Financial Report Highlights

The City of Mississauga, Ontario, Canada for the fiscal year ended December 31, 2021

MISSISSAUGA

I'm pleased to present the City of Mississauga's 2021 Financial Report Highlights, also called the Popular Report. This web-based document pulls together highlights from the City's full 2021 Annual Financial and Sustainability Report to provide a quick overview of the City's financial performance for the year ended December 31, 2021.

We're proud of our enduring tradition of strong financial leadership and transparency in planning and reporting, and hope that you enjoy this report's unique format. The Government Financial Officers Association (GFOA) has presented its Popular Annual Financial Reporting Award to the City of Mississauga since 2017.

The COVID-19 pandemic that gripped the world in 2020 continued in waves throughout 2021. While COVID-19 infections and hospitalizations persisted, the City carried on proactively serving the community.

Pandemic-related revenue shortfalls continued to have a devastating effect on City finances in 2021. Stay-at-home orders, capacity restrictions and physical distancing requirements meant that transit ridership and participation in recreation programs remained substantially lower than normal. The result was that revenues from transit fares, recreation fees and the Municipal Accommodation Tax did not come in as targeted. These fares, fees and the Municipal Accommodation Tax normally go a long way toward offsetting City expenses, which in turn minimizes the property tax increase.

The healthy and safe delivery of services such as fire and emergency services, transit, and road and traffic services remained the City's top priority in 2021. All City services and operations continued in full compliance with emergency orders and health safety protocols throughout the year.

Despite many difficulties, the City successfully addressed the financial pressures associated with increasing inflation, infrastructure maintenance, and a second year of pandemic challenges, and delivered value for money in 2021. The value of the financial resilience the City has built into its budgeting and service delivery has become clear during COVID-19. The inclusion of a dedicated capital infrastructure and debt repayment levy as part of the overall tax levy in 2021 again contributed to that resilience. This prudent step helps the City maintain its substantial infrastructure assets, which had an estimated replacement value of $13.6 billion in 2021. City infrastructure is an important aspect of the overall social, environmental and economic sustainability of the community.

Some of our achievements from 2021 include:

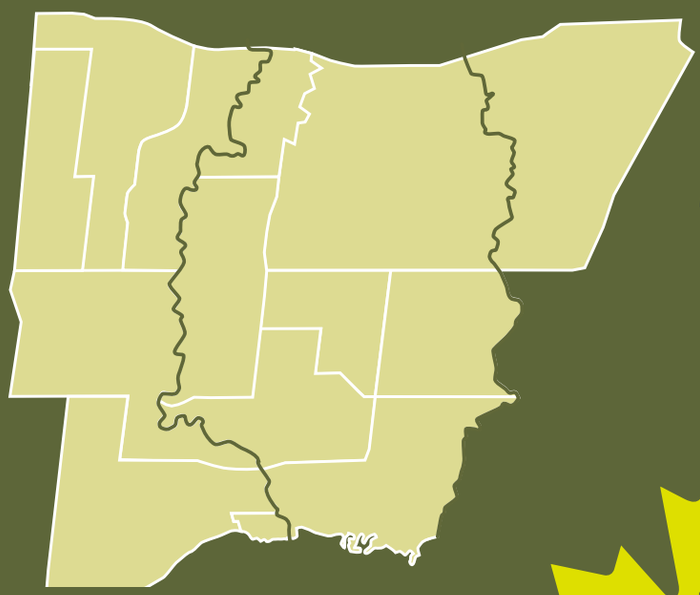
- 'AAA–Stable' credit rating from Standard & Poor's Global Ratings agency
- Canadian Award (2020) for Financial Reporting from the Government Finance Officers Association (GFOA)
- Distinguished Budget Presentation Award from GFOA for the 2021-2024 Business Plan & 2021 Budget
- 2020 Award for outstanding achievement in Popular Annual Financial Reporting (GFOA)

The financial highlights in this report are extracted from the City's Audited Financial Statements, which appear in full in the 2021 Annual Financial and Sustainability Report. In that report, you can read more about these highlights and others, as well as explanations for performance variance. To access it, go to **mississauga.ca/finance**.

Jeffrey J. Jackson, CPA, CA, MBA
Director of Finance and Treasurer
May 3, 2022

About Mississauga

Council of **Mayor** and **11 Councillors**



718,000
Population (2021)

7th
Largest City In Canada

76 Fortune 500 COMPANIES

TOP EMPLOYERS*
1,000+ EMPLOYEES
Accenture Inc.
Air Canada
Bell Canada
City of Mississauga
Dufferin Peel Catholic District School Board
Peel District School Board
Royal Bank of Canada
TD Canada Trust
Trillium Health Partners
Walmart Canada

*For the full list of employers, refer to Annual Financial and Sustainability Report.

72,200 acres
Area of Mississauga

95,644 businesses
(as of Dec 2021)

Programs by Service Area

CITY MANAGER'S OFFICE	Economic Development	Internal Audit	Legal Services	Corporate Performance & Innovation		
CULTURE	Culture Services	Culture & Heritage Planning	Museums & Small Arms Inspection Building	Celebration Square, Meadowvale Theatre & Culture Technical Services	Living Arts Centre	
FIRE & EMERGENCY SERVICES	Fire Prevention & Life Safety	Administration	Operations & Communications	Professional Development & Accreditation	Capital Assets	
RECREATION	North District	South District	Sports & Community Development	Aquatics, Therapeutic & Fitness	Business Planning	Client Services
PARKS, FORESTRY & ENVIRONMENT	Park Planning	Park Development	Parks Operations	Forestry	Environment	
MISSISSAUGA LIBRARY	Central Library	17 Branch Libraries	Shared Services			
LAND DEVELOPMENT SERVICES	City Planning Strategies	Development & Design	Development Engineering	Parks Planning	Building	
LEGISLATIVE SERVICES	Access & Privacy	Committee of Adjustment	Council Support	Legislated Compliance	Municipal Elections	
	Printing & Mail Services	Provincial Offences Administration	Records Management	Vital Statistics		
INFORMATION TECHNOLOGY	Strategy & Innovation	City Services	Infrastructure Planning & Operations	Digital Services & Mobility		
	Enterprise Business Solutions	Service Management	Geospatial Solutions			
BUSINESS SERVICES	Human Resources	Finance	Strategic Communications	Revenue & Materiel Management		
FACILITIES & PROPERTY MANAGEMENT	Facilities Maintenance	Building Services & Operations	Facilities Development & Accessibility	Capital Planning & Asset Management		

	Security Services	Realty Services	Energy Management			
ROADS	Infrastructure Planning & Programming	Infrastructure Maintenance & Operations	Infrastructure Design & Construction	Cycling & Pedestrian Programs		
	Parking	Fleet Maintenance	Traffic Management	Environmental Management of City-owned Properties		
REGULATORY SERVICES	Animal Services	Compliance & Licensing Enforcement	Mobile Licensing Enforcement	Parking Enforcement		
MIWAY	Business Development	Business Systems	Transit Operations	Transit Maintenance	Rapid Transit	
STORMWATER	Infrastructure & Environmental Monitoring	Infrastructure Planning & Programming	Infrastructure Design & Construction	Environmental Awareness	Storm Sewer By-law Enforcement	Stormwater Charge Program

Higher Education

Within Commuting Distance

15

Major Universities

17

Technical Colleges

Transportation

AIRPORT

Located in Mississauga, Toronto Pearson International Airport is Canada's busiest airport and is one of the world's top 30.

HIGHWAYS

The only city in the Greater Toronto Area serviced by seven major highways.

RAILWAYS

Served by two national railways, Canadian National (CN) and Canadian Pacific (CP).

PUBLIC TRANSIT

MiWay is the third largest municipal transit system in Ontario, providing 22.6 million rides annually.

HURONTARIO LRT

18-kilometre, 19-stop light rail transit under construction.

City Activities in 2021

Delivering the Right Services

Celebration Square welcomed **200,000** attendees to place-making programs and virtual events.

Responded to **5,481** Security Calls with a **95 per cent** response time of **30** minutes or less.

Issued over **85** hours of bookings and permits for our parks and sport fields.

The Open Window Hub provided support to at-risk populations by serving over **3,200** clients with more than **10,000** requests for support. This included offering 3,837 meals to those in need. An additional 8,467 referrals to Regional services were provided, including over 450 referrals for housing support.

Library hosted over **1,000** virtual programs through various platforms such as Webex, Facebook Live and YouTube.

Completed **11,084** preventative maintenance tasks and **5,060** demand work orders to City buildings and facilities.

Awarded more than **$2.8 million** in Culture Grants to support **50** organizations, festivals and events that provided programming services to residents and visitors.

Forestry maintained over **34,000** trees across the City.

Delivering Value for Money

Since the implementation of the 1 per cent budget reduction program in 2009, the cumulative cost savings of the program has been **$73.6 million**.

Approximately **$230,000** in cost avoidance was achieved in 2021 from natural gas procurement (hedging) and cost savings from bus shelters, City Hall, and account reclassifications and updates.

Since the inception of the Lean Program in 2009, staff have implemented cost savings of **$5.7 million**, including **$1.1 million** saved in 2021.

59 Lean process improvements (48 Lean Project and 11 Rapid Improvements) and **1,414** small improvements have been completed in 2021.

Roads achieved a **$600,000** reduction in winter maintenance costs with the implementation of a new contract.

AAA

Information Technology achieved **$490,000** in savings through a reduction in equipment costs and rationalization of maintenance agreements.

MiWay achieved **$355,000** in savings due to lower Transitway operating costs over the last 3 years.

Cost savings of **$10,000** were achieved as a result of Roads data sharing with Region of Peel reducing cost of conducting studies by **20 per cent**.

'AAA – Stable' credit rating earned from Standard & Poor's Global Ratings agency for **18** years.

Maintaining our Infrastructure

Replaced **10,500** sidewalk bays (**3,600** more than in 2020), reducing the sidewalk deficiency backlog.

Completed **3.0 km** of sidewalk improvements, resurfaced **21 km** of roads, replaced **0.8 km** of noise walls at **5** sites, and constructed **0.5 km** of multi-use trails.

Roads, bridges and other works construction: West Credit Operations Centre, pedestrian overpass over Central Parkway East, rehabilitation of Old Derry Road Bridge, Sandalwood Park underground stormwater management facility, municipal parking lots.

Performed **350,000** hours of maintenance for the care of the City's parkland and open space, including approximately **505** parks, **373** sports fields, **171** sport courts, **266** playgrounds and **12** publicly owned cemeteries.

Completed Sandalwood Park underground stormwater management facility.

Constructed the first Lisgar District Pumping Station and began operation to reduce the risk of basement water infiltration to homes.

Advancing on our Strategic Vision

Implemented a Building Automation System (BAS) Standard in City buildings to enhance energy savings, greenhouse gas (GHG) emission reductions, and operational cost savings.

MiWay provided **1.6 million** transit service hours and approximately **22.6 million** rides in 2021.

Obtained approval for the Vision Zero Action Plan. Prioritizes safety for all road users by slowing speeds, educating people and enforcing laws to support safer behaviour on the roads.

Library Services launched an external lending program for Chromebooks at all library locations, increasing digital inclusion and providing opportunities for residents who lack access to technology.

Acquired **26.51 acres** for additional parkland development and natural areas.

Installed free public Wi-Fi at **13** parks.

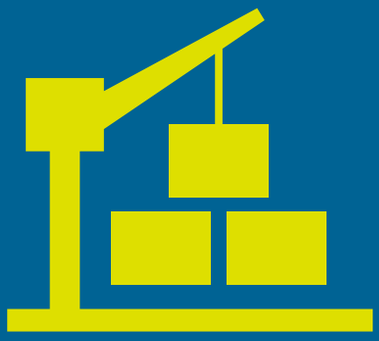
413,000 trees have been planted as part of the One Million Trees program since its inception in 2012.

Major Capital Projects Completed in 2021

PROJECT DESCRIPTION	NET BUDGET	PROJECT DESCRIPTION
Land Acquisition – Malton Village Park	$19,566,311	Land acquisition to expand Malton Village Park on Drew Road.
MiWay Bus Maintenance	$18,149,691	Repaired, rebuilt and replaced major MiWay bus fleet components, including engines, transmissions, hinges, axles, and more to extend the life of the bus and components.
Bridge and Structure Rehabilitation	$12,113,894	Improves the overall performance of bridge and road infrastructure including the St. Mary's Avenue Culvert over Applewood Creek, Tannery Street Bridge over Mullet Creek, Dundas Street East Culvert over Little Etobicoke Creek, and Dundas Street West over Loyalist Creek. These improvements maintain public safety and reduce long-term maintenance costs.
Transit Kipling Subway Inter-regional Terminal	$3,700,000	The new Kipling Bus Terminal opened in January 2021. The 14 MiWay routes that had been using TTC's Islington Station were shifted to the new terminal. The Kipling Bus Terminal provides a fully accessible facility with 10 of the 14 total bays dedicated exclusively to MiWay.
Vehicle and Equipment Replacement	$3,362,510	Lifecycle replacement of the City's vehicle and equipment fleet to maintain service levels and avoid increased maintenance and operating costs.
Multi-use Trails	$2,097,522	Design and construction of 9.5 km of new multi-use trails for the Nine Creeks trail system in partnership with the Region of Peel and Ontario Municipal Commuter Cycling Program Grant.

Clarkson Community Centre Pool and Arena	$1,477,065	Replaced the existing ice rink concrete slab, dasher boards system and rink piping, along with improving swimming pool circulation pumps and replacing rooftop units to reduce facility maintenance and operating costs.

Highlights of 2022 Approved Capital Program



$99.6 million for Transit Bus Acquisitions – Hybrid Replacement

$40.7 million for Design and Construction of Dundas BRT – Confederation Parkway to Etobicoke (including land acquisition)

$29.7 million for Roadway Rehabilitation

$25.4 million for Central Library Redevelopment

$21.1 million for Burnhamthorpe CC Redevelopment

$8.6 million for New Fire Station 125 – Tenth Line and Aquitaine Avenue – Design, Construction, Fire Trucks and Equipment

$6.3 million for Enhanced Stop Amenities for Priority (Express) Bus Corridors

Approximately 39 per cent of the 2022 capital budget was financed from the Tax Capital Reserve Fund

2021 Financial Highlights

The City of Mississauga's consolidated financial statements have been prepared in accordance with the *Municipal Act, 2001* and based on the reporting standards set by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants (CPA) Canada.

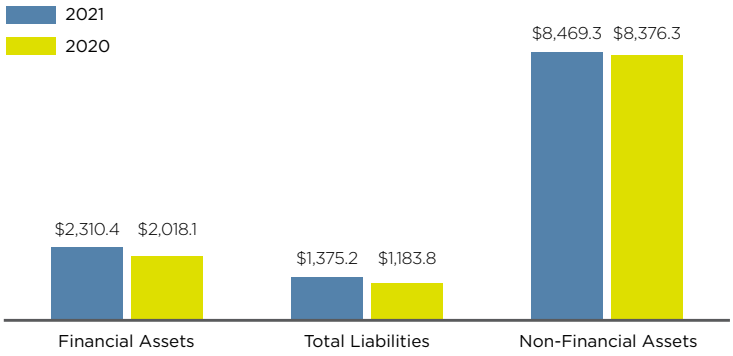
ASSETS AND LIABILITIES

Financial Assets in 2021 were $2.3 billion (2020 $2.0 billion), an increase of $292.3 million from the prior year. Financial liabilities in 2021 were $1.4 billion (2020 $1.2 billion), an increase of $191.4 million from the prior year.

The Statement of Financial Position or Balance Sheet represents a snapshot of what the City owns (assets) and owes (liabilities) at a specific point in time. The statement of financial position includes:

- Financial assets, which are cash and investment resources, and are more liquid than other tangible, physical assets
- Liabilities, which are the existing financial obligations of the City to pay at a future date
- Non-financial assets, which are the physical assets that are owned and assets that will be used for future services, including tangible capital assets, inventories, and prepaid expenses
- Accumulated surplus, which is the net position of the City from all years of operations at a point in time, and is an indicator of the City's overall financial health

ASSETS & LIABILITIES
(IN MILLIONS)



The City's net book value of tangible capital assets at the end of 2021 was $8.46 billion (2020 $8.36 billion). Refer to Note 9 of the financial statements in the full 2021 Financial and Sustainability Report for a detailed breakdown of tangible capital asset activity. Amortization expense in 2021 was $150.3 million (2020 $144.7 million).

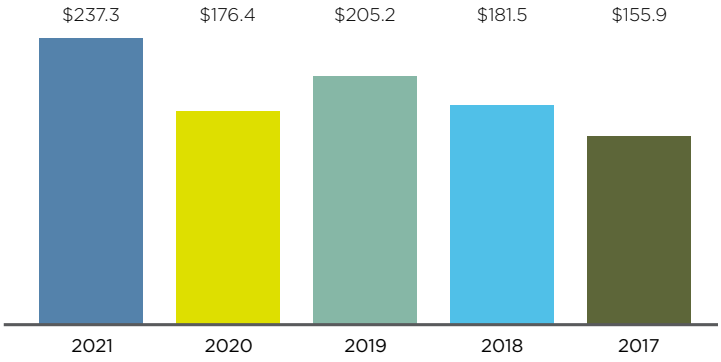
In 2021 the City invested in projects to build, maintain, rehabilitate and remodel our infrastructure to support City services. The value of the City's 10-year capital program in 2021 was $4.4 billion (gross). Sixty-six per cent of the committed capital program is for projects that support the maintenance of, and protect taxpayers' investments in, the City's existing, valuable public infrastructure. Mississauga budgeted and collected a dedicated capital infrastructure and debt repayment levy of two per cent in 2021 as part of the overall tax levy.

LONG-TERM DEBT

The City uses debt very conservatively. In 2020, debt issuance was deferred to 2021

LONG-TERM DEBT
(IN MILLIONS)

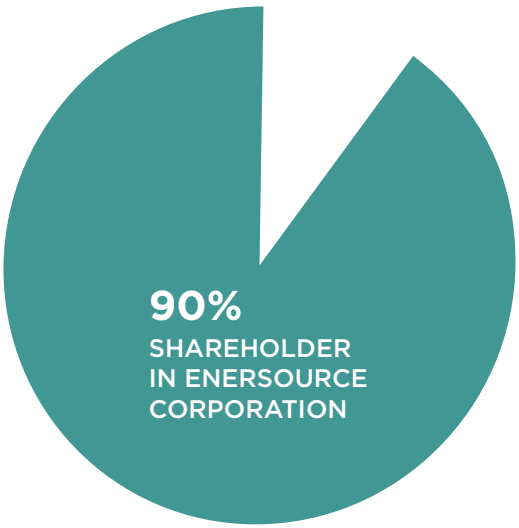
due to the pandemic. Therefore, in 2021, the City issued $90 million of debt (two issuances – $43 million and $47 million respectively) to help fund capital investments that maintain our infrastructure. The City's total debt balance is $237.3 million at the end of 2021. This level of debt is substantially lower than the limits for municipalities specified in provincial legislation.



The following table summarizes outstanding principal payments along with their interest rates and maturity dates.

DEBT SERIES	INTEREST RATE	MATURITY DATE	PRINCIPAL AMOUNT $	OUTSTANDING PRINCIPAL 2021	OUTSTANDING PRINCIPAL 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**

INVESTMENT IN ENERSOURCE CORPORATION

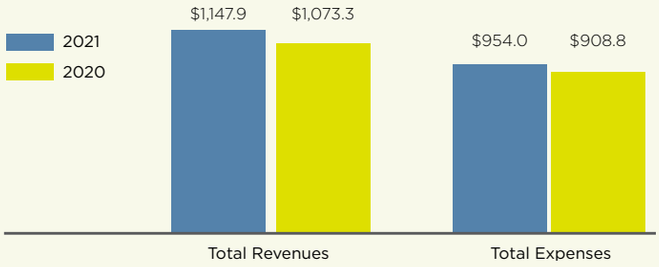


The City has a 90 per cent interest in Enersource Corporation which is accounted for on the modified equity basis in the consolidated financial statements.

CONSOLIDATED REVENUES AND EXPENSES

REVENUES AND EXPENSES

(IN MILLIONS)

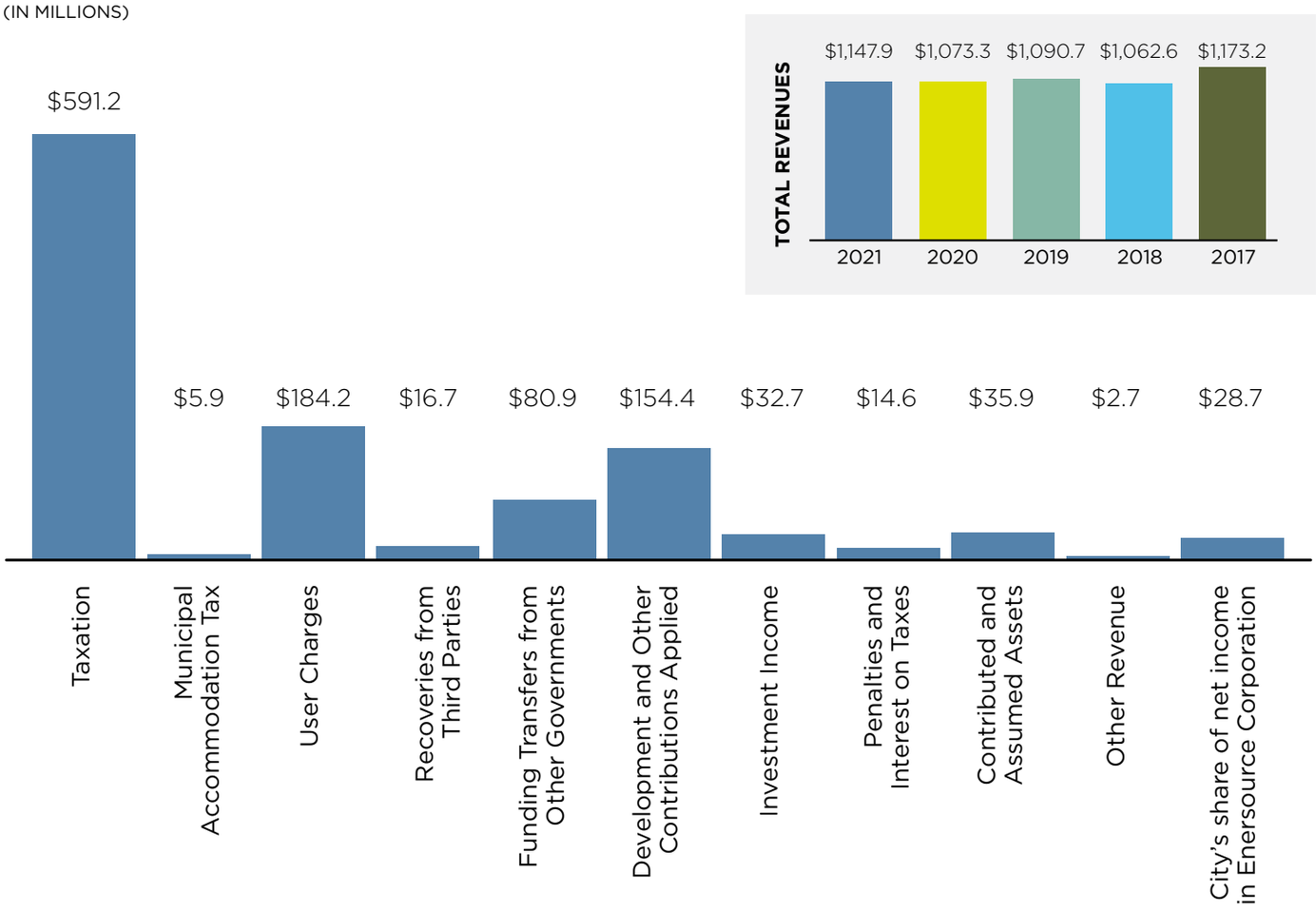


The Statement of Operations or Income Statement is a report showing how much was received (revenues) and spent (expenses) within the year. It appears in full in the Annual Financial and Sustainability Report. Total revenues in 2021 were $1.15 billion (2020 $1.07 billion), an increase of $74.6 million.

- Property taxation ($591.2 million) represents 52 per cent of actual revenues
- User charges ($184.2 million) represents 16 per cent of actual revenues
- Development and other Contributions applied ($154.4 million) represents 13 per cent of actual revenues
- Salaries, wages, and employee benefits ($555.4 million) represents 58 per cent of actual expenses
- Amortization ($150.3 million) represents 16 per cent of actual expenses
- Contracted and professional services ($103.9 million) represents 11 per cent of actual expenses

CONSOLIDATED REVENUES BY TYPE

(IN MILLIONS)



Revenues in the City's financial statements are different from the City's budget in a few ways. Principally, taxation revenue is not included in the City's budget, since the budget is used to determine the net tax levy.

Total expenses in 2021 were $954.0 million (2020 $908.8 million), an increase of $45.2 million.

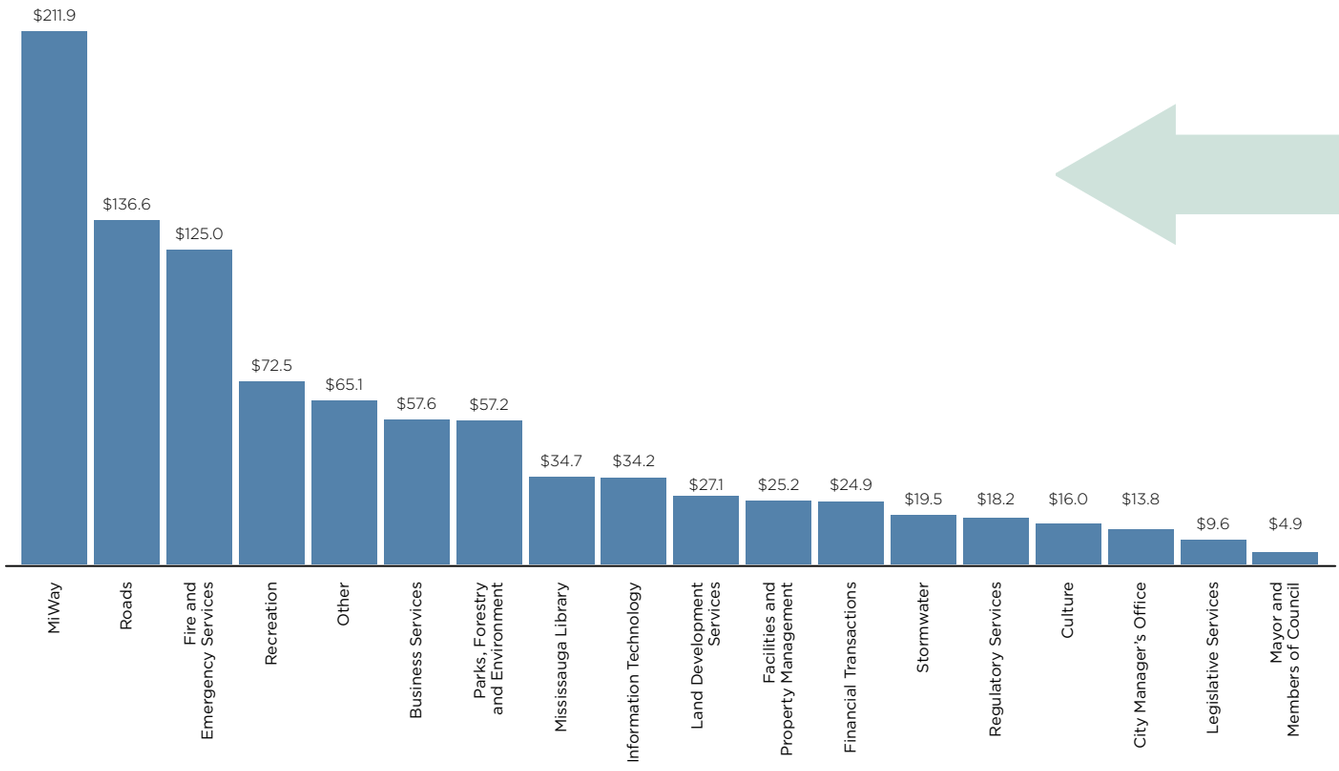
Expenses in the City's financial statements are also different from the City's budget in a few ways:

- Amortization and post-employment benefits are included in the City's financial statements but not included or reported in the budget
- Transfers to own Reserves and Reserve Funds are considered as expenses in the budget. These transfers are eliminated and not included in the financial statements
- Debt principal payments are considered as expenses in the budget. However, in the financial statements these debt payments are treated as a reduction on the debt amount on the balance sheet

- Operating expenses in the financial statements include non-capitalized costs in capital projects, including labour, materials, contractor services, and financial expenses. In the budget, these costs are considered as capital expenses

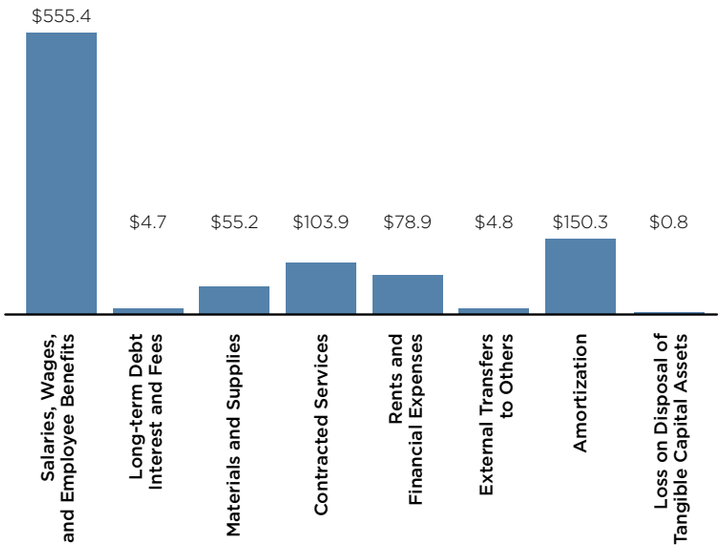
CONSOLIDATED EXPENSES BY SERVICE AREA

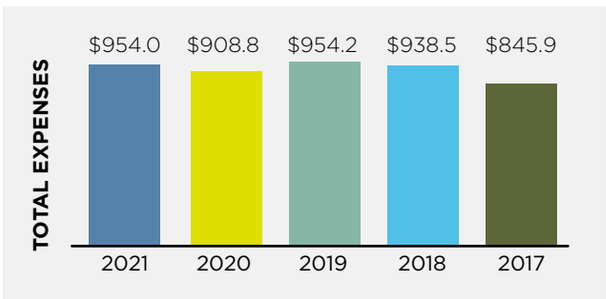
(IN MILLIONS)



CONSOLIDATED EXPENSES BY TYPE

(IN MILLIONS)

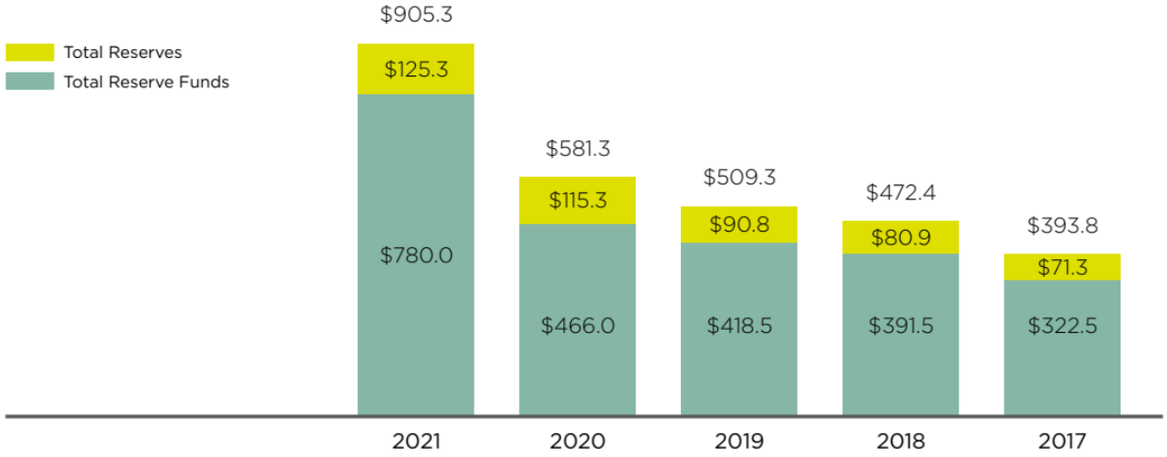




RESERVES AND RESERVE FUNDS

RESERVES AND RESERVE FUNDS

(IN MILLIONS)



Reserves and Reserve Funds are established by Council to help offset future capital needs, obligations, pressures and costs. They are drawn upon to finance specific capital and operating costs to minimize tax rate fluctuations due to unanticipated expenditures and revenue shortfalls and to fund ongoing programs.

Reserves and Reserve Fund totals do not include development charges and senior government grants that are reported as deferred revenue-obligatory reserve funds on the Statement of Financial Position.

The significant increase in Reserves and Reserve Funds is driven by a change in City accounting policy, where unexpended capital balances are now held in City reserve funds, and only transferred when the corresponding capital expenses are incurred.

SUSTAINABILITY

SUSTAINABILITY REPORTING

Sustainability is an important consideration in City plans and activities. Detailed information about the sustainability of the City's 2021 accomplishments can be found in the full 2021 Financial and Sustainability Report, also on **mississauga.ca**.

For more information, read the full 2021 Financial and Sustainability Report by visiting **mississauga.ca/finance**