Appendix 5

Financial Statements of

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

And Independent Auditor's Report thereon

Year ended December 31, 2024

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Members of City of Mississauga Clarkson Village Business
Improvement Areas, 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 Areas (the Entity), which comprise:

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

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

March 4, 2025

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash	$ 71,157	$ 81,401
Accounts receivable and other assets	6,613	6,484
Prepaid deposits	1,770	1,838
	79,540	89,723
Financial Liabilities		
Accounts payable and accrued liabilities	4,370	3,130
Due to The Corporation of the City of Mississauga (note 2)	–	731
	4,370	3,861
Net financial assets	75,170	85,862
Tangible capital assets (note 3)	23,956	29,945
Accumulated surplus (note 4)	$ 99,126	$ 115,807

See accompanying notes to financial statements.

On behalf of the Board:

______________________________ Director

______________________________ Treasurer

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024 (note 5)	Actual 2024	Actual 2023
Revenue:			
Special levy on business assessment	$ 115,000	$ 115,000	$ 82,269
Sponsorship	5,000	12,375	6,575
Other	7,300	8,931	13,893
	127,300	136,306	102,737
Expenses:			
Office and general	51,800	53,935	29,747
Advertising and promotion	47,500	46,105	41,120
Beautification and maintenance	51,000	40,122	45,788
Amortization of tangible capital assets	–	5,989	5,284
Professional fees	3,800	3,798	3,504
Insurance	4,200	3,038	2,900
	158,300	152,987	128,343
Annual deficit	$ (31,000)	(16,681)	(25,606)
Accumulated surplus, beginning of year		115,807	141,413
Accumulated surplus, end of year (note 4)		$ 99,126	$ 115,807

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Statement of Change in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Annual deficit	$ (16,681)	$ (25,606)
Tangible capital asset additions	–	(17,618)
Amortization of tangible capital assets	5,989	5,284
Change in net financial assets	(10,692)	(37,940)
Net financial assets, beginning of year	85,862	123,802
Net financial assets, end of year	$ 75,170	$ 85,862

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual deficit	$ (16,681)	$ (25,606)
Amortization of tangible capital assets which does not involve cash	5,989	5,284
Change in non-cash operating working capital:		
Accounts receivable and other assets	(129)	20,666
Prepaid deposits	68	(477)
Accounts payable and accrued liabilities	1,240	(1,332)
	(9,513)	(1,465)
Financing activities:		
Due to The Corporation of the City of Mississauga	(731)	(2,955)
Investing activities:		
Purchase of tangible capital assets	–	(17,618)
Decrease in cash	(10,244)	(22,038)
Cash, beginning of year	81,401	103,439
Cash, end of year	$ 71,157	$ 81,401

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Notes to Financial Statements

Year ended December 31, 2024

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 Areas (the "BIA"). The BIA 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 BIA are the representation of management 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 BIA.

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.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(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.

(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) Future accounting pronouncements:

PS 1202, Financial Statement Presentation, was approved in March 2023. This standard supersedes PS 1201 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 City being the year ending December 31, 2027).

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

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

(f) Adoption of new accounting policies:

Effective January 1, 2024, the BIA adopted the following standards issued by the PSAB:

(i) PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.

(ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction.

(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 P3s 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.

The BIA's adoption of these amendments during the year ended December 31, 2024 and did not have a material impact on the financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Notes to Financial Statements (continued)

Year ended December 31, 2024

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

There is no amount due to The Corporation of the City of Mississauga as of December 31, 2024 (2023 - underlevy).

Amounts payable to the City are non-interest bearing and payable on demand.

3. Tangible capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Furniture and fixtures	$ 56,837	$ 32,881	$ 23,956	$ 29,945

4. Accumulated surplus:

Accumulated surplus at December 31, 2024 comprises the following:

	2024	2023
Reserve for working capital needs	$ 75,170	$ 85,862
Invested in tangible capital assets	23,956	29,945
	$ 99,126	$ 115,807

5. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on November 27, 2023.