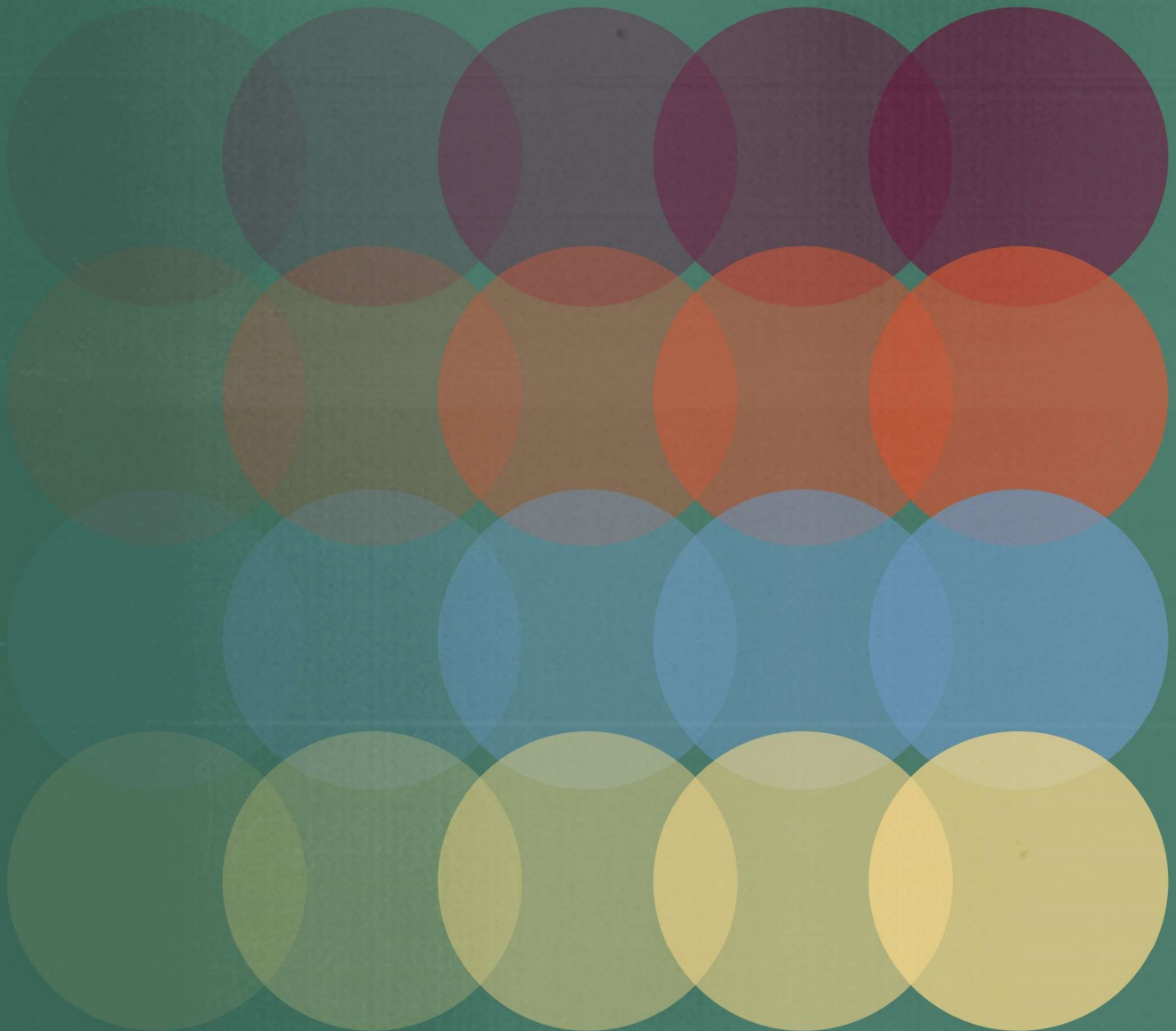




# 2023 Audited Trust Funds Financial Statements

For the year ended December 31, 2023

Prepared by: Finance Division  
City of Mississauga





## Management's Responsibility for Financial Reporting

For the year ended December 31, 2023

The accompanying financial statements of the City of Mississauga Trust Funds ("Trust Funds") are the responsibility of management at the City of Mississauga (the "City") and have been prepared in accordance with generally accepted accounting principles as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

The City's Finance Division is responsible for the preparation of the Trust Funds' financial statements and accompanying notes. The statements and notes include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis to ensure that the Trust Funds' financial statements are presented fairly in all material respects.

There are two required financial statements: the Statement of Financial Position, and the Statement of Operations. These financial statements provide information on the cost of all Trust Funds activities, how they were financed, investing activities, assets, and liabilities. The financial statements are reviewed and approved by the Director of Finance and Treasurer.

The City maintains systems of internal and financial controls designed to ensure that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by City management.

The Trust Funds' financial statements have been audited by KPMG LLP, independent external auditors appointed by the City's Audit Committee. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Trust Funds financial statements.

The City's Audit Committee meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters.

Shari Lichterman  
City Manager and  
Chief Administrative Officer

Marisa Chiu  
Director of Finance and Treasurer

Mississauga, Ontario  
April 19, 2024



## **KPMG LLP**

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## **INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023, 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 "***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 19, 2024

**City of Mississauga Trust Funds**  
**Statement of Financial Position**  
as at December 31, 2023 with comparatives for 2022  
(All dollar amounts are in \$000s)

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

	Perpetual Care Fund	Election Surplus Fund	2023 Total	2022 Total
<b>Financial Assets</b>				
Cash and cash equivalents	193	148	341	166
Accounts Receivable	9	-	9	9
Investments (Note 4)	937	-	937	942
<b>Total Financial Assets</b>	<b>1,139</b>	<b>148</b>	<b>1,287</b>	<b>1,117</b>
<b>Financial Liabilities</b>				
Due to the City of Mississauga (Note 3)	27	-	27	17
Deferred Revenue - Election Proceeds	-	148	148	-
<b>Total Financial Liabilities</b>	<b>27</b>	<b>148</b>	<b>175</b>	<b>17</b>
<b>Net Financial Assets and Accumulated Surplus</b>	<b>1,112</b>	<b>-</b>	<b>1,112</b>	<b>1,100</b>

**City of Mississauga Trust Funds**

**Statement of Operations**

for the year ended December 31, 2023 with comparatives for 2022

(All dollar amounts are in \$000s)

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

	Perpetual Care Fund (Note 5)	Election Surplus Fund (Note 6)	2023 Total	2022 Total
<b>Revenue</b>				
Interest	39	-	39	33
Burial receipts	12	-	12	17
<b>Total Revenue</b>	<b>51</b>	<b>-</b>	<b>51</b>	<b>50</b>
<b>Expenses</b>				
Cemetery maintenance	39	-	39	33
<b>Total Expenses</b>	<b>39</b>	<b>-</b>	<b>39</b>	<b>33</b>
<b>Annual Surplus</b>	<b>12</b>	<b>-</b>	<b>12</b>	<b>17</b>
Accumulated surplus, beginning of year	1,100	-	1,100	1,083
<b>Accumulated Surplus, end of year</b>	<b>1,112</b>	<b>-</b>	<b>1,112</b>	<b>1,100</b>

**City of Mississauga Trust Funds**  
**Notes to the Financial Statements**  
 for the year ended December 31, 2023  
 (All dollar amounts are in \$000s)

The City of Mississauga acts as a trustee, investing and administering these Trust Funds, in accordance with regulations of the *Funeral, Burial and Cremations Services Act, 2002* and the *Municipal Elections Act, 1996*.

Accounting standards specify how transactions and other events are to be recognized, measured, presented and disclosed in a public sector entity's financial statements. These statements have been prepared in accordance with the accounting standards of the Public Sector Accounting Board (PSAB). These standards are numbered and are referenced throughout these notes beginning with the letters "PS".

### 1. Significant Accounting Policies

The Trust Funds' financial statements are prepared by management 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. Significant aspects of the accounting policies adopted by the Trust Funds are as follows:

#### a) Basis of accounting

The Trust Funds follows the accrual method of accounting for revenue and expenses. Revenue is normally recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or 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, 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 revenue 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 first effective year for the Trust Funds being the year ending December 31, 2024).
- (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 first effective year for the Trust Funds being the year ending December 31, 2024).
- (iii) PS 1202 - Financial Statement Presentation was approved in March 2023. This standard supersedes PS 1201 - Financial Statement Presentation and covers a new conceptual framework and reporting model. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026 (the first effective year for the Trust Funds being the year ending December 31, 2027).



(iv) 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 first effective year for the Trust Funds being the year ending December 31, 2024).

## 2. Change in Accounting Policies

### a) PS 1201, PS 2601, PS 3450 and PS 3041

On January 1, 2023, the Trust Funds adopted PS 1201 – Financial Statement Presentation, PS 2601 – Foreign Currency Translation, PS 3450 – Financial Instruments, and PS 3041 – Portfolio Investments. These standards were adopted by the Trust Funds prospectively from the date of adoption of the new standards. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments are included in the Statement of Financial Position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the organization’s accounting policy choices. In accordance with the provisions of this new standard, all items have been recorded at amortized cost: therefore, no adjustments were recorded in 2023.

### b) PS 3280

On January 1, 2023, the Trust Funds adopted PS 3280 – Asset Retirement Obligations using the modified retroactive method. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities.

Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. In accordance with the provisions of this new standard, the Trust Funds assessed its exposure and concluded it is not liable for asset retirement obligations and therefore did not require adjustments as of January 1, 2023.

## 3. Due to/from the City of Mississauga

This category 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, 2023. The balance due to/from the City of Mississauga is non-interest bearing and due on demand.

## 4. Investments

The total investments by the Trust Funds of \$937 (2022 \$942) reported on the Statement of Financial Position at cost, have a market value of \$827 (2022 \$801) at the end of the year.

## 5. 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 there from are used to perform perpetual care maintenance to the municipality's cemeteries.

## 6. Election Surplus Fund

The Election Trust Fund is established in accordance with the *Municipal Elections Act, 1996* (the "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:

- a) The election campaign period has ended under paragraph 2, 3 or 4 of subsection 88.24 (1)
- b) It is no longer possible to recommence the campaign period under paragraph 5 of subsection 88.24 (1)
- c) No recount, proceeding under section 83 (controverted elections) or compliance audit has been commenced
- d) The period for commencing a recount, a proceeding under S.83, or a compliance audit has expired. 2016, c. 15, s. 62

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:

- a) The campaign period has ended under paragraph 2 or 3 of S.88.28
- b) It is no longer possible to recommence the campaign period under paragraph 4 of section 88.28
- c) No compliance audit has been commenced
- d) 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.