

Financial Statements of

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

And Independent Auditor's Report thereon

Year ended December 31, 2023

**KPMG LLP**

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INDEPENDENT AUDITOR'S 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, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

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

Basis for Opinion

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

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side of the 'K' towards the right.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 12, 2024

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022
Financial Assets		
Cash	\$ 6,118	\$ 34,781
Investments (note 1(d))	17,984	24,000
Accounts receivable	23,011	37,470
Due from The Corporation of the City of Mississauga (note 2)	8,092	3,929
	<u>55,205</u>	<u>100,180</u>
Financial Liabilities		
Accounts payable and accrued liabilities	60,645	5,698
Net financial assets (debt)	(5,440)	94,482
Non-Financial Assets		
Tangible capital assets (note 3)	71,470	40,746
Accumulated surplus (note 4)	<u>\$ 66,030</u>	<u>\$ 135,228</u>

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, 2023, with comparative information for 2022

	2023 Budget (note 6)	2023 Actual	2022 Actual
Revenue:			
Special levy on business assessment	\$ 434,700	\$ 444,042	\$ 410,679
Fundraising	78,450	90,454	85,440
Other	24	752	111
	<u>513,174</u>	<u>535,248</u>	<u>496,230</u>
Expenses:			
Advertising and promotion	17,500	184,374	149,753
Office and administration (note 5)	331,550	222,643	182,477
Beautification and maintenance	155,600	179,850	136,380
<u>Amortization of tangible capital assets</u>	<u>7,500</u>	<u>17,579</u>	<u>8,242</u>
	<u>512,150</u>	<u>604,446</u>	<u>476,852</u>
Annual surplus (deficit)	<u>\$ 1,024</u>	(69,198)	19,378
Accumulated surplus, beginning of year		135,228	115,850
Accumulated surplus, end of year (note 4)		\$ 66,030	\$ 135,228

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, 2023, with comparative information for 2022

	2023	2022
Annual surplus (deficit)	\$ (69,198)	\$ 19,378
Additions to tangible capital assets	(48,303)	(22,558)
Amortization of tangible capital assets	17,579	8,242
Change in net financial assets	(99,922)	5,062
Net financial assets, beginning of year	94,482	89,420
Net financial assets (debt), end of year	\$ (5,440)	\$ 94,482

See accompanying notes to financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Statement of Cash Flows

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

	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (69,198)	\$ 19,378
Item not involving cash:		
Amortization of tangible capital assets	17,579	8,242
Change in non-cash operating working capital:		
Accounts receivable	14,459	(10,403)
Due from The Corporation of the City of Mississauga	(4,163)	(3,929)
Accounts payable and accrued liabilities	54,947	(21,784)
Due to The Corporation of the City of Mississauga	–	(5,434)
Deferred revenue	–	(6,000)
	13,624	(19,930)
Investing activities:		
Additions to tangible capital assets	(48,303)	(22,558)
Change in investments	6,016	–
	(42,287)	(22,558)
Decrease in cash	(28,663)	(42,488)
Cash, beginning of year	34,781	77,269
Cash, end of year	\$ 6,118	\$ 34,781

See accompanying notes to financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2023

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.

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 ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are the cost of goods or services acquired in the year whether or not payment has been made or invoices received.

(b) Revenue:

The special levy on business assessment represents the amounts levied by the City on behalf of the Association. Fundraising and other revenues are recognized on an accrual basis.

(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 revenue in the fiscal year the event occurs or in which in the expenditures have been incurred.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(d) Investments:

Investment consists of a guaranteed investment certificate bearing interest at 2.29% (2022 - between 0.60% to 0.75% with a maturity date of August 24, 2028 (2022 - January 5, 2024).

(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.

(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.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(g) Future accounting pronouncements:

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

- (i) 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).
- (ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023 (the Association's December 31, 2024 year-end).
- (iii) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from 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, 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, 2023

1. Significant accounting policies (continued):

(h) Adoption of new accounting policies:

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

- (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.
- (ii) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives.
- (iii) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency.
- (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.
- (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.

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

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

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

The amount due from the City includes the cumulative overlevy as at December 31, 2023. The amount is non-interest bearing and receivable in conjunction with the 2023 levy.

3. Tangible capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Furniture, fixtures and decoratives	\$ 217,671	\$ 161,694	\$ 55,977	\$ 33,762
Benches	38,727	28,216	10,511	5,316
Computer equipment	7,761	2,779	4,982	1,668
	\$ 264,159	\$ 192,689	\$ 71,470	\$ 40,746

4. Accumulated surplus:

The accumulated surplus as at December 31 comprises the following:

	2023	2022
Reserve DEFICIT for working capital needs	\$ (5,440)	\$ 94,482
Invested in tangible capital assets	71,470	40,746
	\$ 66,030	\$ 135,228

5. Related party transactions:

Office and general expenses include \$9,838 (2022 - \$9,506) of services provided by members of the Board of Directors.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on January 23, 2023.

7. Risk management:

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

(a) Credit risk:

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

(b) Liquidity risk:

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

(c) Market risk:

Interest rate risk:

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