2024 Audited Tourism Mississauga Financial Statements

For the year ended December 31, 2024

Prepared by: Finance Division
City of Mississauga

MISSISSAUGA

Management's Responsibility for Financial Reporting

For the year ended December 31, 2024

The accompanying financial statements of Tourism Mississauga (the "Corporation") are the responsibility of management at the City of Mississauga (the "City") and have been prepared in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The City's Finance Division is responsible for the preparation of the Corporation's 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 Corporation's financial statements are presented fairly in all material respects.

There are four required financial statements: the Statement of Financial Position, the Statement of Operations, the Statement of Change in Net Financial Assets, and the Statement of Cash Flows. These financial statements provide information on the cost of the Corporation's activities, how they were financed, investing activities, assets, and liabilities. The financial statements are reviewed and approved by the Chief Executive Officer and the City's Treasurer.

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

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

Marisa Chiu
Treasurer

Victoria Clarke
Chief Executive Officer

Mississauga, Ontario
April 4, 2025

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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 Tourism Mississauga (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- 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, 2024, 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.

KPMG

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 4, 2025

Tourism Mississauga
Statement of Financial Position
as at December 31, 2024 with
comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Financial Assets		
Due from the City of Mississauga (Note 3)	22,461	20,862
Funding receivable	-	23
Total Financial Assets	22,461	20,885
Financial Liabilities		
Accounts payable and accrued liabilities	346	337
Employee vacation liability	60	51
Total Financial Liabilities	406	388
Net Financial Assets	22,055	20,497
Non-Financial Assets		
Prepaid expenses	1,864	69
Total Non-Financial Assets	1,864	69
Accumulated Surplus (Note 6)	23,919	20,566

Commitments (Note 9)

Tourism Mississauga
Statement of Operations
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024 Budget (Note 4)	2024 Actual	2023 Actual
Revenue			
Municipal Accommodation Tax (Note 5)	9,000	11,509	8,048
Other funding	-	-	5
Total Revenue	9,000	11,509	8,053
Expenses			
Event hosting and partnerships	1,544	3,318	1,214
Advertising and promotion	2,985	1,936	878
Salaries, wages and employee benefits	1,967	1,548	1,384
Professional services	1,581	780	232
Staff development	140	244	189
Administrative support charged by the City of Mississauga	-	127	217
Equipment maintenance and licensing	75	125	85
Transportation	9	34	11
Materials and supplies	87	28	55
Communication	2	9	5
Miscellaneous	41	7	1
Total Expenses	8,431	8,156	4,271
Annual Surplus	569	3,353	3,782
Accumulated surplus, beginning of year	20,566	20,566	16,784
Accumulated Surplus, end of year (Note 6)	21,135	23,919	20,566

Tourism Mississauga
Statement of Change in Net Financial Assets

for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024 Budget (Note 4)	2024 Actual	2023 Actual
Annual surplus	569	3,353	3,782
Acquisition of prepaid expenses	-	(1,864)	(69)
Use of prepaid expenses	-	69	65
Increase in Net Financial Assets	569	1,558	3,778
Net financial assets, beginning of year	20,497	20,497	16,719
Net Financial Assets, end of year	21,066	22,055	20,497

Tourism Mississauga
Statement of Cash Flows
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	3,353	3,782
Change in non-cash working capital:		
Due from the City of Mississauga	(1,599)	(3,796)
Funding receivable	23	(5)
Accounts payable and accrued liabilities	9	3
Employee vacation liability	9	20
Prepaid expenses	(1,795)	(4)
Net Change in Cash and Cash Equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and Cash Equivalents, end of year	-	-

Tourism Mississauga
Notes to the Financial Statements
for the year ended December 31, 2024
(All dollar amounts are in $000s)

Tourism Mississauga (the "Corporation"), incorporated under Ontario Regulation 599/06, is a municipal services corporation that was formed to promote tourism in Mississauga. The Corporation is owned 100 per cent by the Corporation of the City of Mississauga (the "City").

The Corporation's financial statements have been prepared by the City's management in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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 standards are numbered and are referenced throughout these notes beginning with the letters "PS".

The Corporation is economically dependent on the City for financial support.

1. Significant Accounting Policies

a) Basis of accounting

The Corporation 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) 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual amounts could differ from those estimates.

d) External funding

This category represents revenue recognized from the Corporation's agreements with other organizations. Revenue is recognized when the corresponding expenses are incurred.

e) Employee vacation liability

Vacation entitlements are accrued as earned by the employee. Values are derived by the employee’s current wage rate and vacation entitlement, unless specified otherwise in employment contracts.

f) Revenue

Municipal Accommodation Tax (MAT) revenue is revenue collected from accommodations owners offering short-term accommodation of 30 days or less under Municipal Accommodation Tax By-law 0023-2018. These amounts are recognized as revenue in the year that the tax is levied on accommodation charges by accommodation providers.

Other external funding revenue represents revenue recognized from the Corporation’s agreements with other organizations. Restricted revenue is recognized when the corresponding expenses are incurred. Unrestricted revenue is recognized when earned and in the period to which it relates.

g) Measurement of financial instruments

The Corporation's financial instruments (assets and liabilities) are measured as follows:

(i) Funding receivable and other receivables at amortized cost

(ii) Accounts payable and accrued liabilities at amortized cost

At the end of 2024, there are no financial instruments recognized at fair value.

All financial assets are tested annually for impairment. The Corporation’s investment policies and practices reduce the risk of asset impairment. If financial assets are impaired, these losses are recorded in the Statement of Operations.

Financial instruments are measured using amortized cost, with the effective interest rate method used to determine interest revenue or expenses. Transaction costs incurred on the acquisition of financial instruments are amortized using the straight-line method over the life of the instrument.

The purchase and sale of cash equivalents and investments are accounted for using trade-date accounting. The Corporation does not use foreign currency contracts or any other type of derivative financial instruments for trading or speculative purposes.

h) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2024 and have therefore not been applied to these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

(i) 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 Corporation being the year ending December 31, 2027).

(ii) PS 3251 – Employee Benefits will replace PS 3250 – Retirement Benefits and PS 3255 – Post-employment Benefits, Compensated Absences and Termination Benefits. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

2. Change in Accounting Policies

a) PS 3160

On January 1, 2024, the Corporation adopted PS 3160 – Public Private Partnerships ("P3"). This new accounting standard 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 P3 term. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. The Corporation adopted the standard prospectively. The implementation of this new standard did not result in identification of transactions that would meet the definition of P3.

b) PS 3400

On January 1, 2024, the Corporation adopted PS 3400 – Revenue. This new accounting standard establishes how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and those that do not. Adoption of this standard has resulted in changes in the timing of revenue recognition for certain revenue streams such as licences and permits. The Corporation will recognize revenue from these exchange transactions when it satisfies its performance obligations. The Corporation adopted the standard prospectively. There is no impact on the presentation, measurement, or recognition of revenue in the current or prior periods of these financial statements.

c) Public Sector Guideline 8

On January 1, 2024, the Corporation adopted Public Sector Guideline 8 – Purchased Intangibles. This new guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The Corporation adopted the standard prospectively. The implementation of this new standard did not result in identification of assets that would meet the definition of purchased intangibles.

3. Due from the City of Mississauga

This category represents the accumulated 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 payment, and no interest is charged to or due from the City.

4. Budget

The Corporation's 2024 budget was first approved by the Corporation's board of directors on October 23, 2023, and subsequently approved by City Council on November 22, 2023.

5. Municipal Accommodation Tax

This category represents 50 per cent of the City's net Municipal Accommodation Tax revenue collected during the year.

6. Accumulated Surplus

Accumulated surplus consists of surplus and reserves as follows:

	2024	2023
Surplus		
Unfunded vacation liability	(60)	(51)
Reserves		
Tourism Mississauga	23,979	20,617
Total Accumulated Surplus	**23,919**	**20,566**

7. Financial Instruments

The Corporation is exposed to some risks through financial instruments (both assets and liabilities), including credit risk, liquidity risk and market risk. The following provides insights into the various risk exposures:

a) Credit risk

Credit risk is the risk that one party to a financial instrument (asset or liability) will cause a financial loss to the other party through the failure to discharge the obligations under the covenants of the financial instrument.

The Corporation is exposed to credit risk in the event of non-payment by external parties. The Corporation's credit risk is primarily attributable to its receivables. The Corporation does not have any significant past-due accounts that are not provided for.

b) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting its financial obligations associated with its financial liabilities. The Corporation mitigates its exposure to liquidity risk through the monitoring of cash flows relative to operational needs.

The majority of trade accounts payable and accrued liabilities are expected to be settled in the next fiscal year.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and price risk.

(i) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument (asset or liability) will fluctuate because of changes in market interest rates. The Corporation is not exposed to interest rate risk since it does not hold any investments or debt.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to currency risk through purchases of goods and services using foreign currency. The Corporation mitigates this risk through cash flow monitoring of operational needs, and purchasing foreign currency only as needed to settle financial liabilities.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Corporation mitigates price risk through fixed pricing procurement contracts.

8. Pension Agreements

The Corporation makes contributions to OMERS, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The plan is accounted for as a defined contribution plan. During the year, the Corporation contributed $113 (2023 $84) on behalf of these eligible employees and the employees contributed $113 (2023 $84).

9. Commitments

The Corporation has entered into various third-party contracts for event hosting and partnership agreements. Anticipated payments under such third-party contracts during the next five years are as follows:

Year	Lease Commitment
2025	3,637
2026	4,363
2027	1,500
Total	9,500