributed assets donated from the City for furniture, fixtures and decoratives during the year with an amount of $3,223.

4. Deferred revenue:

Deferred revenue as at December 31 comprises the following:

	2021	2019
Royal Bank of Canada grant	$ 6,000	$ 7,500
City grant	–	3,135
	$ 6,000	$ 10,635

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Accumulated surplus:

The accumulated surplus as at December 31 comprises the following:

	2021	2020
Reserve for working capital needs	$ 89,420	$ 51,615
Invested in tangible capital assets	26,430	39,053
	$ 115,850	$ 90,668

6. Related party transactions:

Office and general expenses includes $9,236 (2020 - nil) of services provided by members of the Board of Directors. There are nil (2020 - nil) amounts included in accounts payable and accrued liabilities in respect of these related party transactions.

7. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on June 2, 2021.

Financial Statements of

ENERSOURCE CORPORATION

Year ended December 31, 2021

KPMG LLP
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Vaughan ON L4K 0J3
Canada
Tel 905-265-5900
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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, 2021
- 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, 2021, 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.

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.

KPMG

- 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 29, 2022

ENERSOURCE CORPORATION

Statement of Financial Position
(In thousands of Canadian dollars)

December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	$ 7,538	$ 7,306
Prepaid expenses	17	14
	7,555	7,320
Non-current assets:		
Investment in Alectra Inc. (note 5)	607,902	597,800
Total assets	$ 615,457	$ 605,120
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade payables	$ -	$ 27
Loans and borrowings (note 7)	2,500	2,500
	2,500	2,527
Non-current liabilities:		
Loans and borrowings (note 7)	45,625	48,125
Interest rate swap (note 7)	75	557
	45,700	48,682
Total liabilities	48,200	51,209
Shareholders' equity:		
Share capital (note 8)	175,691	175,691
Accumulated other comprehensive loss	(5,221)	(7,291)
Retained earnings	396,787	385,511
Total shareholders' equity	567,257	553,911
Total liabilities and shareholders' equity	$ 615,457	$ 605,120

See accompanying notes to financial statements.

On behalf of the Board:

________________________________ Director

________________________________ Director

ENERSOURCE CORPORATION

Statement of Comprehensive Income
(In thousands of Canadian dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Finance income	$ 92	$ 124
Share of net income from investment in Alectra Inc. (note 5)	30,185	22,321
Unrealized fair value gain on interest rate swap (note 7)	482	-
	30,759	22,445
Expenses:		
Office supplies	35	29
Professional and legal services fee	97	67
Board management fee (note 10)	82	79
Finance expense (note 7)	713	974
Unrealized fair value loss on interest rate swap (note 7)	-	705
	927	1,854
Income before income taxes	29,832	20,591
Income tax expense (note 6)	-	-
Net income	29,832	20,591
Other comprehensive income (loss):		
Share of other comprehensive income (loss) from investment in Alectra Inc. (note 5)	2,070	(1,183)
Total comprehensive income	$ 31,902	$ 19,408

See accompanying notes to financial statements.

ENERSOURCE CORPORATION

Statement of Cash Flows
(In thousands of Canadian dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash flows provided by (used in):		
Operating activities:		
Comprehensive income	$ 31,902	$ 19,408
Items not involving cash:		
Share of net income from investment in Alectra Inc. (note 5)	(30,185)	(22,321)
Share of other comprehensive income (loss) from investment in Alectra Inc. (note 5)	(2,070)	1,183
Change in fair value of Interest rate swap (note 7)	(482)	705
Finance income	(92)	(124)
Finance expense	713	974
Change in non-cash operating working capital (note 9)	(30)	114
Cash flows used in operating activities	(244)	(61)
Financing activities:		
Repayment of bank loans	(2,500)	(2,500)
Dividends paid	(18,556)	(19,700)
Interest paid	(713)	(974)
Cash flows used in financing activities	(21,769)	(23,174)
Investing activities:		
Interest received	92	124
Dividends from Alectra Inc. (note 5)	22,153	23,581
Cash flows provided by investing activities	22,245	23,705
Increase in cash	232	470
Cash, beginning of year	7,306	6,836
Cash, end of year	$ 7,538	$ 7,306

See accompanying notes to financial statements.

ENERSOURCE CORPORATION

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

Year ended December 31, 2021, with comparative information for 2020

2021	Share capital	Accumulated other comprehensive loss	Retained earnings	Total shareholders' equity
Balance, beginning of year	$ 175,691	$ (7,291)	$ 385,511	$ 553,911
Net income	–	–	29,832	29,832
Other comprehensive income	–	2,070	–	2,070
Dividends paid	–	–	(18,556)	(18,556)
Balance, end of year	$ 175,691	$ (5,221)	$ 396,787	$ 567,257

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

See accompanying notes to financial statements.

ENERSOURCE CORPORATION

Notes to Financial Statements
(In thousands of Canadian dollars)

Year ended December 31, 2021

1. General information:

(a) Corporate information:

Enersource Corporation (the "Corporation"), incorporated under the Ontario Business Corporations Act, was formed to conduct electricity distribution and non-regulated utility service ventures. 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.

The Corporation has a 29.57% ownership interest in Alectra Inc.’s issued and outstanding common shares. 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.

The current shareholder ownership of Alectra Inc. is as follows: Barrie Hydro Holdings - 8.4%, Enersource Corporation - 29.57%, Guelph Municipal Holdings Inc.- 4.6%, Hamilton Utilities Corporation - 17.3%, Markham Enterprises Corporation – 15.03%, St. Catharines Hydro Inc. - 4.6%, and Vaughan Holdings Inc. - 20.5%.

ENERSOURCE CORPORATION

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

Year ended December 31, 2021

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 Inc. 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 29, 2022.

(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, other than those inherent in the preparation of Alectra’s financial statements, 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, 2021

4. Significant accounting policies:

(a) Changes in accounting policies:

The Corporation did not adopt any new International Financial Reporting 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.

(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, 2021

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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.

ENERSOURCE CORPORATION

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

Year ended December 31, 2021

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.

(f) New standards and interpretations not yet adopted:

Certain new standards, amendments to standards, and interpretations were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning after January 1, 2022 or later that the Corporation has decided not to adopt early.

- *Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2* provides guidance and examples to assist entities to apply materiality judgments to accounting policy disclosures. The amendments to IAS 1 aim to help entities improve the usefulness of its accounting policy disclosures by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The effective date for the amendments to IAS 1 is January 1, 2023 with earlier application permitted. The Corporation is currently assessing the impact of the amendments to determine the impact they will have on the Corporation's accounting policy disclosures.

ENERSOURCE CORPORATION

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

Year ended December 31, 2021

5. Investment in Alectra:

	2021	2020
Investment in Alectra	$ 607,902	$ 597,800

Movement in equity-accounted investee:

	2021	2020
Balance, beginning of year	$ 597,800	$ 600,243
Share of net income from investment in Alectra	30,185	22,321
Share of other comprehensive income (loss)	2,070	(1,183)
Dividends received from Alectra	(22,153)	(23,581)
Balance, end of year	$ 607,902	$ 597,800

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.

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.

ENERSOURCE CORPORATION

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

Year ended December 31, 2021

5. Investment in Alectra (continued):

	2021	2020
Ownership interest	29.57%	29.57%
Current assets	$ 657,000	$ 745,000
Non-current assets	4,851,000	4,605,000
Current liabilities	(962,000)	(1,060,000)
Non-current liabilities	(2,777,000)	(2,554,000)
Net assets (100%)	1,769,000	1,736,000
Ring Fenced Solar Portfolio net assets	(9,255)	(10,395)
Fair value adjustments from purchase price	296,145	296,145
	$ 2,055,890	$ 2,021,750

	2021	2020
Carrying value of investment in Alectra (29.57%)	$ 607,902	$ 597,800
Revenue	$ 3,834,000	$ 4,162,000
Depreciation and amortization	(182,000)	(165,000)
Other expenses	(3,437,000)	(3,816,000)
Finance expenses	(74,000)	(74,000)
Income tax expense	(36,000)	(28,000)
Net income	105,000	79,000
Other comprehensive income (loss)	7,000	(4,000)
Total comprehensive income	112,000	75,000
Ring Fenced Solar Portfolio net gain	2,920	3,513
Share of income (29.57%)	$ 30,185	$ 22,321
Share of other comprehensive income (loss) (29.57%)	2,070	(1,183)

ENERSOURCE CORPORATION

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

Year ended December 31, 2021

6. Income taxes:

The components of income tax recovery for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
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:

	2021	2020
Income before income taxes	$ 29,832	$ 20,591
Federal and Ontario statutory income tax rate	26.50%	26.50%
Provision for income taxes at statutory rate	$ 7,905	$ 5,457
Increase (decrease) resulting from:		
Differences between accounting and tax treatment of investments in subsidiaries	(7,999)	(5,915)
Losses not recognized as deferred tax asset	94	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, 2021

7. Loans and borrowings:

	2021	2020
Bank loan:		
Current	$ 2,500	$ 2,500
Non-current	45,625	48,125
	$ 48,125	$ 50,625

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 1.08% on November 1, 2021 and is carried with quarterly interest payments. Credit Facility B has a 10 year term to maturity and an outstanding balance of $13,125. 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 2021 or 2020. The secured bank loans are guaranteed by the City of Mississauga in the amount of $70,000.

The Corporation included $482 unrealized gain (2020 – $705 loss) in its financial statements related to the interest rate swap. $75 liability (2020 - $557 liability) 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, 2021. The notional value on the interest rate swap is equal to the outstanding value of Credit Facility B, or $13,125.

ENERSOURCE CORPORATION

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

Year ended December 31, 2021

7. Loans and borrowings (continued):

Reconciliation of debt arising from financing activities:

	2021	2020
Balance, beginning of year	$ 50,625	$ 53,125
Principal repayment	(2,500)	(2,500)
Balance, end of year	$ 48,125	$ 50,625

The Corporation made interest payments of $713 (2020 - $974).

8. Share capital:

	2021	2020
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, 2021

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, 2021, there were no cumulative preferential dividends outstanding (2020 – $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. As at December 31, 2021, dividends of $18,556 (2020 - $19,700) were declared and paid to the shareholders of the Corporation.

9. Change in non-cash operating working capital:

	2021	2020
Prepaid expenses	$ (3)	$ 117
Trade payables	(27)	(3)
	$ (30)	$ 114

ENERSOURCE CORPORATION

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

Year ended December 31, 2021

10. Related party transactions and balances:

For December 31, 2021, a dividend of $16,700 was declared and paid to the City of Mississauga (2020 - $17,730), and a dividend of $1,856 was declared and paid to Borealis (2020 - $1,970). 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.

	2021	2020
Directors Honorarium and per diems	$ 82	$ 79

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 $40,000 per occurrence.

As at December 31, 2021 and December 31, 2020, 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, 2021

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, 2021 and 2020.

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 $75 (2020 - $557 liability). 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, 2021

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, 2021 and 2020.

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
Bank loan (interest and principal)	$ 3,172	$ 12,020	$ 35,000

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

Year ended December 31, 2021

13. Subsequent event:

On March 18, 2022, the Corporation received a dividend of $14,113 from Alectra.