

# Financial and Sustainability Report



The City of Mississauga, Ontario, Canada  
For the year ended December 31, 2022



## **2022 Financial and Sustainability Report**

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**For the fiscal year ended December 31, 2022**

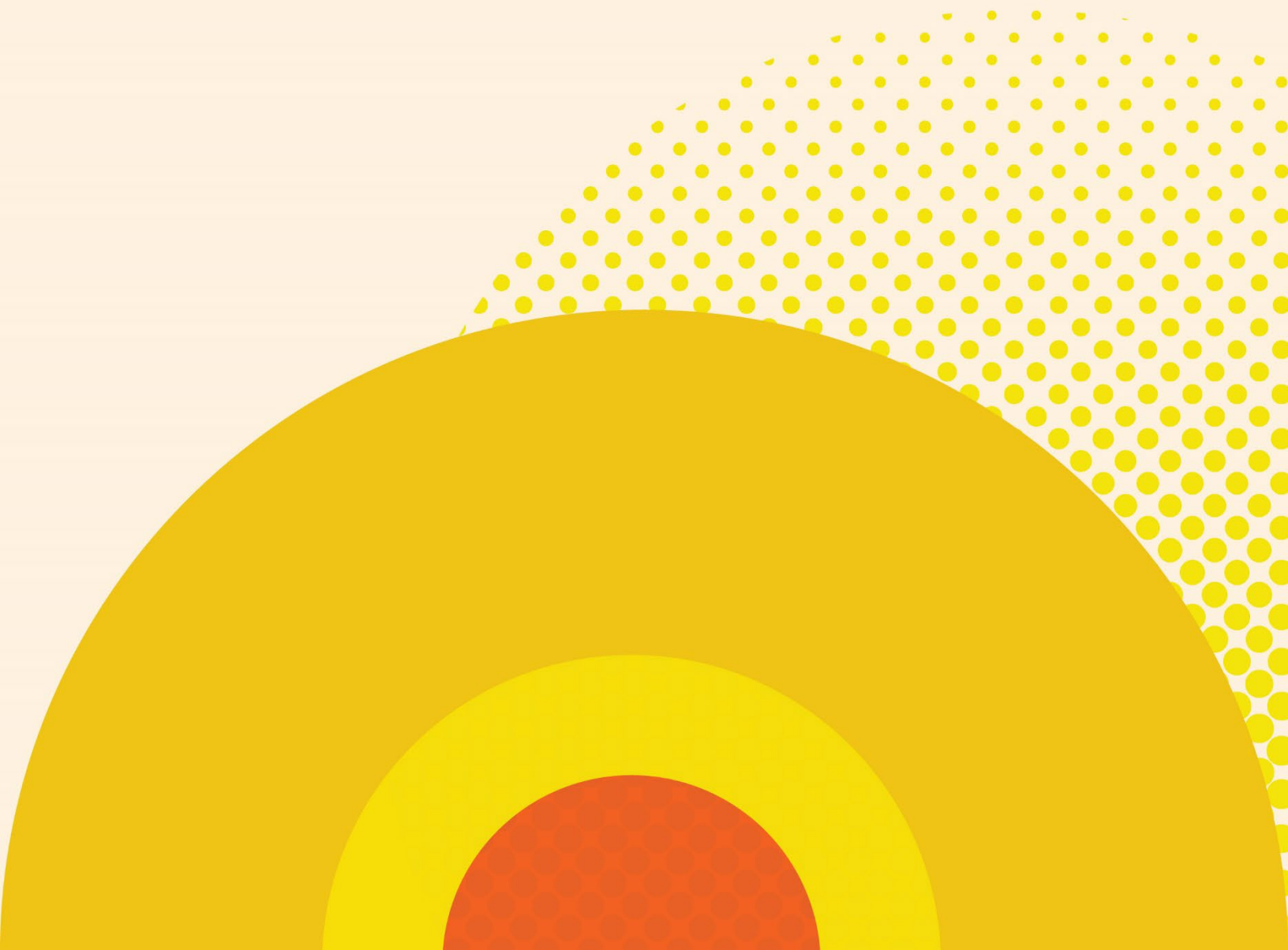
Mississauga, Ontario, Canada

Produced by the Finance Division, City Manager's Office of the City of Mississauga in co-operation with all civic departments, offices and agencies.

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# Introductory Section





## Government Finance Officers Association Award

### CANADIAN AWARD FOR FINANCIAL REPORTING

For the 25th consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada presented the City of Mississauga with the Canadian Award for Financial Reporting for its 2021 Annual Financial Report, in recognition of the City's ability to present financial information in a clear, concise and informative manner. This award program encourages innovative financial reporting and maintains a high-quality standard that is recognized among peers. The City continues to commit to high-quality reporting and will submit this report to the GFOA for the 2022 evaluation.



Government Finance Officers Association

## Canadian Award for Financial Reporting

Presented to

**City of Mississauga**

**Ontario**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2021**

A handwritten signature in black ink that reads "Christopher P. Morill".

Executive Director/CEO

## Message from the Mayor

On behalf of the Members of Council, I'm pleased to present the City of Mississauga's 2022 Financial and Sustainability Report. In this report, you'll learn about our City's fiscal performance and about decisions and actions we've taken to address housing affordability, climate change and post-pandemic inflation issues; all while continuing to deliver critical programs and services that our residents rely on.



We continued to face COVID-19-related financial challenges in 2022. Inflation rates hit a 40-year high and revenue losses persisted in transit, recreation and payments in lieu of taxes from airport lands. Despite these difficulties, we've carried on – undeterred. We're grateful for the continued investments made by the provincial and federal governments, like the \$386.6 million in transit infrastructure funding and \$153.6 million through the Safe Restart and COVID-19 Recovery Funding for Municipalities, all of which has helped with recovery efforts and aided in offsetting some financial shortfalls.

As Ontario's third-largest city, we're working hard to make life easier, safer, more convenient and accessible for our residents and businesses. In 2022, we continued to make sound investments in infrastructure, including transit, roads and parks, while advancing public safety, progressing on climate change commitments and continuing to implement Vision Zero actions to eliminate fatalities and serious injuries from collisions on city streets.

Our focus remains on building our city – creating more housing in all neighbourhoods, making strong connections through transit and providing better housing options for families, students and our growing workforce. We want our city to continue to be a place that people are proud to call home.

Sustainability was closely woven into our actions and plans in 2022. As of winter 2022, we have completed 34 actions from the Climate Change Action Plan with another 31 underway. We also continue to advocate for government funding to help fast-track our goal of reducing greenhouse gas emissions by 40 per cent by 2030.

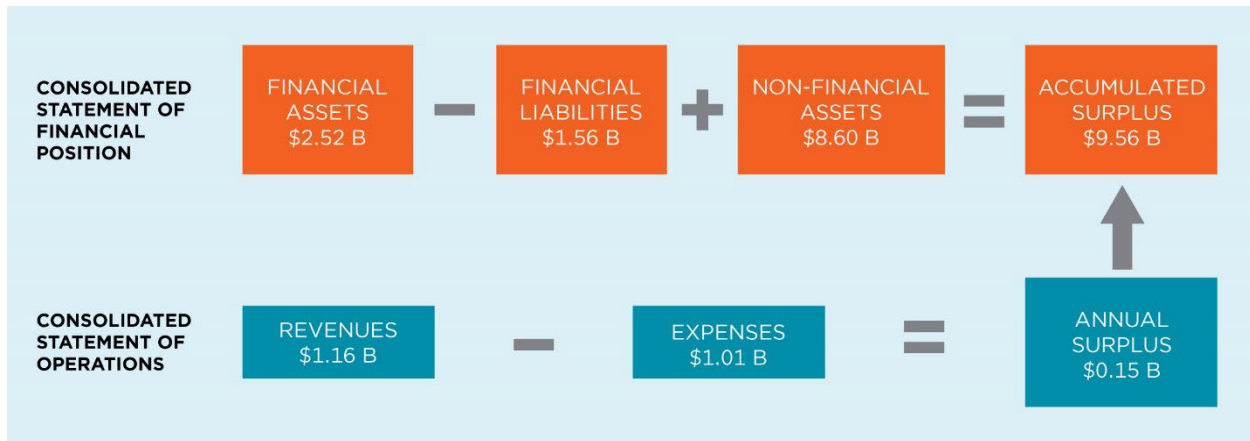
As we continue to move through 2023 and look ahead, I want to commend you – Mississauga residents and businesses – for your strength, courage and perseverance. I look forward to our continuing to build Mississauga's story and its prosperous future together.

A handwritten signature in black ink that reads "Bonnie Crombie". The script is fluid and cursive.

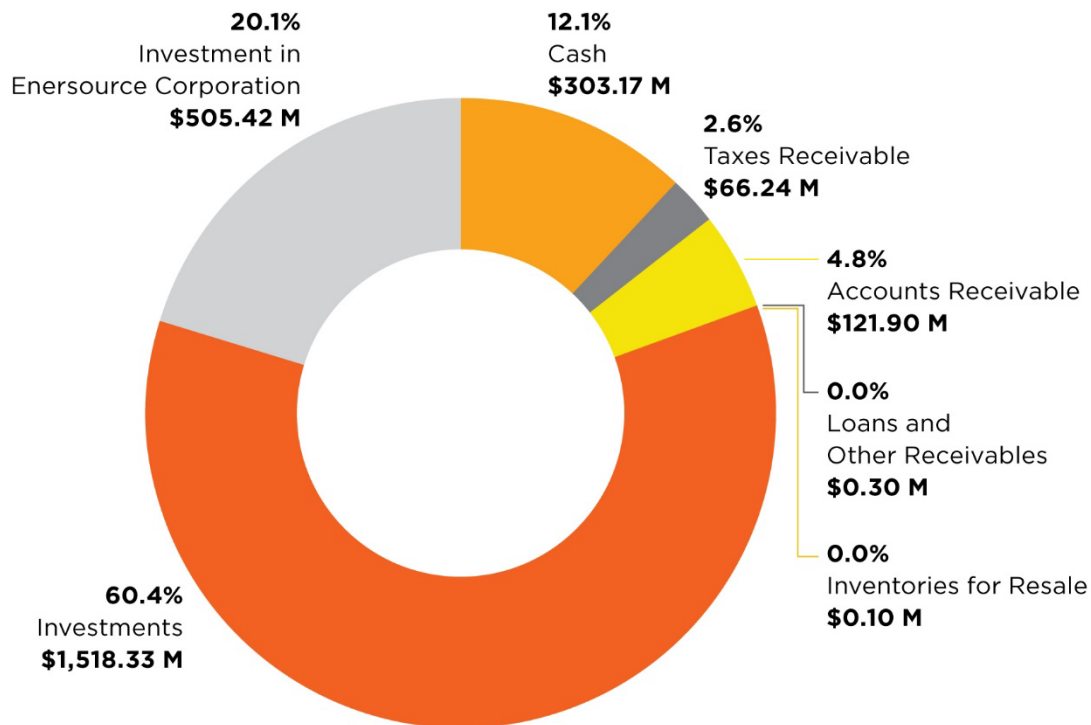
Bonnie Crombie, MBA, ICD.D  
Mayor  
April 14, 2023

## 2022 Financial Summary

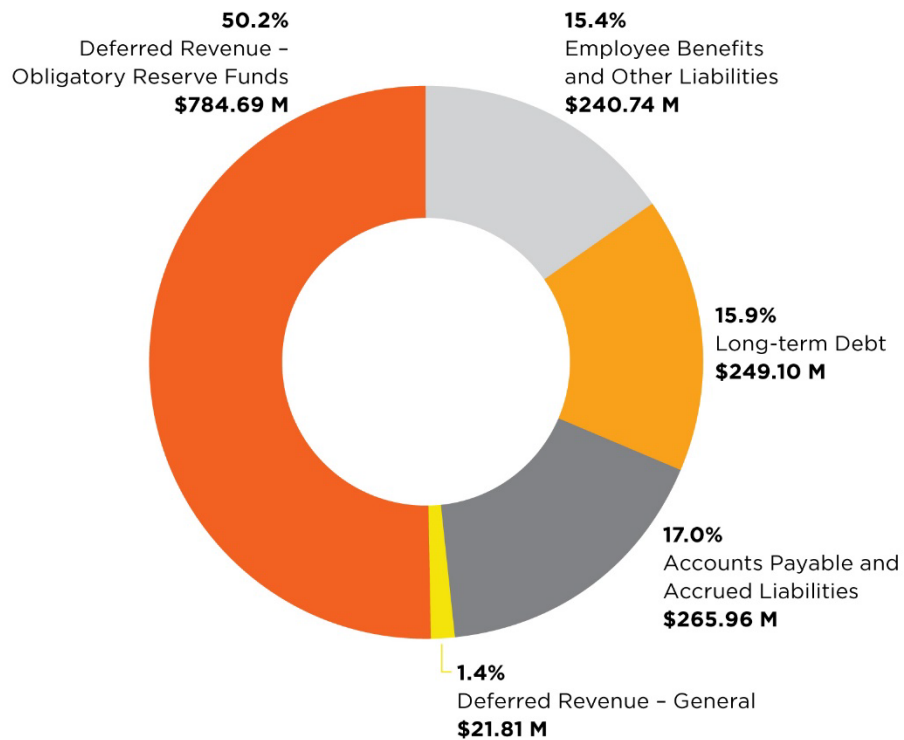
### 2022 Financial Overview



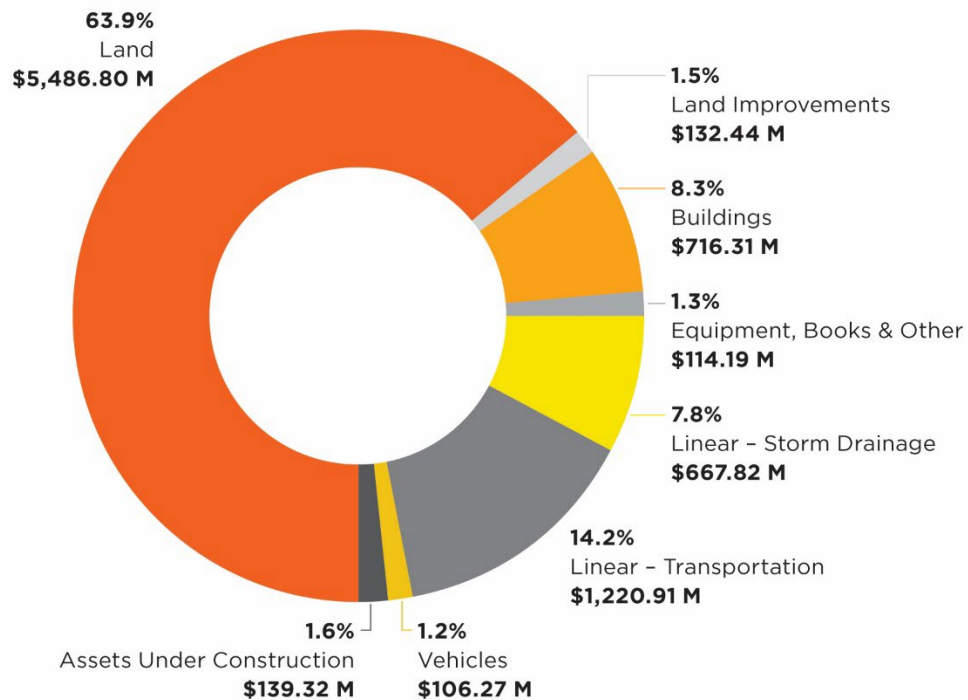
### Financial Assets



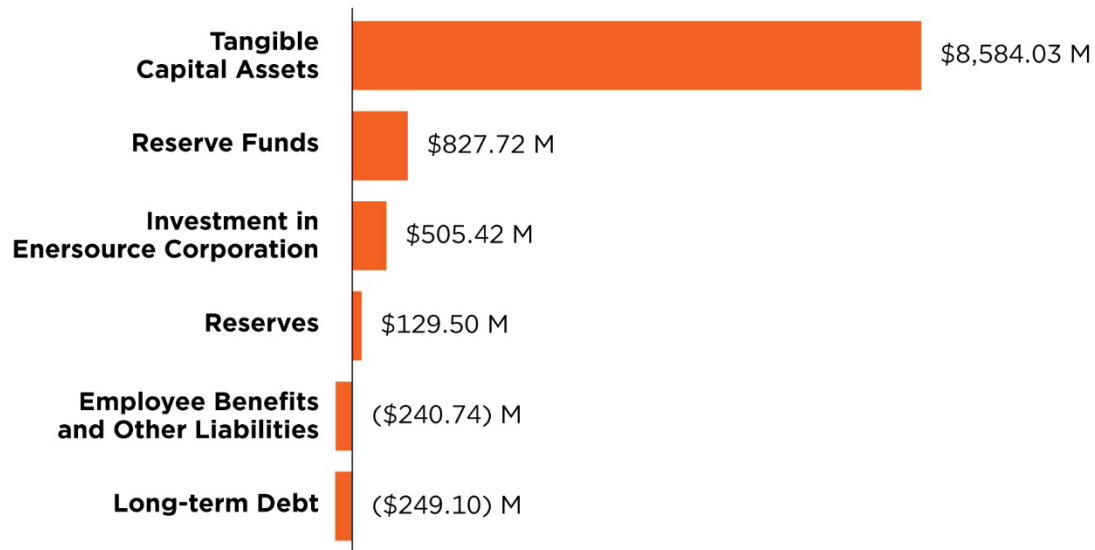
## Financial Liabilities



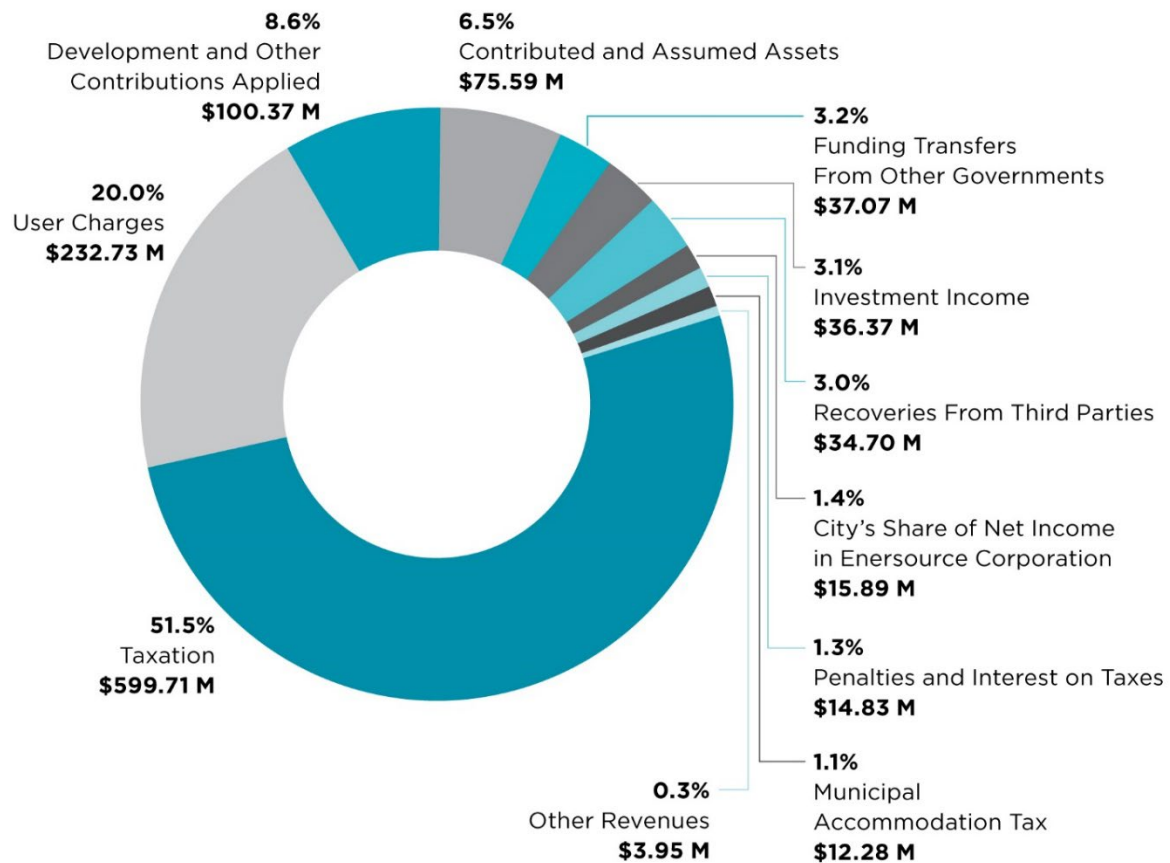
## Tangible Capital Assets



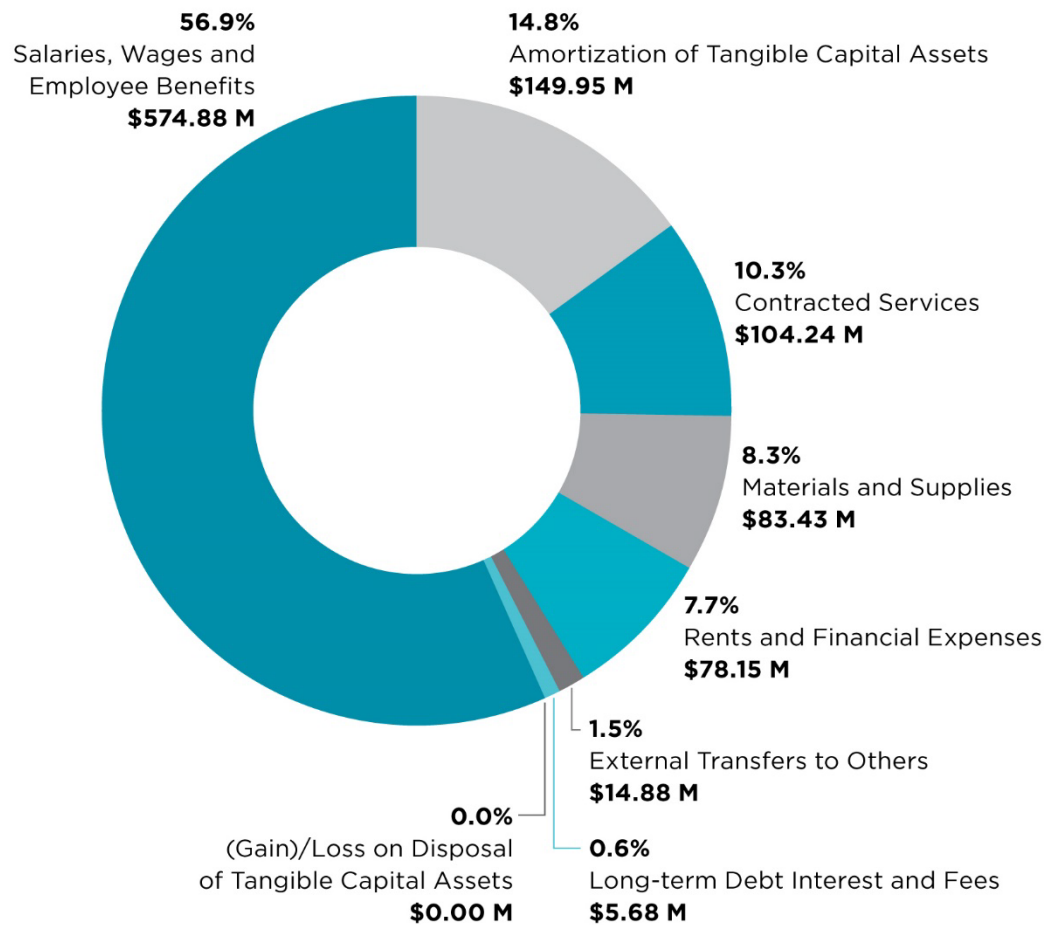
## Accumulated Surplus



## Revenues

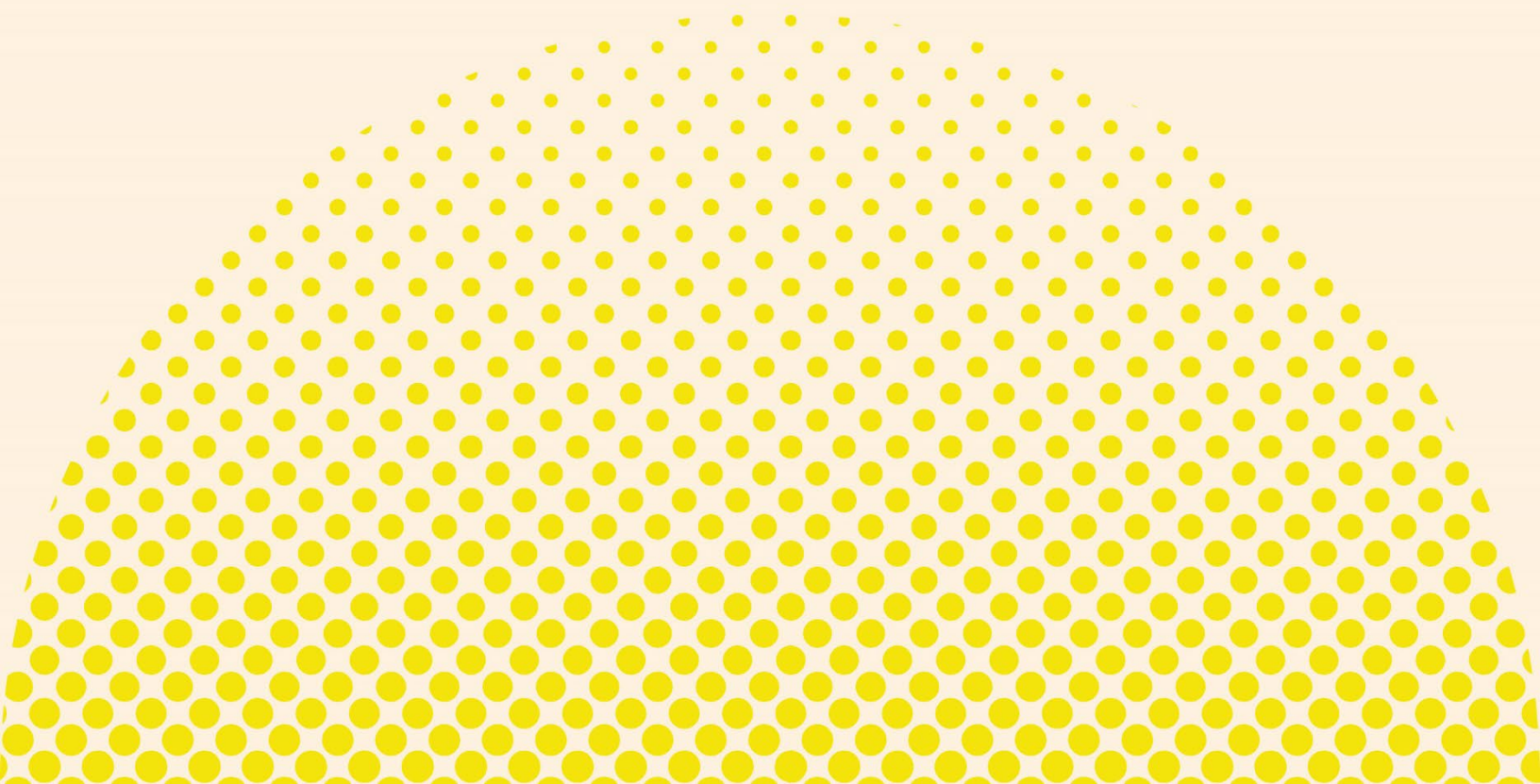


## Expenses





# About Mississauga





# Mississauga Quick Facts

## LOCATION, SIZE & POPULATION



Located on the shores of Lake Ontario in the Greater Toronto Area (GTA)

29,217 hectares (72,196 acres)

804,000 (2022 Regional Growth Forecast)

995,000+ (2051 forecast)

## GETTING AROUND



608 km total cycling network

MiWay is the third-largest municipal transit system in Ontario

MiWay connects with transit systems in Toronto, Oakville, Brampton, and all GO Transit stations

5,680 lane km of roadway

## RESIDENTS



Speak over 145 languages

55% of Mississauga residents are born outside of Canada

89% of Mississauga residents rate quality of life as excellent or good

## ECONOMY



76 Fortune 500 companies

100,000+ registered businesses

## TRANSPORTATION & ACCESS TO MARKETS



Home to Canada's busiest airport – Pearson International Airport (YYZ)

3 major railway lines offering both passenger and intermodal services

Serviced by 7 major highways

Mississauga is situated between two of the largest ports on the Great Lakes: the Port of Toronto and the Port of Hamilton

## NATURAL FEATURES



1,714 hectares of publicly owned woodlands and natural areas

519 parks, 267 playgrounds, and 373 sports fields

Mississauga's waterfront spans 22 kilometres along the shores of Lake Ontario

3 beaches, 2 marinas

## EDUCATIONAL INSTITUTIONS



3 post-secondary schools

15 universities, 17 colleges within a one-hour commute with more than 400,000 students enrolled, accounting for 75% of Ontario's overall post-secondary enrolment

## Location



## Governance

### City Council



**Mayor Bonnie Crombie**  
905-896-5555  
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**Councillor Brad Butt**  
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## City of Mississauga Ward Map





## Corporate Organizational Structure



**Shari Lichterman, CPA, CMA**  
City Manager and  
Chief Administrative Officer

**RESPONSIBILITIES:**

- Finance
- Fire & Emergency Services
- Human Resources
- Internal Audit
- Legal Services
- Strategic Communications & Initiatives



**Jodi Robillos**

Commissioner, Community Services

**RESPONSIBILITIES:**

- Culture
- Mississauga Library
- Parks, Forestry & Environment
- Recreation
- Tourism



**Raj Sheth, P. Eng.**

Commissioner, Corporate Services

**RESPONSIBILITIES:**

- Corporate Business Services
- Enforcement
- Facilities & Property Management
- Information Technology
- Legislative Services



**Andrew Whittemore, M.U.R.P.**

Commissioner, Planning & Building

**RESPONSIBILITIES:**

- Building
- City Planning Strategies
- Development & Design
- Economic Development



**Geoff Wright, P. Eng., MBA**

Commissioner, Transportation & Works

**RESPONSIBILITIES:**

- Infrastructure Planning & Engineering
- MiWay
- Rapid Transit Program Office
- Traffic Management & Municipal Parking
- Works Operations & Maintenance

## Foundational Guidance

### Mississauga's Vision and Values

#### Vision

Mississauga will inspire the world as a dynamic, beautiful and global city for creativity and innovation, with vibrant, safe and connected communities, where we celebrate the rich diversity of our cultures, historic villages, Lake Ontario and the Credit River Valley. A place where people choose to be.

#### Values

##### Trust

Upholding the public's trust in the City and promoting a climate of trust within our teams, across the organization and with Council. With trust we can achieve anything.

##### Quality

Continuing to provide valuable services and programs that enhance the quality of life for residents and businesses; and building a balanced work/life quality for employees.

##### Excellence

Ensuring the citizens of Mississauga receive value for money; and delivering excellence internally through innovation and the services we provide.



# strategicplan

## Our Future Mississauga

The [Strategic Plan](#) is Mississauga's highest-level policy document, created to shape and direct strategic decision-making for the City. It is built upon the following five pillars:



### MOVE

Our Future Mississauga is a city where people can get around without an automobile and where transit will directly influence and shape the form of the city. Transit will be a desirable choice that connects people to destinations and will underpin an environmentally responsible, inclusive, vibrant and successful city.



### BELONG

Our Future Mississauga is a city where people can spend their entire lives – where teenagers want to be; where young professionals choose to locate; where immigrants are welcomed and their cultures become a visible part of the city's fabric; and where people can age in place gracefully.



### CONNECT

Our Future Mississauga is a beautiful, sustainable city with safe neighbourhoods that support a strong, connected and vibrant community – a place where all can live, work and prosper. People can play as a child, walk to meet a friend, fall in love, raise a family and grow old.



### PROSPER

Our Future Mississauga is a global hub of creative and innovative activity where talent and business thrive.



### GREEN

Our Future Mississauga is a city that co-exists in harmony with its ecosystems, where natural areas are enhanced, forests and valleys are protected, the waterfront connects people to Lake Ontario and communities are nurtured so the future generations enjoy a clean, healthy lifestyle.



## Financial Management Processes

The City employs a number of policies, procedures and principles to establish the framework required to achieve sound financial management.

### Internal Controls

The City maintains appropriate systems of internal and administrative controls. These are designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are accounted for, safeguarded and that financial information produced is relevant and reliable. Examples of these controls are the principle of segregation of duties and appropriate authorization levels to release payments.

### Monitoring Reports

In accordance with the City's operating and capital budget policies, the Finance Division provides Council with a review of the City's financial position at minimum twice per year. The operating monitoring report identifies major variances and action plans to mitigate them. The capital works-in-progress review includes the ongoing monitoring and evaluation of all capital projects, and identifies projects to be closed, projects returning funding to reserves and reserve funds, and projects requiring additional funding. The City's reserve and reserve fund balances are also reported annually to Council.

### Financial Statement Preparation

The City's Finance Division is responsible for all information contained in the Financial and Sustainability Report. Financial statements and accompanying notes have been prepared using the accounting principles and disclosure requirements of the Chartered Professional Accountants of Canada Public Sector Accounting Standards.

### Internal Audit

The City's Internal Audit Division is an independent and objective team established to improve City operations. Internal Audit assists the City in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes. Internal Audit has a responsibility to liaise with the City's external auditors as appropriate for the purpose of providing adequate audit coverage to the City.

### External Audit

KPMG LLP is the City's external auditor. The role of the external auditor is to present an independent opinion on the fairness of the presentation of the City's financial position and operating results as contained in the financial statements. They confirm that the statements are free from material misstatements. It is the responsibility of the external auditor to advise management and the Audit Committee of any control or operational issues that may be identified during their audit procedures.

### Audit Committee

The Audit Committee is comprised of the Mayor and four members of Council who are appointed by Council for the term of Council. The Audit Committee assists Council in the provision of effective municipal government by overseeing the administrative systems regarding financial accounting, reporting, internal controls, safeguarding of corporate assets, compliance with legal, ethical and regulatory requirements and the efficient and effective use of resources. The Audit Committee provides a focal point for communications between Council, the external auditor, the internal auditor and management, and facilitates an objective and independent review of management practices through the internal and external audit functions.

### City Business Planning

The City uses a corporation-wide business planning and budgeting process. The annual Business Plan & Budget lays out how staff proposes to fund and deliver services while addressing the financial, economic and political pressures the City faces. City Council deliberates the plan and budget, makes any necessary changes, and then votes to approve it. The result is integration of Mississauga's strategic priorities into its programs, services, budgets and annual work plans.

### The City's Approach to Business Planning and Budgeting

Mississauga plans activities and programs through three planning horizons: the current budget year, the four year plan, and the 10-year capital forecast. Effective planning through all horizons ensures that the City:

- Delivers value for tax dollars, with a focus on continuous improvement
- Is fiscally responsible; manages resources efficiently and effectively
- Invests in the future to enhance the high quality of life that residents enjoy today

Management of the City's services is organized into administrative service areas. These service areas produce the individual plans that make up the overall Business Plan & Budget document.

### Business Planning Priorities

The City works hard to achieve value for money and sound financial stewardship in the development of the annual Business Plan & Budget. Each service area prepares an individual Business Plan & Budget in line with the following four corporate priorities, established and communicated by the City's Leadership Team:

1. **Deliver the right services** – To set service levels that balance citizen service expectations and fiscal responsibility
2. **Maintain City infrastructure** – To ensure City assets are maintained at the level required to sustain the identified level of service and ensure economic success
3. **Advance on the City's strategic vision** – To ensure Mississauga is a global urban city recognized for its municipal leadership
4. **Implement cost containment strategies** – To deliver value for money

The following timeline depicts the 2022 business planning cycle:

|      |   |
|------|---|
| JAN  | The City's Leadership Team provides <b>direction to service areas</b> for business planning and budgeting   |
| FEB  |   |
| MAR  | Service areas develop <b>preliminary operating budgets</b> based on leadership direction, Strategic Plan, master plans, service/business goals, risk and opportunities<br><b>Budget education</b> is provided to stakeholders |
| APR  |   |
| MAY  | Budget Committee provides feedback and direction on the <b>preliminary forecasted budget increase</b> at its June meeting<br>Staff begin preparing <b>capital budgets</b>   |
| JUN  |   |
| JULY | Staff refine <b>business plans and budgets</b> based on direction emerging from the June Budget Committee meeting   |
| AUG  |   |
| SEPT | Budget Committee sets <b>Fees &amp; Charges</b> for the coming year at its October meeting  |
| OCT  |   |
| NOV  | Budget Committee publicly deliberates the <b>proposed Business Plan &amp; Budget</b> and directs changes if it so decides<br>Council votes to approve the <b>final Business Plan &amp; Budget</b>                             |
| DEC  |   |

## Year in Review – Accomplishments and Successes

The following highlights are grouped by the four corporate business planning priorities.

### Deliver the Right Services

- Mississauga's Fire & Emergency Services launched a new [Vulnerable Persons Registry](#). It is a confidential, no-cost, voluntary registry designed to prepare MFES to be able to provide special assistance to residents with mobility limitations, visual and hearing impairment, oxygen use and/or other requirements. Registration provides pertinent information that may assist responding crews in the event of an emergency
- In 2022, Security Services partnered with Peel Regional Police for a pilot project to combat the theft of catalytic converters in the City. The project required the identification of theft hotspots and started a campaign to combat these thefts. The campaign will continue into 2023
- Culture events and festivals returned at Celebration Square, Living Arts Centre, Paramount Fine Foods Centre, Meadowvale Theatre, Museums and the Small Arms Inspection Building with over 1,000,000 attendees at 750 festivals, events, shows and activations



- The Neighbourhood Area Speed Limit Project was completed in which:
  - 130 neighbourhood areas were identified
  - 164 new Community Safety Zones were established
  - 199 new 30 km/h school zone speed limits were established
  - More than 5,600 signs were changed
- The Mississauga Zoning By-law was amended to regulate bicycle parking requirements on public and private lands. The new regulation addresses action items within the City's Transportation Master Plan and Transportation Demand Management Strategy and Implementation Plan
- Over 10,400 participants attended Culture and Museums registered programs, camps and school workshops
- 4,299 building permit applications with a construction value of over \$2.45 billion were issued, and 81,335 building, plumbing, heating and sign inspections were completed
- IT supported the Library to acquire and deploy two new microfilm/microfiche scanners to improve the development and use of the local history collection. These scanners provide customers and staff the ability to read and digitize different types of materials including microfilm, microfiche, slide film, photo negatives, and aperture cards
- The implementation of free community access during public hours at the Small Arms Inspection Building resulted in over 90,000 visitors to the venue
- The Library launched six new electronic resources across various informational and learning streams. The new resources are *The New York Times*, Road to IELTS (International English Language Testing System), *National Geographic* and *National Geographic Kids*, *The Globe & Mail* archive, ArtistWorks, and Craftsy
- Over 8,000 charity gaming, mobile and business licences were issued
- Speed limits were enforced by 22 speed cameras at 68 locations in school-area community safety zones in Mississauga
- The City awarded 10 heritage property grants and designated two heritage properties
- Initially launched as a response to COVID-19 and the resulting facility closures, the Sauga Connections for Older Adults program was added, along with other virtual fitness programming, to the continuing roster of Recreation programming in an effort to better serve residents who may have ongoing limitations when it comes to accessing facilities
- A new public facing Plow Tracker was launched to provide residents with high-quality data on the progress of winter maintenance operations
- The City created a new Virtual Innovation Hub – [IDEAMississauga.ca](https://IDEAMississauga.ca) – to provide a virtual place for entrepreneurs, innovators and scale-up companies to connect to become part of a leading innovation community and access regional supports and resources



- Celebration Square hosted its first winter festival attracting 106,461 visitors over the course of 113 days
- Three new pedestrian crossovers were constructed at Ogden Avenue in front of Allan A. Martin Public School, Clarkson Road North at Nine Creeks Trail, and Truscott Drive west of Robillard Road
- In response to public demand related to the COVID-19 pandemic, the Library began lending carbon dioxide monitors for personal use
- Over 157,000 hours of booking permits for parks and sports fields were issued
- A self-service kiosk was added at Clarkson Library to facilitate the lending of laptops and tablets to customers. The kiosk uses the customer's library card to enable the in-library borrowing and returning of iPads and City standard laptops
- MiWay launched open payment by credit card for PRESTO devices to provide additional fare payment options to customers
- Paramount Fine Food Centre hosted multiple successful tourism events including the Little Native Hockey League (LNHL), Skate Canada International, CrossFit East, the Ontario Volleyball Championships and the PlayOn! Hockey tournament. In addition the venue hosted the return of Carassauga and other live events including Blippi, Kadmin Al Shair and Karan Aujla
- 10 electric vehicle charging stations were installed at the Central Library municipal parking garage
- Malton Library opened a new makerspace. The newly renovated 707 sq. ft. space is a place where people can try out new technologies and creative tools, including 3D printing stations, a music recording studio, and editing and conversion stations



- MiWay provided approximately 35.7 million rides
- Three permanent pieces were added to the City's Public Art collection, bringing its size to a total of 77 pieces overall
- 419 cats and 112 dogs were adopted from Animal Services
- A new system was implemented that not only allows golf customers to easily book and pay for tee times online, but also enables staff to manage fees and other administrative work more efficiently
- Business guidance and issues resolution were provided to 443 companies, from small businesses to large industrials, with an 82 per cent satisfaction rating
- Five new multi-use trails and cycle tracks were installed, for a total of three kilometres along the following routes: Eglinton Avenue East (Tomken Road to Eastgate Parkway); Erin Centre Boulevard (Tenth Line West to Oscar Peterson Boulevard); Eglinton Avenue West (Oscar Peterson Boulevard at Southampton Drive); Southdown Road (Hartland Drive at Bromsgrove Road); and Bromsgrove Road (Southdown Road to 25m west of Southdown Road)
- The City launched [ActiveMississauga.ca](https://www.activemississauga.ca) to improve the experience for customers looking for programs and services offered by Library, Culture, Recreation, and Parks. The new site offers an increased number of online services, including facility bookings, program registrations, membership purchases and more
- The Living Arts Centre celebrated 25 years of operation with an open house showcasing a variety of performances and arts education activations
- 500 pre-applications for development were reviewed and 810 planning applications were received
- A new program was approved that will provide free menstrual products in public washrooms at City-operated facilities, a step that is helping remove financial barriers and stigma for those who are unable to afford menstrual products
- The new Mississauga Apartment Rental Compliance pilot program was launched. The goal of the five-year pilot program is to ensure that rental apartment building owners and landlords comply with maintenance standards and that the needs of tenants are being addressed
- Regulatory Services staff responded to over 62,000 requests for investigation into possible by-law infractions
- 6.2 kilometres in total of new sidewalks were constructed along these roads: Avonhead Road; Bresler Drive; Caterpillar Road; Eglinton Avenue West; Ninth Line; Statesman Drive; Airway Drive; Orlando Drive; Second Line West; Speakman Drive, and Viscount Road
- Accessible pedestrian signals were implemented at four existing traffic control signals on Glen Erin Drive at Folkway Drive, Confederation Parkway at Huntington Ridge Drive, Winston Churchill Boulevard at Battleford Road, and Battleford Road at Corfu Road



## Maintain City Infrastructure

- The reconstruction of Municipal Parking Lot #3 in Port Credit was completed. The work included repaving the municipal parking lot, making drainage adjustments, meeting new accessible parking requirements, and line painting
- 12,240 preventative maintenance tasks and 6,329 demand work orders for City buildings and facilities were completed, and 6,476 service requests for building maintenance, repairs and operations were responded to
- A review of existing library facility infrastructure was completed and a strategy was developed for recommended capital investments over the next 10 years. The Library Infrastructure Study, which takes intensification and growth into consideration, is also being used to inform the Library's 2024 Future Directions Master Plan
- Approximately 346,500 hours of maintenance for the care of the City's parkland and open space was performed, including 401 sports fields, 266 playgrounds, 218 sport courts, two marinas and 11 publicly-owned cemeteries
- 1.3 kilometres of Applewood Creek through Lakeview Golf Course were reconstructed using a natural channel design, including five new bridges and enhancements to the adjacent course layout and heritage characteristics of the property





- Fleet Services expanded operational capacity and service hours to support ongoing maintenance and repair of the City's corporate fleet. This change provided benefits including reductions in vehicle and equipment downtime during core operating hours, supporting preventative and proactive maintenance requirements, minimizing the cost of demand repairs and outsourcing, reducing after-hours maintenance and urgent repairs, and maximizing facility and equipment usage
- Meadowvale Theatre reopened after it underwent renovations that started in 2021. The renovation project consisted of a 10,000 sq. ft. interior renovation and full exterior refresh. The exterior scope included an updated building colour, marquee entrance sign, exterior lit signage, roof renewal, an enclosed outdoor patio and a welcoming entrance plaza. The extensive interior renovation included a new main entrance with sliding doors and new box office and ticket counters. Additional interior features included updated washrooms, a new gender-neutral universal washroom and a refreshed concession stand. Mechanical renewal included new rooftop units servicing the main entry hall and full automation of building systems. This project also includes the inspirational art installation by indigenous artist Jay Havens, *It Takes a Community to Build the Story*



- Road improvements were completed along Mississauga Road (north of Seven Oaks Drive), including road widening, new curbs, sidewalks, median islands, top asphalt and pavement markings, and a centre traffic island median on Thomas Street from Fountain Park Avenue to Tenth Line West

- Various MiWay infrastructure upgrades were completed to enhance the experience of customers, including restoration of the Dixie Station elevator, LED lighting upgrades at the Etobicoke Creek and Tahoe Stations, completion of the Westwood Square Transit Terminal wayfinding totem, and improvements to 85 pedestrian landing pads
- Six major roads (Airway Dr. from Viscount Rd. to Northwest Dr.; American Dr. from Airport Rd. to Northwest Dr.; Orlando Dr. from Airport Rd. to Northwest Dr.; Paisley Blvd. from Mavis Rd. to Stillmeadow Rd.; Speakman Dr. from Hadwen Rd. to Sheridan Park Dr.; and Viscount Dr. from Orlando Dr. to American Dr.) and 55 residential roads were resurfaced, totaling 27.4 kilometres
- A low-impact development installation was completed to provide water quality treatment for stormwater drainage on Sonnet Court. The opportunity arose to install a sustainable technology called bioretention within a central tree planter island in a cul-de-sac, allowing the stormwater that enters the sewer system to be cleaned before being discharged into Mullet Creek
- Three bridges were restored: Glen Erin Drive Pedestrian Bridge (over Lake Wabukayne Trail); Burnhamthorpe Road West bridge (over Sawmill Valley Trail), and Bloor Street bridge (over Little Etobicoke Creek)





- The Malton Satellite Terminal Hoist Replacement project replaced the existing in-ground two- and three-post hoists used to service MiWay buses. A total of seven hoists were replaced. The work included civil, mechanical and electrical engineering works. The project was phased to keep the facility operational during construction and maintain business continuity. The new hoists come with a number of improvements and advanced features including an automatic wheelbase positioning system and advanced controls for safer operability
- Over 44,000 trees received maintenance, including pruning, watering and fertilizing
- The River Grove Pool filtration project replaced the existing high-pressure pool sand filtration system for both the main lap pool and therapy tank with a regenerative media filtration system. This project was the first at the City with the primary goals of reducing water consumption, improving filtration efficiency and reducing operational costs. The project was completed in the fall of 2022 and is currently being used as a model for potential future installations at other City pool facilities. This project advances the City's energy management initiatives and improves both operations and the overall user experience

### Advance on the City's Strategic Vision

- The Ontario Summer games took place in Mississauga from July 21–24. Approximately 3,500 participants aged 12–18 from across Ontario competed in 16 different sports including archery, rugby and canoe/kayak sprint
- The Canadian Green Building Standards (CGBS) Performance Standard was applied to all new City builds and major renovations. For example, the Carmen Corbasson Community Centre is expected to achieve Energy Use Intensity (EUI) of 400 kWh/m<sup>2</sup>/year (30 per cent better than building code) through the use of triple-glazed windows, centralized heat pumps/condensing boilers, loop-to-loop heat recovery and a high performance envelope. Also installed were four dual-EV charging stations, bike racks, Cross Laminated Timber (CLT) on the roof deck and a solar PV-ready roof – all designed to help achieve the City's Climate Change Action Plan goals
- MiWay completed an Electrification Feasibility Study. The study will serve as a guiding document for MiWay's garage phasing strategy to support the conversion of its existing diesel fleet to zero emission buses to meet the City's Climate Change Action Plan targets
- The Mississauga Fire & Emergency Services team participated in the Moccasin Identifier Indigenous cultural heritage project. Moccasin designs were stenciled on the ground outside Fire Station 104 in Port Credit to remind us that we are on land with a long and enduring history of Indigenous Peoples. The station is located on Peter Street, which is named after Reverend Peter Jones, an Ojibway leader and member of the Mississaugas of the Credit
- ENERGY STAR® certification was received for Erin Mills Twin Arena for the third year in a row

- MiWay installed 43 electric outdoor charging connectors at the Central Parkway Transit Facility, and six electric outdoor charging connectors at the Malton Transit Facility. The installation of the chargers has allowed for the procurement of battery-electric charge-off, route supervisor, infrastructure, and business systems vehicles in 2023
- A credit rating of 'AAA - Stable' was earned from Standard & Poor's Global Ratings agency for the 19<sup>th</sup> straight year
- Mississauga hosted the 2022 Ontario Parasport Games in May. More than 500 participants aged 12-35 took part in the two-day athletic competition that featured nine different sports including sledge hockey, wheelchair tennis, and sitting volleyball
- City Council, on recommendation from Equity, Diversity and Inclusion staff, have established the Combating Racism, Discrimination and Hatred Advisory Committee. This committee replaces the Diversity and Inclusion Advisory Committee in an effort to reflect the changing needs of the community. The mandate of this committee is to provide information, advice and recommendations to City Council and City staff on:
  - The needs of diverse communities in Mississauga impacted by racism, discrimination and hatred
  - How to support those communities in fighting racism, discrimination and hatred through policies, programs and services
  - Innovative and effective anti-racism and anti-hate tools and resources
  - Effective strategies to remove systemic barriers to equitable access to City services and programs for marginalized residents and groups
  - Public awareness of City's policies, programs and services to combat racism, discrimination and hatred
  - Policy and program reforms that the City could probe into and explore ways of strengthening
- An evaluation of the non-union recruitment, promotion, and leader succession planning processes was conducted focusing on equitability and effectiveness. As part of the review, the gaps and barriers that may inhibit employees from marginalized groups from achieving success were identified and 10 recommendations with specific actions to improve equitability and inclusivity are being implemented
- Implementation of the Building Automation System Standard continued to streamline the automated building systems across City buildings. The resulting upgrades and replacements generate energy savings, Greenhouse Gas (GHG) emission reductions and operational cost savings
- 47,873 trees were planted as part of the One Million Trees Program in 2022, bringing the total to 499,555 trees since the program's inception
- MiWay placed an order for 165 hybrid-electric buses for delivery in 2022 and 2023. This is the single-largest transit bus order in MiWay history, and marks a significant milestone on the journey toward a lower-emission fleet



- 15.86 metric tonnes of dog waste was diverted from landfill and turned into energy
- Vehicle charging infrastructure was increased with the installation of 59 Level 2 electric vehicle charging stations at Mavis Yard, Malton Satellite Transit, and Central Parkway Transit Terminal sites. The project is an important part of the City's efforts to reach its 2030 and 2050 GHG reduction targets as mandated in the Climate Change Action Plan (CCAP)



- Council approved a new Parks Plan which examines the need for parkland in Mississauga and guides the growth and improvement of the City's parks and open space system



- Facilities & Property Management published its first “Diving into the indoor pool environment” white paper under the internal Beyond Energy – Centre of Excellence program. The program was created to drive innovation and improvement of facility management processes and foster greater alignment around business goals
- Council approved the recommendations and implementation of a zoning by-law from the Parking Regulation Study (Off-street) which establishes the amount of privately owned parking that is to be provided as part of any development application or when a new business is created in the city
- The City approved its first Music Strategy, which identifies 32 key actions to support the growth and development of Mississauga’s music industry
- As of December 31, 2022, 21 actions from the Parking Master Plan and Implementation Strategy have been completed and 26 are underway
- The City of Mississauga was named one of the best places to work in Canada by Glassdoor (Best Places to Work 2022 Award) and Forbes (Canada’s Best Employers 2022)
- In celebration of Indigenous History Month (June), the Library partnered with Museums Mississauga to offer The Moccasin Identifier project at five library branches. The Moccasin Identifier was developed by Carolyn King in partnership with the Mississaugas of the Credit First Nation. Families used stencils to create temporary paintings of moccasins, footwear worn by Indigenous peoples, to promote awareness and understanding of the history of the land we stand on



- As of December 31, 2022, over 90 per cent of the actions in the City’s Making Room for the Middle Affordable Housing Strategy have been implemented

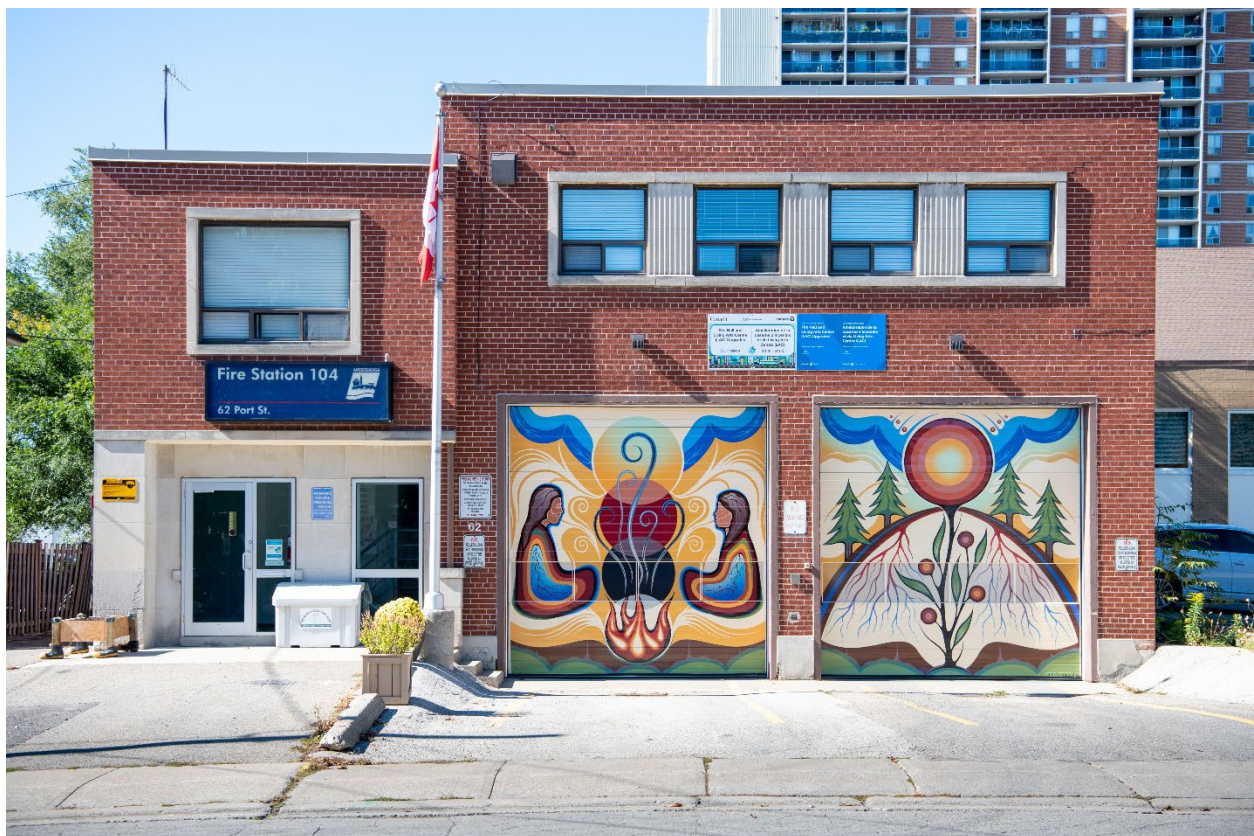


- City Council approved and distributed \$4.4 million in grant funding to support community and cultural groups in Mississauga. Funding was approved for the Community Grant Program, the Arts and Culture Grant Program, and for Cultural Festivals and Celebrations Grants, and Culture Project Grants. Impact measurement for the Culture grants showed that the return on investment was \$3.27 for every dollar awarded
- The City launched its first Urban Agriculture Strategy, with a goal of growing more food locally to ensure everyone has access to healthy foods in their neighbourhood. The strategy is made up of 18 actions: 11 City-led and seven community-led. These actions are designed to help remove barriers and enable urban agriculture in Mississauga



- The City successfully achieved the International Organization for Standardization (ISO) 50001:2018 certification from ABS Quality Evaluations, Inc. for the Energy Management Systems at Frank McKechnie Community Centre. This is the first municipal facility in Canada to achieve this certification
- The Security Services team, including management, completed Combating Anti-Black Racism training in 2022 to promote inclusiveness and combat racism in the community. The team will complete Indigenous sensitivity and awareness training going forward as it continues working to achieve its vision of promoting respect within the community
- In collaboration with libraries in Brampton and Caledon, the Mississauga Library helped to launch a Pride book club in the Peel Region. The book club meets monthly, and serves to create a welcoming and inclusive environment for members and allies of the 2SLGBTQ+ community, and engage attendees in open discussion inspired by 2SLGBTQ+ books

- The Mississaugas of the Credit First Nation's flag was permanently placed in Council Chambers during the first Council meeting of Mississauga's 2022-2026 term. The City is taking this action to recognize the Treaties, which are foundational agreements in the creation of present-day Mississauga and Canada
- Paramount Fine Foods Centre hosted Gidinawendimin, which means 'We Are All Related' in Anishinaabemowim, in honour of the National Day for Truth and Reconciliation in collaboration with The National Centre for Truth and Reconciliation and the Mississaugas of the Credit First Nation
- More than 50 [Slow Streets](#) were implemented, giving pedestrians and cyclists space to move around safely on neighbourhood streets using temporary traffic-calming devices such as barricades, flexible bollards and signage
- Council adopted an inclusionary zoning policy for affordable housing. The policy requires affordable housing units in new developments within Major Transit Station Areas, where growth is directed and transit services are planned
- Fire & Emergency Services worked with the Public Art team to create a temporary public art piece by Anishinaabe artist, Emily Kewageshig, a visual storyteller from Saugeen First Nation No. 29. The artwork, titled *The Flame of Life*, is a digital illustration printed on vinyl. It appears on the bay doors at Fire Station 104 and on pumper 104. The artwork is a representation of Indigenous culture and showcases the culture's spiritual connection with fire and nature



Emily Kewageshig, *The Flame of Life*, 2022, City of Mississauga Public Art Collection

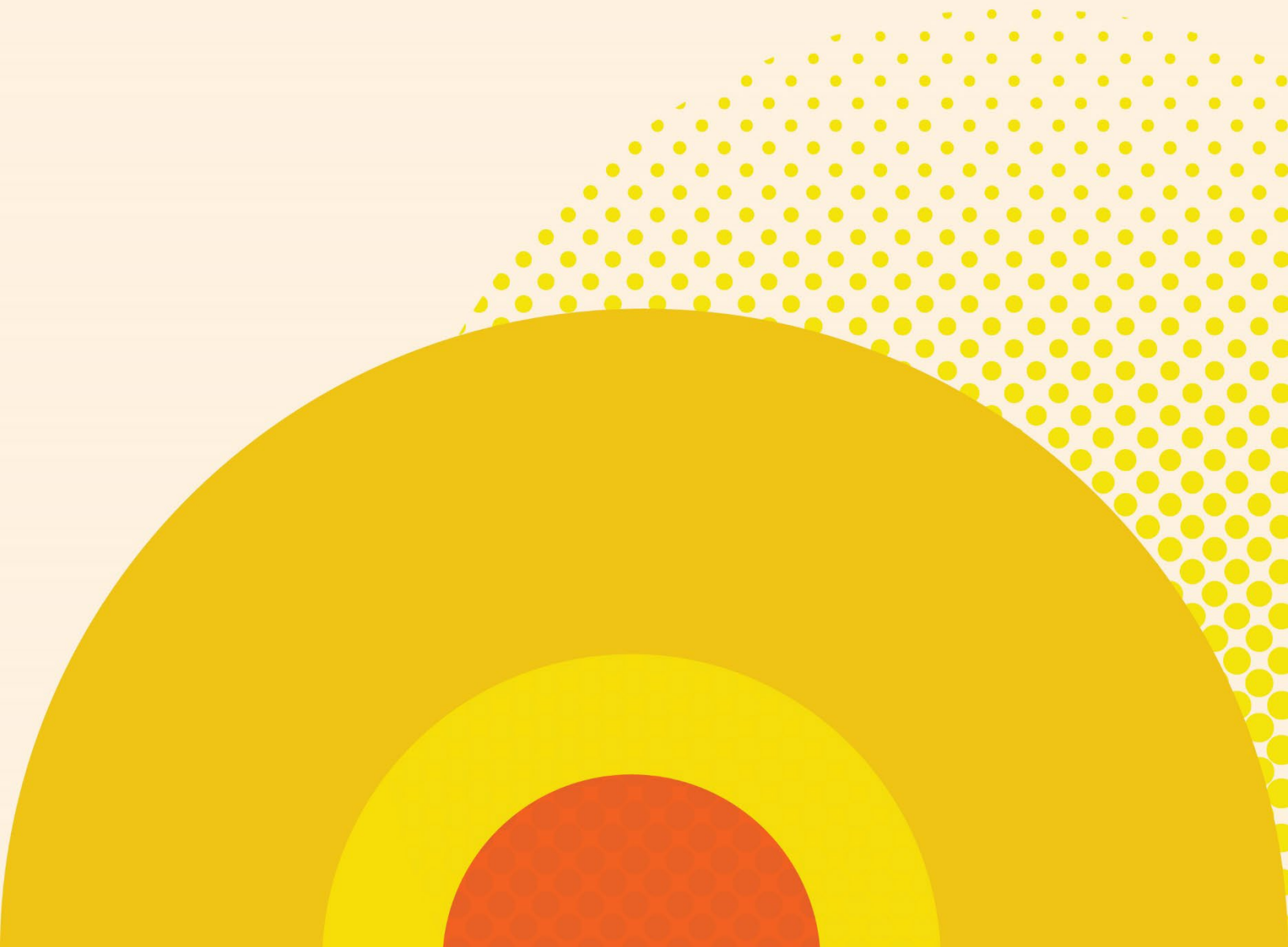
- MiWay completed a transit-wide Accessibility Plan
- The City continued to improve accessibility in the community through meeting 98 per cent of the commitments in its 2018-2022 Multi-Year Accessibility Plan by the end of 2022. The City also promoted awareness of accessibility in the community through participation in events for National AccessAbility Week and the International Day for Persons with Disabilities

### Implement Cost Containment Strategies

- Celebration Square and the Living Arts Centre secured four grants totalling \$317,000 dedicated to bringing back audiences to cultural events post-pandemic
- Stormwater management best practices and sanitary sewer charge appeals due to diversion measures at applicable sites resulted in approximately \$195,000 in avoided costs
- The Traffic Management & Municipal Parking Division completed 51 Lean improvements that achieved cost avoidance of \$55,251
- The Live Events and Music production team leveraged rental budgets across several events to purchase key pieces of equipment formerly rented. This made a large impact on smaller events where delivery and pickup charges for such rentals are expensive
- The revitalization of office spaces to support hybrid working continued with the conversion of 30,000 square feet of existing under-used space into productive space and the reduction of leased space at 201 City Centre Drive which saved \$506,000 in 2022
- Charity Gaming Licensing achieved a \$27,000 cost avoidance by working with charities and licensing bodies to cut the number of applications required for each 12-month licence from two to one
- The natural gas procurement (hedging) strategy for the fiscal year 2022 resulted in avoided costs of approximately \$250,000
- A reconfiguration of the Celebration Square technical infrastructure design allowed for deployable systems to be used at other venues or programs like the Summer Concert Series held in City parks
- The Operations Program Co-ordination section in Transportation & Works has transitioned to using smartphones to capture deficiencies in sidewalks as part of the Minimum Maintenance Standard inspection program. This technology upgrade has allowed the team to complete this work 20 per cent faster
- The City achieved a nine per cent reduction in electricity usage and a 24 per cent reduction in water usage, totalling approximately \$1.6 million in utility savings compared to the established baseline consumption in the current 5-Year Energy Conservation Plan (2019-2023)
- The Meadowvale Theatre technical network and lighting infrastructure were revised to allow for more programming control points at a much lower cost per unit. This same network was also equipped with a dedicated building sign-in system for staff and contractors



# Financial Statement Section



## Message from the Director of Finance and Treasurer

The City of Mississauga is pleased to present its Financial and Sustainability Report for the year ended December 31, 2022. This report has been prepared in accordance with the *Municipal Act, 2001* and based on Public Sector Accounting Standards (PSAS) for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).



This report communicates to residents, businesses and all stakeholders the details of the City's 2022 financial performance and related information about significant financial policies and processes, along with the City's progress on sustainability related initiatives that are reported within a number of globally recognized frameworks.

Mississauga taxpayers receive services from both the City and the Region of Peel. The Region is exclusively responsible for garbage collection and disposal, water treatment and distribution, wastewater services, police services, paramedic services, public health and social services. The City's financial statements do not include Regional services.

The City began 2022 with a thoughtfully prepared budget that set a balance between delivering City services and programs, accomplishing strategic objectives and maintaining infrastructure. The 2022 increase to the Mississauga residential property owners' tax bill was 3.1 per cent, of which 1.5 per cent was the City of Mississauga's portion and 1.6 per cent was the Region of Peel's portion.

The City continued to recover from the financial impacts of COVID-19. Although revenue streams began to show signs of recovery from the pandemic, some areas continued to be negatively impacted in 2022. Contributing factors included ongoing reduced MiWay ridership, increased transit fuel prices and maintenance costs, and decreases in payments in lieu of taxes (PILTs) from the Greater Toronto Airports Authority (GTAA) from lower passenger counts during the pandemic. With ridership having returned to pre-pandemic levels in December 2022, the outlook for 2023 is good.

In July 2020, the federal and provincial governments entered into the Safe Restart Agreement to support municipalities and to reduce the negative impacts of the pandemic. Through a combination of Safe Restart funding and reserves, the City of Mississauga was able to offset its projected 2022 deficit while continuing to deliver important services to the community.

Ongoing funding from other levels of government also helps minimize property tax increases. The Canada Community-Building Fund, previously known as the federal Gas Tax Fund, is an ongoing source of revenue that is critical to support the City's transit and road infrastructure. The provincial Gas Tax Fund is critical for day-to-day operational funding to deliver transit services.



The City's Long-Range Financial Plan has highlighted the need for the City to maintain a strong financial position in its reserves and reserve funds to sustain funding during unforeseen circumstances and respond to challenges and opportunities.

The COVID-19 pandemic has also demonstrated the value of the financial resilience that is built into the City's budgeting and service delivery models. The inclusion of a dedicated capital infrastructure and debt repayment levy as part of the overall tax levy in 2022 again contributed to that resilience. This prudent step helps the City maintain its substantial infrastructure assets, with a replacement value of \$14.2 billion in 2022.

Debt plays a vital role in renewing and developing needed infrastructure. Under the *Municipal Act, 2001*, the City must pay annual debt service charges (principal and interest) on outstanding debt. The provincial government limits a municipality's annual debt repayment service charges to 25 per cent of own-source revenue, to protect the financial integrity of the municipality. At 15 per cent, Mississauga's debt policy is even more conservative than the requirements of the provincial regulation. The City's debt service charges in 2022 were \$43.9 million, or four per cent of own-source revenue. This is well below both the City's policy and provincial requirements.

The City owns 90 per cent of Enersource Corporation. Enersource is a 29.57 per cent owner of Alectra, an electricity provider. The investment in Enersource generates an annual dividend that helps to fund City operations and moderate the property tax rate.

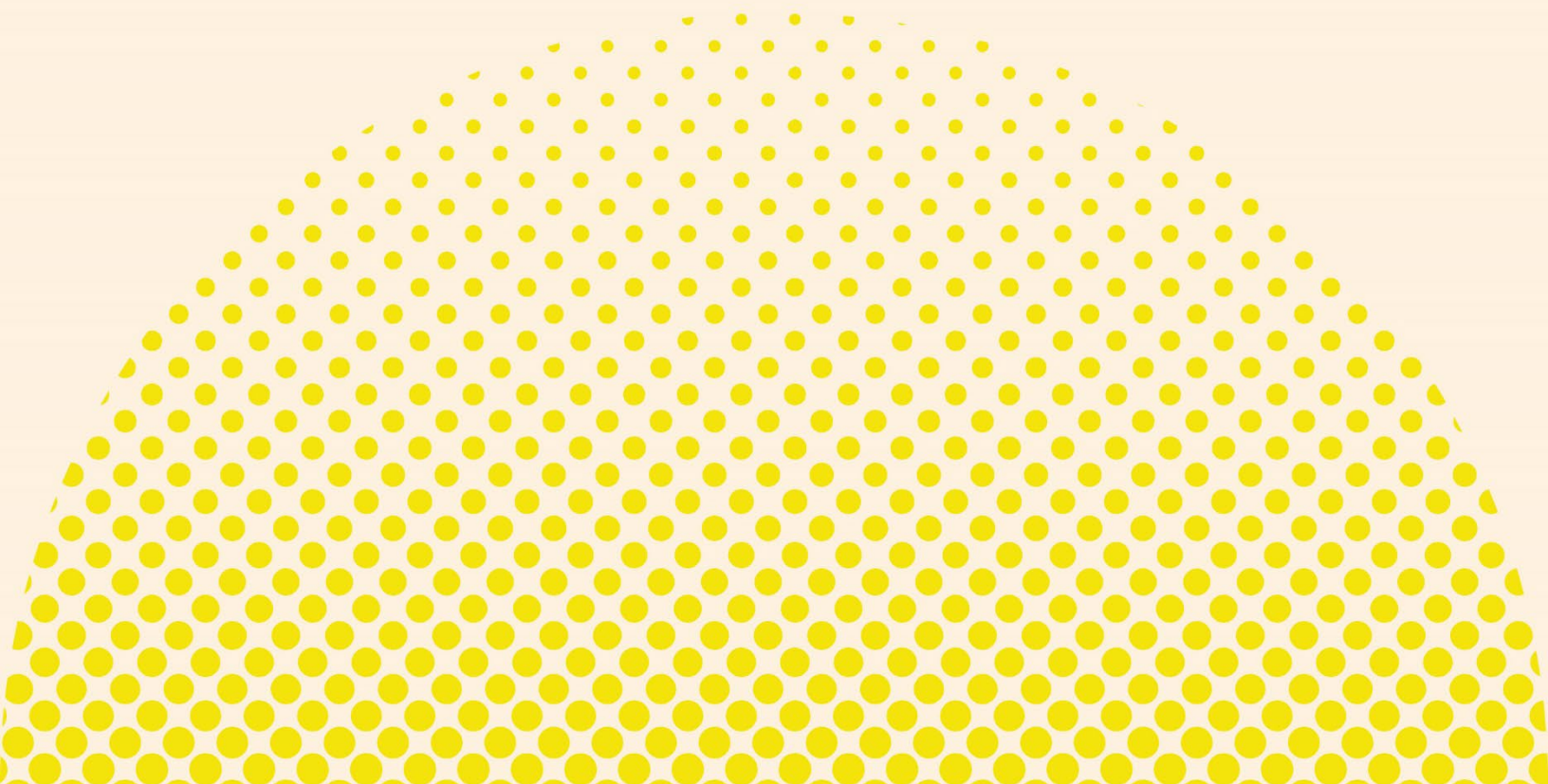
The Stormwater Charge is another example of a pragmatic practice that contributes to the City's financial resilience and the community's sustainability. The revenue from the charge (\$45.5 million in 2022) funds operating and capital expenses within the City's stormwater management program. The program exists to protect property, infrastructure and the environment from erosion and flooding, and enhances water quality. It supports the City's extensive stormwater management system and keeps it in good working order, now and in the future. The charge to all property owners appears on the Region of Peel water bill.

In summary, the City successfully addressed financial pressures associated with increasing inflation, infrastructure maintenance, and residual impacts of the pandemic, and delivered value for money in 2022. The City's financial resilience, which is grounded in conservative debt management practices, a solid strategic plan, a disciplined Lean culture, competent service delivery, and comprehensive plans and budgets, is strong, and continues to serve taxpayers well.



Marisa Chiu, CPA, CA  
Director of Finance and Treasurer  
April 14, 2023

# 2022 Financial Year in Review



## 2022 Financial Year in Review

### Introduction

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).

There are four required consolidated financial statements:

- the Consolidated Statement of Financial Position
- the Consolidated Statement of Operations
- the Consolidated Statement of Change in Net Financial Assets
- the Consolidated Statement of Cash Flows

The consolidated financial statements include the City, the Mississauga Public Library Board, Tourism Mississauga, Enersource Corporation, and the five Business Improvement Areas/Associations (BIAs). These consolidated financial statements provide information on the cost of all the City activities, how they were financed, investing activities and the assets and liabilities of the City.

The following is a high-level overview of the 2022 financial results of the City.

## Consolidated Statement of Financial Position

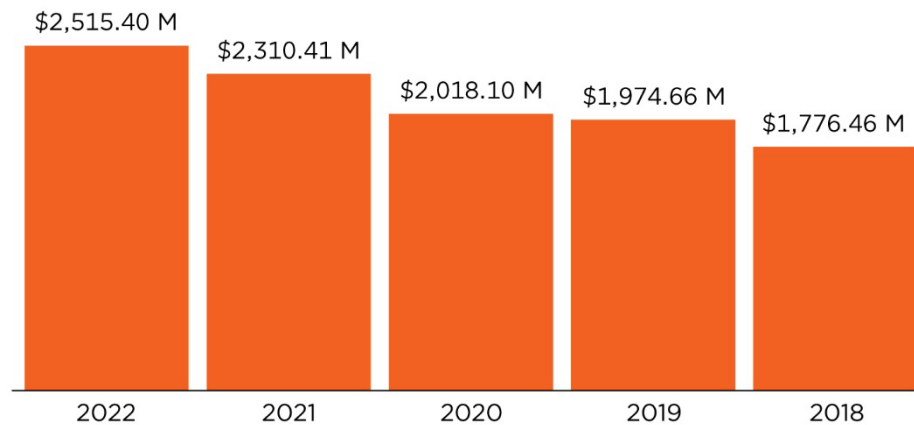
The Consolidated Statement of Financial Position presents four key figures that together describe the financial position of a public entity:

- Total financial assets, including cash and investments
- Total financial liabilities, including long-term debt
- Total non-financial assets, including tangible capital assets
- The accumulated surplus/(deficit) which identifies the net financial position

The City manages its financial operations through various funds such as the operating fund, capital fund, reserves and reserve funds. In accordance with PSAB standards, these funds are not individually reported in the consolidated financial statements and show instead as accumulated surplus. The accumulated surplus summarizes the City's consolidated equity, which identifies its net financial position, including all tangible capital assets and financial resources of the City.

## Financial Assets

Financial assets were \$2.52 billion in 2022 (\$2.31 billion in 2021), which is an increase of \$205 million over the 2021 value.



| ITEM (\$000s)                        | REF. # | 2022 ACTUAL      | 2021 ACTUAL      | \$ CHANGE      | % CHANGE    |
|--------------------------------------|--------|------------------|------------------|----------------|-------------|
| Cash                                 | 1      | 303,166          | 284,702          | 18,464         | 6.5%        |
| Taxes Receivable                     | 2      | 66,237           | 57,100           | 9,137          | 16.0%       |
| Accounts Receivable                  | 3      | 121,857          | 125,958          | (4,101)        | (3.3%)      |
| Loans and Other Receivables          | 4      | 300              | 350              | (50)           | (14.3%)     |
| Inventories for Resale               | 5      | 97               | 80               | 17             | 21.3%       |
| Investments                          | 6      | 1,518,329        | 1,331,686        | 186,643        | 14.0%       |
| Investment in Enersource Corporation | 7      | 505,416          | 510,531          | (5,115)        | (1.0%)      |
| <b>Total Financial Assets</b>        |        | <b>2,515,402</b> | <b>2,310,407</b> | <b>204,995</b> | <b>8.9%</b> |

### COMMENTARY:

#### 1. Cash

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 303,166     | 284,702     | 18,464    | 6.5%     |

**What it is:** Cash is the money available on demand to pay for operating and capital expenses.

**Why it is important:** Cash is used to fund the disbursements needed for daily operations such as payments for staff, materials and supplies, contractors, and more. The City keeps enough cash on hand to conduct its day-to-day work. Excess cash is invested to earn a higher financial return.

**Change between 2022 and 2021:** Higher reserve and reserve fund balances at year end accounted for the higher cash and investment balances.



## 2. Taxes Receivable

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 66,237      | 57,100      | 9,137     | 16.0%    |

**What it is:** Taxes receivable are any uncollected property taxes as at December 31. The tax levy is applied in June with due dates in July, August and September.

**Why it is important:** Property tax is the single largest source of revenue for the City. When collected, property tax becomes the cash to fund daily operations. The City has strong collection practices and has historically achieved a high rate of collection success (97 to 98 per cent).

**Change between 2022 and 2021:** The increased taxes receivable reflect some property owners' inability to pay either in full or on time, potentially due to the effects of the pandemic. The City uses all of its legislated collection tools and abilities to collect the outstanding taxes in a fair manner that is helpful to the resident.

## 3. Accounts Receivable

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 121,857     | 125,958     | (4,101)   | (3.3%)   |

**What it is:** Accounts receivable represent various types of amounts owed to the City across all types of operations excluding property tax.

**Why it is important:** The City collects various funds including third-party recoveries for work performed by the City and HST rebates.

**Change between 2022 and 2021:** This number varies from year to year based on the timing of collections of departmental receivables and capital works recoveries where shared funding agreements are in place. When applicable, penalty and interest charges are applied on overdue accounts.

## 4. Loans and Other Receivables

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 300         | 350         | (50)      | (14.3%)  |

**What it is:** From time to time, the City enters into special contractual arrangements approved by Council that may include loans to third parties. The City currently has one 20-year special purpose loan made for the Vic Johnston Community Centre development project. The loan is scheduled to be paid off in 2028.

**Why it is important:** These receivables are categorized separately from other receivables because they have been created by a special arrangement.

**Change between 2022 and 2021:** Each December, a payment of \$50,000 is applied against the Vic Johnston Community Centre loan.

## 5. Inventories for Resale

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 97          | 80          | 17        | 21.3%    |

**What it is:** Inventories for resale represents the value of owned items on hand intended for resale for various City services (e.g., snack bar items, beer and liquor, golf balls).

**Why it is important:** These inventories have value and their eventual sale delivers revenue to the City.

**Change between 2022 and 2021:** This number varies from year to year based on the timing of sales and the replenishment of inventory prior to December 31. In 2022, with the community centres and arenas open, snack bar inventory increased by \$18,000, an increase offset by a net decrease of \$1,000 between pro shop and beer and liquor inventories.

## 6. Investments

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 1,518,329   | 1,331,686   | 186,643   | 14.0%    |

**What it is:** Cash that is not being used to manage the day-to-day operation of the City is invested in securities to earn a higher rate of return. Investments can be short-term (one year or less) or long-term (longer than one year).

**Why it is important:** The City's investment portfolios yield a higher rate of return than bank deposits. Investment income is the City's fourth-highest source of revenue and a critical component of the City's revenue base.

**Change between 2022 and 2021:** Investment balances fluctuate with cash flow requirements and the timing of receipts and disbursements. Cash inflows to reserve funds and general working capital allowed the City to increase investments.

## 7. Investment in Enersource Corporation

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 505,416     | 510,531     | (5,115)   | (1.0%)   |

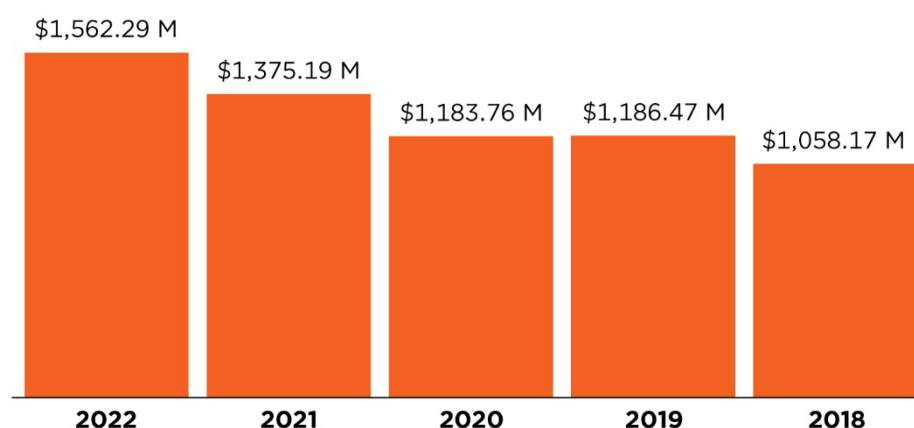
**What it is:** The City is a 90 per cent shareholder in Enersource Corporation. This number represents 90 per cent of Enersource's equity at December 31 (using the modified equity basis of accounting). Enersource, in turn, is a 29.57 per cent owner of Alectra Inc.

**Why it is important:** The investment in Enersource generates an annual dividend that helps to fund City operations and moderate the property tax rate.

**Change between 2022 and 2021:** The City's share of Enersource's net income of \$15.9 million, offset by dividend payments to the City of \$21.0 million, comprises the \$5.1 million decrease in the Enersource investment position.

## Financial Liabilities

Financial liabilities were \$1.56 billion in 2022 (\$1.38 billion in 2021), which is an increase of \$187.10 million over the 2021 value.



| ITEM (\$000s)                               | REF. # | 2022 ACTUAL      | 2021 ACTUAL      | \$ CHANGE      | % CHANGE     |
|---|--------|------------------|------------------|----------------|--------------|
| Accounts Payable and Accrued Liabilities    | 1      | 265,955          | 223,234          | 42,721         | 19.1%        |
| Deferred Revenue - General                  | 2      | 21,813           | 15,026           | 6,787          | 45.2%        |
| Deferred Revenue - Obligatory Reserve Funds | 3      | 784,686          | 668,359          | 116,327        | 17.4%        |
| Employee Benefits and Other Liabilities     | 4      | 240,740          | 231,246          | 9,494          | 4.1%         |
| Long-term Debt                              | 5      | 249,095          | 237,322          | 11,773         | 5.0%         |
| <b>Total Financial Liabilities</b>          |        | <b>1,562,289</b> | <b>1,375,187</b> | <b>187,102</b> | <b>13.6%</b> |

### COMMENTARY:

#### 1. Accounts Payable and Accrued Liabilities

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 265,955     | 223,234     | 42,721    | 19.1%    |

**What it is:** Accounts payable and accrued liabilities are the monies owed for goods, services, payroll, deposits held by the City and third party remittances due as at December 31.

**Why it is important:** These payables represent the outstanding obligations by the City as at December 31. As accounts payables are drawn down, the City's cash position is also drawn down.

**Change between 2022 and 2021:** The timing of payments and year-end accruals affect these liabilities and the City's cash position. The main contributors to this variance are the increase in the City's trade payables (\$17.9 million) and an increase in held security deposits (\$14.5 million).

## 2. Deferred Revenue – General

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 21,813      | 15,026      | 6,787     | 45.2%    |

**What it is:** Deferred revenues are payments received during the year that are to be recognized when the related activity takes place in the future. Some examples include recreation registrations, facility bookings, purchases of memorial trees and benches, and bus advertising.

**Why it is important:** Deferred revenues represent future revenues once the corresponding activities have been performed.

**Change between 2022 and 2021:** A number of programs that were not running at the end of 2021 due to COVID-19, including recreation programs and facility bookings, had resumed by the end of 2022. The deferred revenue balance also includes a conditional grant received by the Region of Peel for the construction of the Malton Community Hub.

## 3. Deferred Revenue – Obligatory Reserve Funds

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 784,686     | 668,359     | 116,327   | 17.4%    |

**What it is:** This liability is for deferred revenue payments initially received for restricted or conditional agreements that can only be used for the purposes specified in those agreements or legislation. Some examples include development charges, cash in lieu of parkland and parking, community benefit charges, provincial and federal public transit funds, provincial gas tax funds, and the Canada Community-Building Fund (CCBF).

**Why it is important:** These deferred revenues are initially collected and accounted for in dedicated reserve funds. The funds become revenue when the related capital and operating expenses have been incurred.

**Change between 2022 and 2021:** The increases in Obligatory Reserve Fund balances in 2022 were primarily due to collecting \$160 million in Development Charges and Cash in Lieu of Parkland (CIL Parkland) receipts resulting from new development and reduced spending on related funded capital projects.

#### 4. Employee Benefits and Other Liabilities

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 240,740     | 231,246     | 9,494     | 4.1%     |

**What it is:** These liabilities include actuarial assessments for the City's obligations for Workplace Safety and Insurance Board (WSIB) costs, sick leave and disability benefits, vacation pay entitlements, developer charge credits, contaminated sites, and legal and insurance liability provisions. They represent future obligations but are reported in present value terms.

**Why it is important:** These liabilities represent expenses that will be incurred in the future that must be reported on the Consolidated Statement of Financial Position to provide an accurate assessment of the City's obligations at a point in time. The City has an external actuarial valuation performed every three years to review these liabilities. Updates can be made annually if there are any significant changes to benefits entitlements, legislation, or the assumptions made in the analysis.

**Change between 2022 and 2021:** Increases in the actuarial assessments for WSIB (\$3.5 million), developer charge credits (\$3.5 million) and contaminated site liabilities (\$2.0 million) are the primary drivers for the increases in the balance for these liabilities. The net increase also includes a reduction to the insurance liability (\$4.3 million).

#### 5. Long-term Debt

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 249,095     | 237,322     | 11,773    | 5.0%     |

**What it is:** Long-term debt is the amount of debt outstanding as of December 31 each year. Debt is issued to help fund the City's investments in its capital infrastructure.

**Why it is important:** Debt is a key tool used by the City to fund its infrastructure requirements. Provincial legislation allows municipalities to carry debt equivalent to 25 per cent of own-source revenue. The City's debt policy limits debt repayment to 15 per cent of own-source revenues. The City is currently well within that range at 5.4 per cent of own-source revenues.

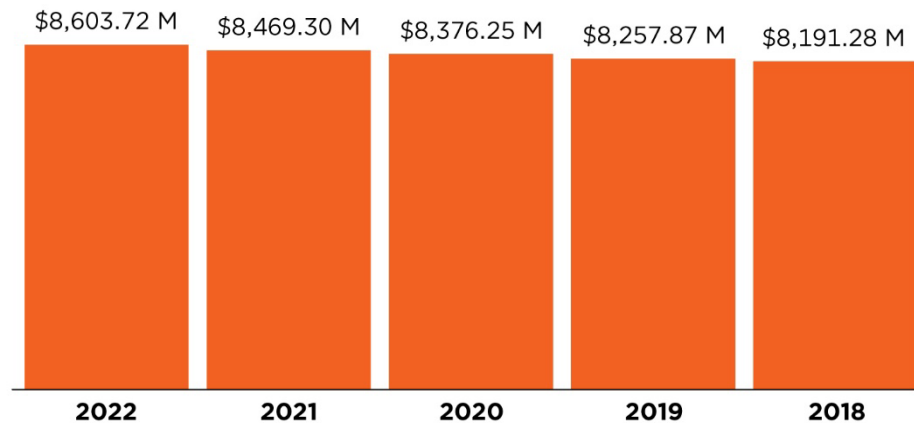
**Change between 2022 and 2021:** The City issued \$50 million in debt and made principal payments of \$38.2 million in 2022.



## Non-financial Assets

Non-financial assets are composed primarily of tangible capital assets, inventories of supplies, and prepaid expenses.

Non-financial assets were \$8.60 billion in 2022 (\$8.47 billion in 2021), which is an increase of \$134.42 million over the 2021 value.



| ITEM (\$000s)                     | REF. # | 2022 ACTUAL      | 2021 ACTUAL      | \$ CHANGE      | % CHANGE    |
|-----------------------------------|--------|------------------|------------------|----------------|-------------|
| Tangible Capital Assets           | 1      | 8,584,033        | 8,457,200        | 126,833        | 1.5%        |
| Inventory of Supplies             | 2      | 10,929           | 8,191            | 2,738          | 33.4%       |
| Prepaid Expenses                  | 3      | 8,758            | 3,910            | 4,848          | 124.0%      |
| <b>Total Non-financial Assets</b> |        | <b>8,603,720</b> | <b>8,469,301</b> | <b>134,419</b> | <b>1.6%</b> |

### COMMENTARY:

#### 1. Tangible Capital Assets

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 8,584,033   | 8,457,200   | 126,833   | 1.5%     |

**What it is:** Tangible capital assets represent the City's investment in capital infrastructure such as buildings, roads, stormwater management facilities, vehicles, and equipment. Each year, the City prepares a capital budget for new capital projects and renovations to existing assets. These capital projects become assets when the project goes into service or is completed. The City maintains capital assets through its operating budget.

**Why it is important:** The City's tangible capital assets support all of the services and programs it provides and represents the results of its investment in capital infrastructure.

**Change between 2022 and 2021:** Assets valued at \$329.3 million were added to the City's tangible capital asset inventory in 2022. These additions were offset by \$52.5 million in asset disposals and amortization of \$150.0 million.

## 2. Inventory of Supplies

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 10,929      | 8,191       | 2,738     | 33.4%    |

**What it is:** This category is for goods that support front-line services. Examples of these inventories include traffic signals and equipment; fuel; salt and sand inventories; fire equipment; transit fleet supplies; and lighting equipment.

**Why it is important:** These inventories are necessary to help the City deliver its services to residents, visitors, and businesses.

**Change between 2022 and 2021:** Increased inventories of salt and sand (\$1.6 million) resulted in the increase in the overall value of the inventory of supplies, together with increases in traffic signal equipment (\$0.5 million) and transit fleet supplies (\$0.5 million).

## 3. Prepaid Expenses

| 2022 ACTUAL | 2021 ACTUAL | \$ CHANGE | % CHANGE |
|-------------|-------------|-----------|----------|
| 8,758       | 3,910       | 4,848     | 124.0%   |

**What it is:** Prepaid expenses are payments made in the current year for things that are intended to be consumed or used in future years and recognized as an expense at that point. Some examples include memberships, subscriptions, debt fees, and prepaid postage.

**Why it is important:** Prepaid expenses allow expenses to be recorded when the good or service is consumed, regardless of when payment was made.

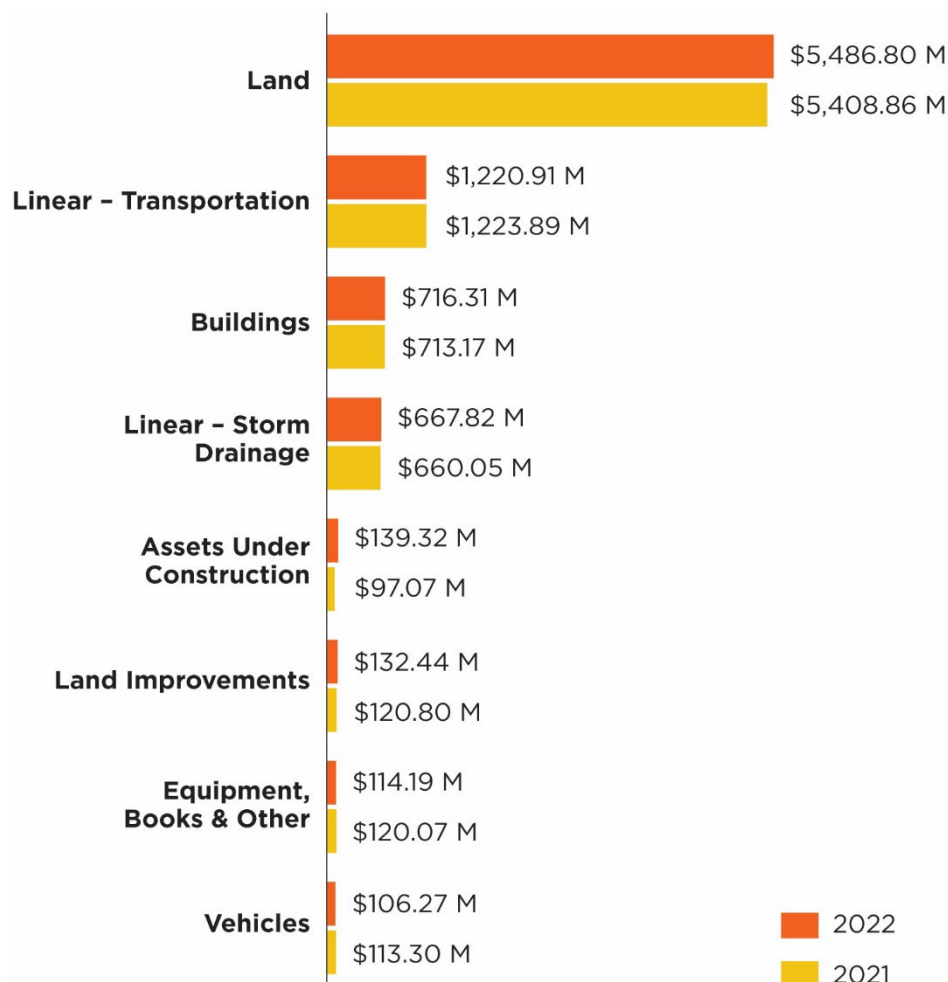
**Change between 2022 and 2021:** The increase in prepaid expenses in 2022 primarily relates to an increase to insurance premiums, and information technology fees and subscriptions paid for in 2022 and intended for future use.

## Tangible Capital Assets Overview

All City assets at the end of 2022 have been inventoried, assessed at cost and recorded in an asset registry for accounting, reporting, and asset management purposes. The City's net book value of tangible capital assets at the end of 2022 was \$8.58 billion (\$8.46 billion in 2021). Refer to **Note 9** (page 101) in the financial statements for a detailed breakdown of tangible capital asset activity. The annual amortization expense in 2022 was \$149.95 million (\$150.34 million in 2021).

In 2022, the City invested in a variety of projects to build, maintain, rehabilitate and remodel our infrastructure. The City's 10-year capital program is \$4.4 billion (gross). Sixty-four per cent of the committed capital program is for state-of-good-repair projects. These projects support the maintenance of, and protect taxpayers' investments in, these valuable public infrastructure assets.

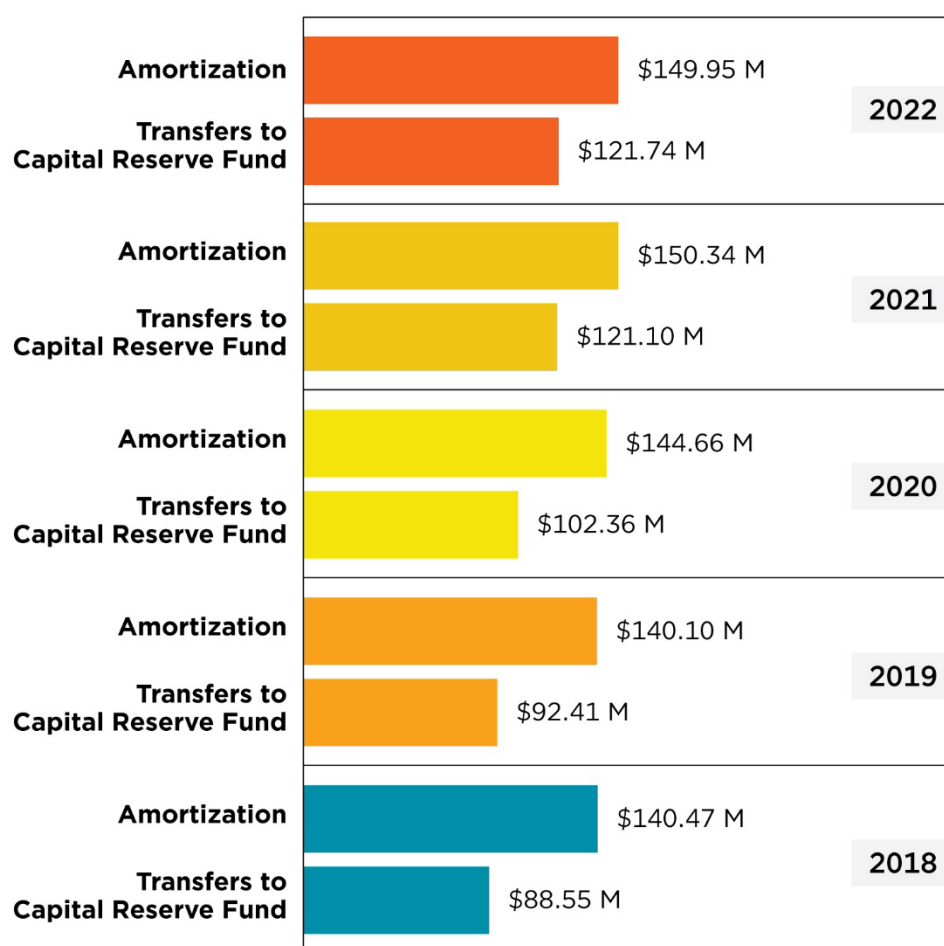
### Net Book Value by Category



## Amortization versus Transfers to Capital Reserve Fund

The City owns infrastructure assets with an estimated replacement cost of \$14.2 billion. The majority of capital spending is to ensure the City maintains or replaces its current infrastructure. Several financing strategies are used to ensure assets remain in a state of good repair, including an annual infrastructure levy and sustained funding from federal and provincial government partners (e.g., Canada Community-Building Fund).

There continues to be an infrastructure gap, where the City's funding from all currently available sources does not fully meet its state-of-good-repair needs. The chart below highlights the annual amortization of the City's tangible capital assets, along with the funding transferred to the capital reserve fund to ultimately repair and replace those assets. Implementation of asset management best practices as well as assistance from senior levels of government through continued infrastructure funding programs will provide opportunities to address some elements of the infrastructure funding gap.

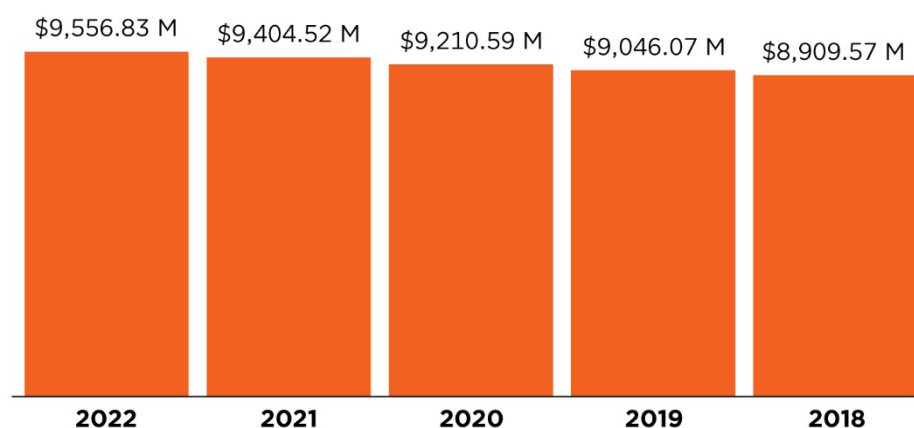




## Accumulated Surplus

The accumulated surplus represents what would be called retained earnings in a private sector entity. For public sector entities there are no contributions or distributions, and so accumulated surplus is the term applied to these monies.

The accumulated surplus was \$9.56 billion in 2022 (\$9.40 billion in 2021), which is an increase of \$152.31 million over the 2021 value. Additional information can be found in **Note 10** (page 103) in the financial statements.



| ITEM (\$000s)                           | 2022<br>ACTUAL   | 2021<br>ACTUAL   | \$<br>CHANGE   | %<br>CHANGE |
|---|------------------|------------------|----------------|-------------|
| Tangible Capital Assets                 | 8,584,034        | 8,457,200        | 126,834        | 1.5%        |
| Long-term Debt                          | (249,095)        | (237,322)        | (11,773)       | 5.0%        |
| Investment in Enersource Corporation    | 505,416          | 510,531          | (5,115)        | (1.0%)      |
| Employee Benefits and Other Liabilities | (240,740)        | (231,246)        | (9,494)        | 4.1%        |
| Reserves                                | 129,503          | 125,341          | 4,162          | 3.3%        |
| Reserve Funds                           | 827,715          | 780,017          | 47,698         | 6.1%        |
| <b>Total Accumulated Surplus</b>        | <b>9,556,833</b> | <b>9,404,521</b> | <b>152,312</b> | <b>1.6%</b> |

## Reserves and Reserve Funds Overview

Reserves and reserve fund balances are consolidated within the accumulated surplus position on the Consolidated Statement of Operations. Refer to **Note 10** (page 103) in the financial statements for more reserve and reserve fund information.

Reserves and reserve funds are established by Council. These funds are set aside to help offset future capital needs, obligations, pressures and costs. They are drawn upon to finance specific-purpose capital and operating expenditures as designated by Council to minimize tax rate fluctuations due to unanticipated expenditure and revenue shortfalls and to fund ongoing programs (i.e., insurance and employee benefits).

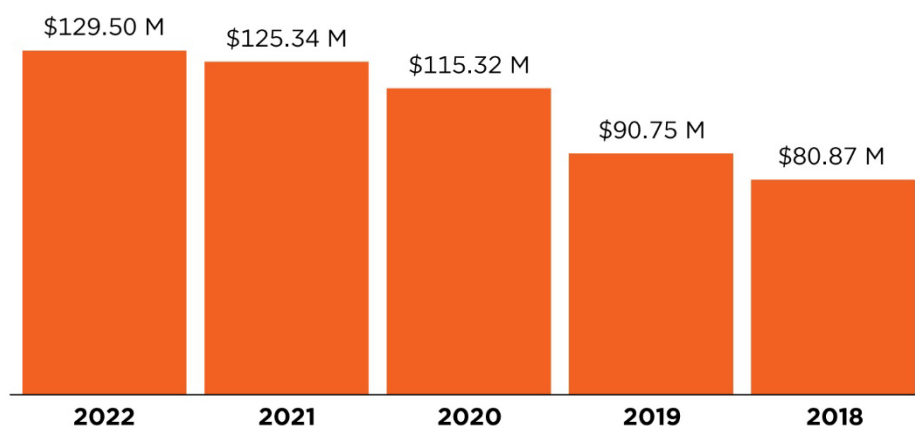
Reserves and reserve funds help the City meet projected expenditure needs in future years. However, draws on reserves and reserve funds in future years to support our growing capital infrastructure and maintenance needs will reduce these balances and therefore reduce the total accumulated surplus.

The reserve and reserve fund totals do not include development charges, senior government grants, and other reserve funds that are reported as Deferred Revenue – Obligatory Reserve Funds on the Consolidated Statement of Financial Position.

Reserve and reserve fund balances at the end of 2022 totalled \$957.22 million (\$905.36 million in 2021), which is an increase of \$51.86 million over the 2021 value.

### Reserves

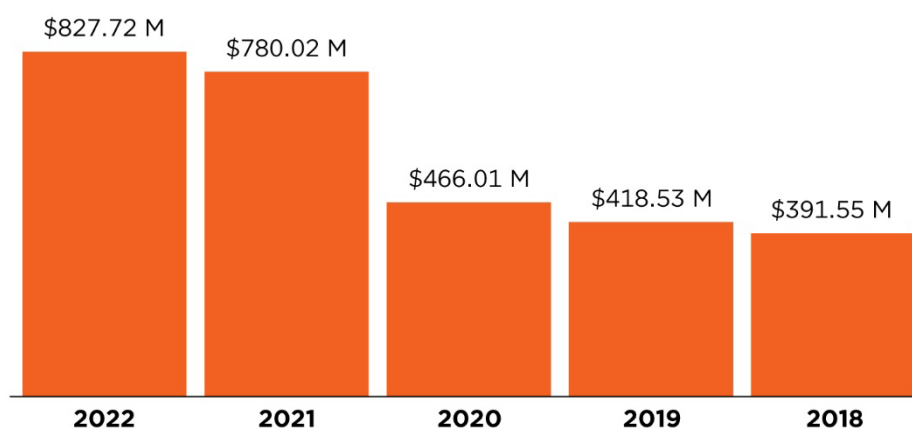
Reserves, which are discretionary in nature, are generally used to offset major fluctuations in operating costs/revenues or to fund future contingent liabilities. Total reserves were \$129.50 million in 2022 (\$125.34 million in 2021), which is an increase of \$4.16 million over the 2021 value.



| ITEM (\$000s)            | 2022<br>ACTUAL | 2021<br>ACTUAL | \$<br>CHANGE | %<br>CHANGE |
|--------------------------|----------------|----------------|--------------|-------------|
| Fiscal Stability Reserve | 53,307         | 59,188         | (5,881)      | (9.9%)      |
| Operating Reserves       | 70,101         | 60,488         | 9,613        | 15.9%       |
| Stormwater Reserve       | 5,546          | 5,371          | 175          | 3.3%        |
| BIA Reserves             | 549            | 294            | 255          | 86.7%       |
| <b>Total Reserves</b>    | <b>129,503</b> | <b>125,341</b> | <b>4,162</b> | <b>3.3%</b> |

### Reserve Funds

Reserve funds are segregated and restricted to meet specific identified purposes for the City. Total reserve funds were \$827.72 million in 2022 (\$780.02 million in 2021), which is an increase of \$47.70 million over the 2021 value.

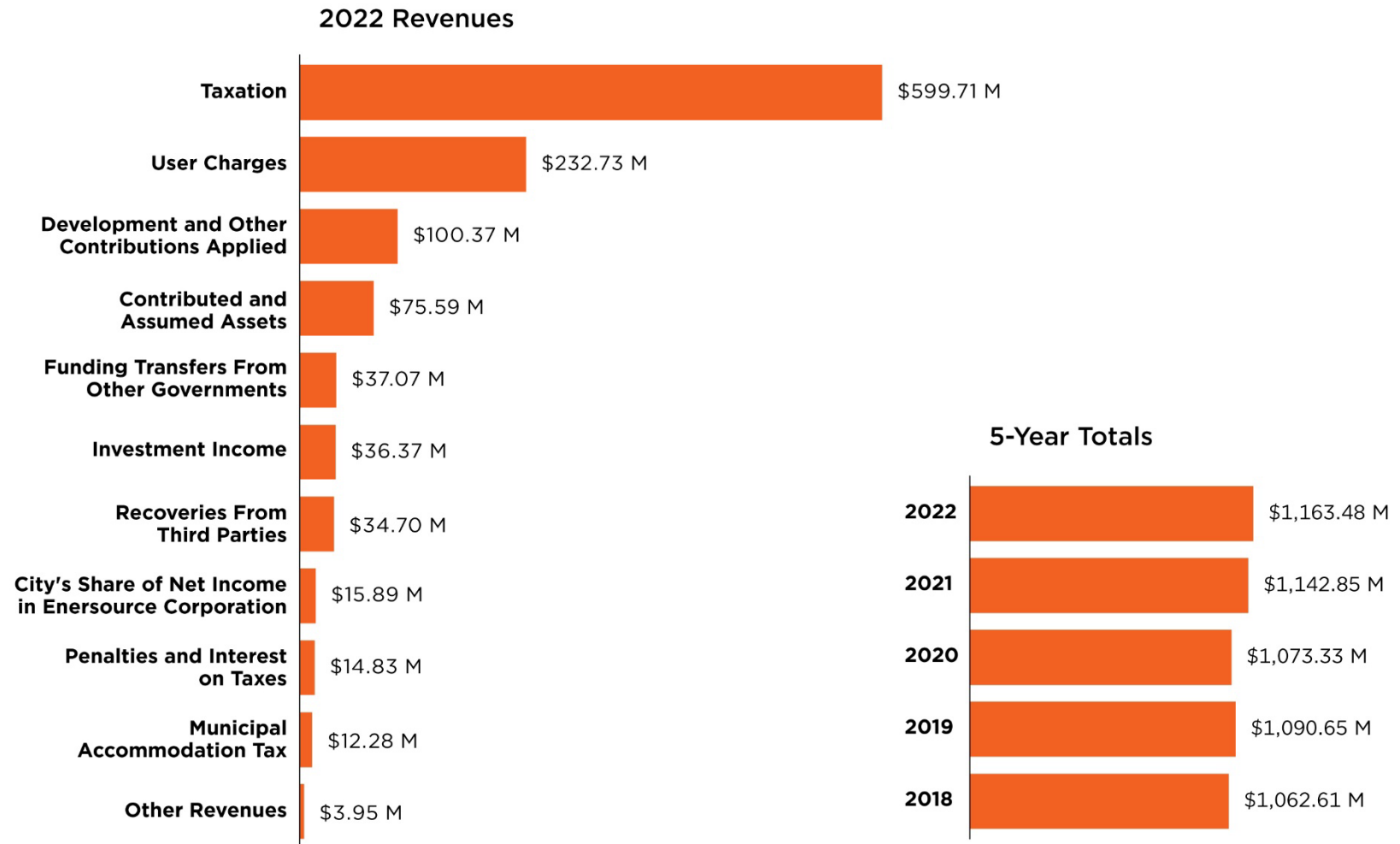


| ITEM (\$000s)                         | 2022<br>ACTUAL | 2021<br>ACTUAL | \$<br>CHANGE  | %<br>CHANGE |
|---------------------------------------|----------------|----------------|---------------|-------------|
| Tax Reserve Funds                     | 466,485        | 431,518        | 34,967        | 8.1%        |
| Stormwater Reserve Funds              | 144,764        | 128,524        | 16,240        | 12.6%       |
| Lot Levy Reserve Funds                | 71,557         | 67,747         | 3,810         | 5.6%        |
| Insurance Reserve Funds               | 40,998         | 44,750         | (3,752)       | (8.4%)      |
| Employee Benefits Reserve Funds       | 30,405         | 33,610         | (3,205)       | (9.5%)      |
| Developer Contributions Reserve Funds | 35,937         | 28,323         | 7,614         | 26.9%       |
| Other Reserve Funds                   | 37,569         | 45,545         | (7,976)       | (17.5%)     |
| <b>Total Reserve Funds</b>            | <b>827,715</b> | <b>780,017</b> | <b>47,698</b> | <b>6.1%</b> |

## Consolidated Statement of Operations

### Revenues

Total revenues were \$1.16 billion in 2022 (\$1.14 billion in 2021), which is an increase of \$20.63 million over the 2021 value.





## Revenues

| ITEM (\$000s)  | REF.<br># | 2022<br>BUDGET   | 2022<br>ACTUAL   | 2021<br>ACTUAL   | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE<br>VS. PRIOR<br>YEAR | % CHANGE<br>VS. PRIOR<br>YEAR |
|--|-----------|------------------|------------------|------------------|---------------------------|--------------------------|--------------------------------|-------------------------------|
| Taxation   | 1         | 623,013          | 599,708          | 591,198          | (23,305)                  | (3.7%)                   | 8,510                          | 1.4%                          |
| Municipal<br>Accommodation Tax                             | 2         | 9,800            | 12,279           | 5,907            | 2,479                     | 25.3%                    | 6,372                          | 107.9%                        |
| User Charges   | 3         | 268,948          | 232,734          | 179,157          | (36,214)                  | (13.5%)                  | 53,577                         | 29.9%                         |
| Recoveries From Third<br>Parties                           | 4         | 128,515          | 34,696           | 16,699           | (93,819)                  | (73.0%)                  | 17,997                         | 107.8%                        |
| Funding Transfers From<br>Other Governments                | 5         | 2,907            | 37,067           | 80,860           | 34,160                    | 1,175.1%                 | (43,793)                       | (54.2%)                       |
| Development and Other<br>Contributions Applied             | 6         | 178,710          | 100,368          | 154,415          | (78,342)                  | (43.8%)                  | (54,047)                       | (35.0%)                       |
| Investment Income  | 7         | 26,580           | 36,374           | 32,711           | 9,794                     | 36.8%                    | 3,663                          | 11.2%                         |
| Penalties and Interest on<br>Taxes                         | 8         | 8,610            | 14,825           | 14,592           | 6,215                     | 72.2%                    | 233                            | 1.6%                          |
| Contributed and<br>Assumed Assets                          | 9         | 0                | 75,591           | 35,899           | 75,591                    | 100.0%                   | 39,692                         | 110.6%                        |
| Other Revenues   | 10        | 4,101            | 3,949            | 2,698            | (152)                     | (3.7%)                   | 1,251                          | 46.4%                         |
| City's Share of Net<br>Income in Enersource<br>Corporation | 11        | 25,000           | 15,890           | 28,712           | (9,110)                   | (36.4%)                  | (12,822)                       | (44.7%)                       |
| <b>Total Revenues</b>                                      |           | <b>1,276,184</b> | <b>1,163,481</b> | <b>1,142,848</b> | <b>(112,703)</b>          | <b>(8.8%)</b>            | <b>20,633</b>                  | <b>1.8%</b>                   |

## COMMENTARY:

### 1. Taxation

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 623,013        | 599,708        | 591,198        | (23,305)                  | (3.7%)                   | 8,510                       | 1.4%                       |

**What it is:** Taxation includes the City's property tax revenues and payments in lieu of taxes.

**Why it is important:** Property taxes are the City's single largest source of revenue.

**Change between 2022 and 2021:** In 2022, assessment growth was 0.81 per cent (0.53 per cent in 2021). For the 2022 Business Plan and Budget, Council approved a 1.5 per cent increase on the total residential tax bill and a 1.0 per cent increase on the total commercial tax bill. The increase in property taxes was partially offset by the decrease in revenue due to the COVID-19-related reduction in payments in lieu of taxes (PILTs) from the Greater Toronto Airports Authority (GTAA).

**Variance between 2022 actuals and 2022 budget:** The unfavourable variance between actuals and budget is mainly due to the GTAA PILT revenue loss of \$21.3 million. The lower PILT payment was based on the passenger counts in 2020 which were negatively impacted by COVID-19.

### 2. Municipal Accommodation Tax

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 9,800          | 12,279         | 5,907          | 2,479                     | 25.3%                    | 6,372                       | 107.9%                     |

**What it is:** Municipal Accommodation Tax (MAT) revenues are taxes that apply to the purchase of accommodations provided for a continuous period of 30 days or less in a motel, hotel, lodge, inn, bed and breakfast, dwelling unit or any place that provides accommodation. Online private short-term rentals through Airbnb are also subject to the MAT.

**Why it is important:** MAT is a revenue tool that provides the City with an opportunity to generate funds that will be used for future tourism-related initiatives.

**Change between 2022 and 2021:** During 2022, occupancy increased dramatically over 2021 due to the removal of COVID-19 restrictions, resulting in an increase to Municipal Accommodation Tax revenue.

**Variance between 2022 actuals and 2022 budget:** The favourable variance between actuals and budget is due to a faster recovery of hotel bookings than budgeted, due to the removal of COVID-19 restrictions.

### 3. User Charges

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 268,948        | 232,734        | 179,157        | (36,214)                  | (13.5%)                  | 53,577                      | 29.9%                      |

**What it is:** User charges are associated with many City programs and services. Transit fares, recreation program fees and the stormwater program charge are three examples. Council establishes fees via by-law annually. Revenue from enforcement activities (fines) are also accounted for here.

**Why it is important:** User charges contribute significantly to covering service costs. User charges are the second largest source of City revenue in 2022.

**Change between 2022 and 2021:** User charge revenue began to increase and recover from the impacts of COVID-19 in 2022, including recreation program registrations (\$8 million), stormwater fees (\$4 million), transit fares (\$26 million), facility rentals (\$10 million), and fines (\$4 million). These increases were offset by decreases in licence and permit fees (\$2 million) and various other user fees (\$2 million).

**Variance between 2022 actuals and 2022 budget:** While the change between 2021 and 2022 was positive, user charge revenue still fell short of budgeted amounts, highlighting the pandemic-related gaps that persist. The largest deficits are from reduced transit fares (\$14 million), recreation program fees (\$10 million), parking fines (\$7 million) and Provincial Offences Administration fines (\$3 million).

#### 4. Recoveries from Third Parties

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 128,515        | 34,696         | 16,699         | (93,819)                  | (73.0%)                  | 17,997                      | 107.8%                     |

**What it is:** As part of regular operations, the City will pay for services or work that will be reimbursed by a third party. For example, if the City and Region were involved together in a capital project (e.g., road construction) and the City was handling payments on the project, the Region would repay the City for the Region's share of the project's capital costs.

**Why it is important:** The City performs work and provides services on behalf of third parties such as the Region of Peel, Metrolinx or an insurance company. Any work performed on behalf of third parties is recoverable by the City.

**Change between 2022 and 2021:** The increase over 2021 relates to the timing of recovery for capital projects, primarily respecting Investing in Canada Infrastructure Program (ICIP) funding.

**Variance between 2022 actuals and 2022 budget:** The variance versus budget relates to timing, both of incurring the recoverable expenses and the recovery of those expenses.

#### 5. Funding Transfers from Other Governments

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 2,907          | 37,067         | 80,860         | 34,160                    | 1,175.1%                 | (43,793)                    | 54.2%                      |

**What it is:** The City receives grants and funding from other levels of government for many types of services and initiatives.

**Why it is important:** While these transfers represent a small portion of the overall City revenue, it is valuable revenue that helps pay for City programs and services. During 2020 and 2021, the provincial and federal governments provided funding to municipal governments through the Safe Restart and COVID-19 Recovery Funding for Municipalities funding programs.



**Change between 2022 and 2021:** The year-over-year change primarily relates to the amount of Safe Restart funding applied and accrued in 2022 (\$31.4 million) versus funding applied and accrued in 2021 (\$68.6 million). This change was offset by increases and decreases in other operating- and capital-related government funding, resulting in the net variance.

**Variance between 2022 actuals and 2022 budget:** The variance versus budget relates primarily to unbudgeted Safe Restart funding received in 2022.

## 6. Development and Other Contributions Applied

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 178,710        | 100,368        | 154,415        | (78,342)                  | (43.8%)                  | (54,047)                    | (35.0%)                    |

**What it is:** When certain capital development-related expenses are incurred that correspond to deferred revenue (obligatory reserve funds that the City holds), dollars are recognized as revenue from the related obligatory reserve funds to offset those capital expenses.

**Why it is important:** Development and other contributions help fund capital projects that deliver front-line services to residents, visitors and businesses.

**Change between 2022 and 2021:** There were two factors that contributed to the decrease from 2021 to 2022. In 2021, Discretionary Reserve Funds received more contributions than in 2022. Also, less Obligatory Reserve Funds were applied as revenue to fund capital projects in 2022, primarily in CIL Parkland (\$33 million) and Provincial Gas Tax (\$14 million). Increases in Development Charges, and CCBF funding helped offset this decrease in revenue allocations.

**Variance between 2022 actuals and 2022 budget:** Actual capital and operating expenses funded through obligatory reserve funds were lower than the budgeted amount due to the timing of capital project works and contracts.

## 7. Investment Income

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 26,580         | 36,374         | 32,711         | 9,794                     | 36.8%                    | 3,663                       | 11.2%                      |

**What it is:** Investment income represents the annual net return on investment for the City funds portfolio, and recognized in the City's operating budget and discretionary reserve funds. Investment income earned on obligatory reserve fund balances is recognized as a receipt in those funds, and ultimately recognized as development and other contributions applied revenue when the income is applied against capital projects.

**Why it is important:** Investment income reduces the overall impact on the City's tax levy, and increases the balances held in reserve funds to help fund capital projects.

**Change between 2022 and 2021:** The increase in investment income is due to higher reserves and reserve fund balances versus 2021 and higher interest rates.

**Variance between 2022 actuals and 2022 budget:** The variance versus budget relates to higher-than-expected investment returns due to higher interest rates, and larger reserve and reserve fund balances.

## 8. Penalties and Interest on Taxes

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 8,610          | 14,825         | 14,592         | 6,215                     | 72.2%                    | 233                         | 1.6%                       |

**What it is:** This revenue results from penalties and interest charged on overdue property tax accounts. Penalty and interest revenue is dependent on taxpayer payment activities and varies annually based on the amount of taxes outstanding and length of arrears.

**Why it is important:** Penalties and interest on taxes help to offset any costs associated with untimely property tax payment.

**Change between 2022 and 2021:** In 2022, as in 2021, penalty and interest charges trended higher than pre-pandemic levels in most months.

**Variance between 2022 actuals and 2022 budget:** The variance versus budget relates to the removal of the 2021 deferral of property tax collection, resulting in higher penalties and interest on unpaid taxes in 2022.

## 9. Contributed and Assumed Assets

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 0              | 75,591         | 35,899         | 75,591                    | 100.0%                   | 39,692                      | 110.6%                     |

**What it is:** This revenue category includes assets assumed by the City (e.g., land under roads, land under infrastructure and general infrastructure) through development agreements.

**Why it is important:** Contributed assets are part of the City's capital infrastructure, but developers have paid for these assets through their development agreements.

**Change between 2022 and 2021:** Contributed assets vary from year to year depending on the agreements reached and the timing of asset transfer to the City.

**Variance between 2022 actuals and 2022 budget:** The entire amount in this category shows as surplus because this category is not included in the budget.

## 10. Other Revenues

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 4,101          | 3,949          | 2,698          | (152)                     | (3.7%)                   | 1,251                       | 46.4%                      |

**What it is:** These are miscellaneous and one-time revenues received by the City.

**Why it is important:** Other revenues help fund City programs and services.

**Change between 2022 and 2021:** This value routinely fluctuates due to the category's miscellaneous nature. These revenues are generally one-time revenues and are not expected to be sustained.

**Variance between 2022 actuals and 2022 budget:** A variance is always likely, due to this category's miscellaneous nature.

## 11. City's Share of Net Income in Enersource Corporation

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 25,000         | 15,890         | 28,712         | (9,110)                   | (36.4%)                  | (12,822)                    | (44.7%)                    |

**What it is:** The City is a 90 per cent shareholder in Enersource Corporation. This number represents 90 per cent of Enersource's bottom line at December 31 (using the modified equity basis of accounting). Enersource in turn is a 29.57 per cent owner of Alectra Inc.

**Why it is important:** The investment in Enersource generates an annual dividend that helps to fund City operations and moderate the property tax rate.

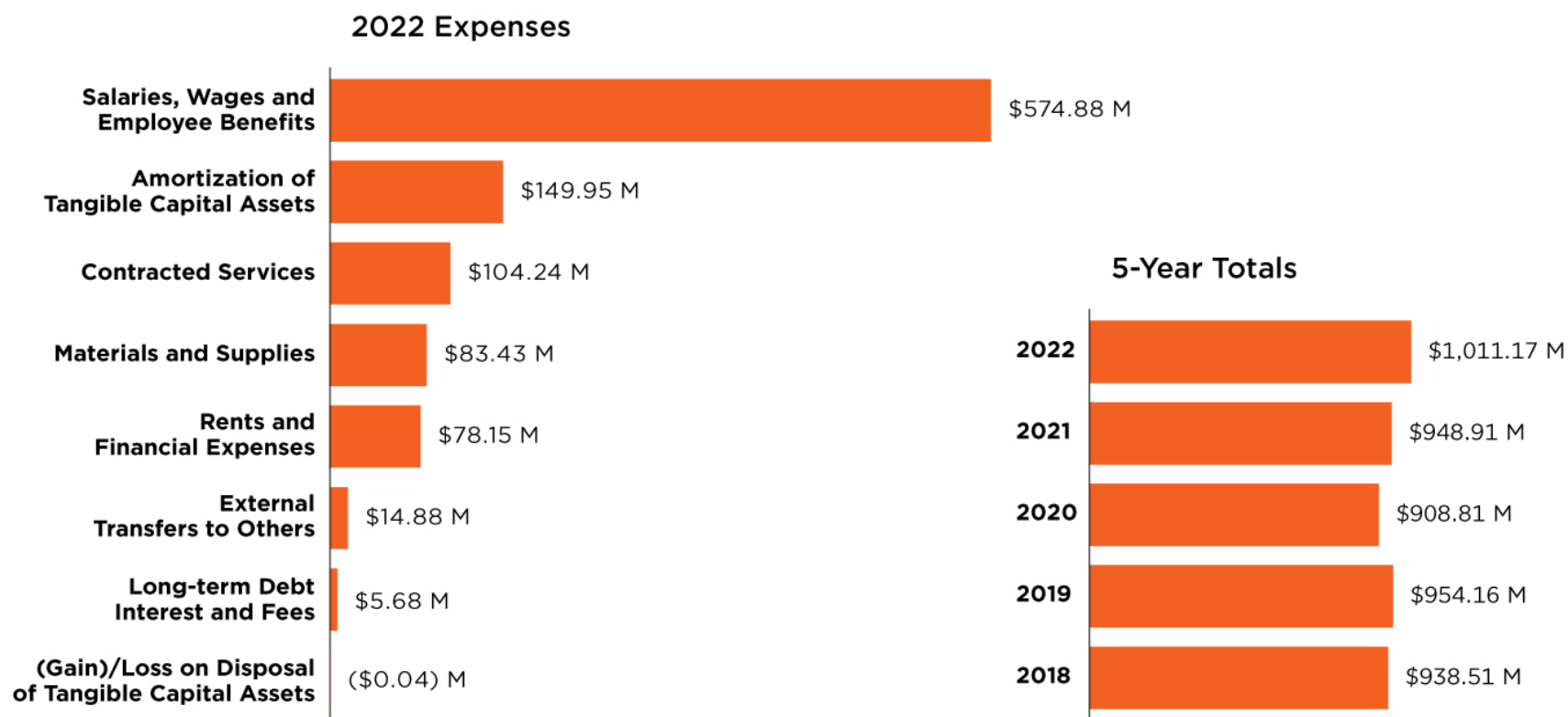
**Change between 2022 and 2021:** The variance versus 2021 relates to the lower-than-expected net income from Alectra due to higher than expected accounting adjustments.

**Variance between 2022 actuals and 2022 budget:** The variance between actuals and budget relates to the lower-than-expected net income from Alectra compared to prior years.



## Expenses

Total expenses were \$1.01 billion in 2022 (\$948.91 million in 2021), which is an increase of \$62.26 million over the 2021 value.



## Expenses

| ITEM (\$000s)                                      | REF.<br># | 2022<br>BUDGET | 2022<br>ACTUAL   | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE<br>VS. PRIOR<br>YEAR | % CHANGE<br>VS. PRIOR<br>YEAR |
|--|-----------|----------------|------------------|----------------|---------------------------|--------------------------|--------------------------------|-------------------------------|
| Salaries, Wages and Employee Benefits              | 1         | 599,156        | 574,880          | 555,219        | (24,276)                  | (4.1%)                   | 19,661                         | 3.5%                          |
| Long-term Debt Interest and Fees                   | 2         | 5,332          | 5,676            | 4,677          | 344                       | 6.5%                     | 999                            | 21.4%                         |
| Materials and Supplies                             | 3         | 73,990         | 83,429           | 55,147         | 9,439                     | 12.8%                    | 28,282                         | 51.3%                         |
| Contracted Services                                | 4         | 67,677         | 104,241          | 100,035        | 36,564                    | 54.0%                    | 4,206                          | 4.2%                          |
| Rents and Financial Expenses                       | 5         | 74,583         | 78,151           | 77,859         | 3,568                     | 4.8%                     | 292                            | 0.4%                          |
| External Transfers to Others                       | 6         | 5,944          | 14,880           | 4,783          | 8,936                     | 150.3%                   | 10,097                         | 211.1%                        |
| (Gain)/Loss on Disposal of Tangible Capital Assets | 7         | 0              | (40)             | 849            | (40)                      | 0.0%                     | (889)                          | (104.7%)                      |
| Amortization of Tangible Capital Assets            | 8         | 155,860        | 149,952          | 150,343        | (5,908)                   | (3.8%)                   | (391)                          | (0.3%)                        |
| <b>Total Expenses</b>                              |           | <b>982,542</b> | <b>1,011,169</b> | <b>948,912</b> | <b>28,627</b>             | <b>2.9%</b>              | <b>62,257</b>                  | <b>6.6%</b>                   |

## COMMENTARY:

### 1. Salaries, Wages and Employee Benefits

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 599,156        | 574,880        | 555,219        | (24,276)                  | (4.1%)                   | 19,661                      | 3.5%                       |

**What it is:** This figure represents salary, wage and benefit costs for all full-time, part-time and contract employees, plus the current year impacts for actuarial benefits assessment of WSIB, sick leave, disability benefits and post-retirement benefits.

**Why it is important:** Staff are the number one resource required to deliver City services, and correspondingly represent the largest category of expenses for the organization.

**Change between 2022 and 2021:** This increase was largely due to labour contract range progressions, pay adjustments and increased benefit and WSIB costs. Additionally, recreation programs were reopened during the year which resulted in an increase in labour costs over those of 2021.

**Variance between 2022 actuals and 2022 budget:** The variance is primarily attributed to normal staff turnover, position vacancies, leaves, salary differential for replacement hires and services resetting back to normal due to the pandemic.

## 2. Long-term Debt Interest and Fees

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 5,332          | 5,676          | 4,677          | 144                       | 6.5%                     | 999                         | 21.4%                      |

**What it is:** This figure represents all debt management and interest fees associated with the City's debt.

**Why it is important:** Debt is a critical source of funding for capital projects. This category fully accounts for these financing costs.

**Change between 2022 and 2021:** In 2022, the City's total debt balance increased by \$11.7 million, which led to increased long-term debt interest expense of \$930,000.

**Variance between 2022 actuals and 2022 budget:** The small unfavorable variance between actual and budget was due to the earlier issuance of the debt (in March versus July).

## 3. Materials and Supplies

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 73,990         | 83,429         | 55,147         | 9,439                     | 12.8%                    | 28,282                      | 51.3%                      |

**What it is:** Materials and supplies include vehicle fuel and all other general operational materials and supplies needed for service and program delivery.

**Why it is important:** Materials and supplies keep day-to-day services running without interruption.

**Change between 2022 and 2021:** The variance is primarily the result of the increased cost of diesel fuel in 2022, and increased vehicle and equipment maintenance.

**Variance between 2022 actuals and 2022 budget:** The variance is largely due to the increase in the price of diesel fuel in the year.

#### 4. Contracted Services

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 67,677         | 104,241        | 100,035        | 36,564                    | 54.0%                    | 4,206                       | 4.2%                       |

**What it is:** The City sets contracts with third parties for professional services, maintenance contracts (e.g., snow removal), and project management services.

**Why it is important:** Contracted services can bring expertise to the City that staff alone may not have, or that the City needs only intermittently.

**Change between 2022 and 2021:** The increase is the net result of both increases and decreases in expenses. There were increased winter maintenance costs (\$8.6 million), increased traffic and road maintenance costs (\$4 million), and various smaller increases. These increases were offset by a decrease in contracted services that related to lower capital budget costs that were expensed (\$13 million) in 2022.

**Variance between 2022 actuals and 2022 budget:** The deficit against budget is mainly due to capital budget costs that were expensed and not budgeted (\$28 million), and the increased winter maintenance costs (\$8.6 million).

#### 5. Rents and Financial Expenses

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 74,583         | 78,151         | 77,859         | 3,568                     | 4.8%                     | 292                         | 0.4%                       |

**What it is:** This category includes many different types of financially related expenses, including rent, staff development, communications costs, occupancy-related costs, insurance costs, banking costs and equipment and maintenance costs.

**Why it is important:** These expenses represent the overhead-type costs that help support City services and programs.

**Change between 2022 and 2021:** The year-over-year increase is mainly due to capital budget costs that were expensed and not capitalized.

**Variance between 2022 actuals and 2022 budget:** The deficit is mainly due to increased occupancy costs, and an overall increase in financial liabilities for insurance, legal, developer charge credits and contaminated sites.

## 6. External Transfers to Others

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 5,944          | 14,880         | 4,783          | 8,936                     | 150.3%                   | 10,097                      | 211.1%                     |

**What it is:** The City provides defined grants and funding to third parties who contribute to supporting the City's vision and objectives.

**Why it is important:** These third-party organizations are able to leverage City grants, multiplying the money's effectiveness with their organization, community and volunteer support.

**Change between 2022 and 2021:** The increase is attributed to a \$10 million grant provided toward the development a new long-term care home in the City which was funded through a transfer from reserve funds.

**Variance between 2022 actuals and 2022 budget:** The deficit is attributed to an unbudgeted \$10-million grant provided toward the development a new long-term care home in the City.

## 7. (Gain)/Loss on Disposal of Tangible Capital Assets

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 0              | (40)           | 849            | (40)                      | 0.0%                     | (889)                       | (104.7%)                   |

**What it is:** From time to time, the City sells assets or disposes of assets no longer in use. When the asset's net book value exceeds the sale price, a loss is incurred. When the sale price exceeds the asset's net book value, a gain is realized.



**Why it is important:** Proceeds from the sale of capital assets can be used to fund new projects or asset purchases.

**Change between 2022 and 2021:** (Gain)/loss on disposal of assets varies from year to year depending on the identification and disposal of assets.

**Variance between 2022 actuals and 2022 budget:** The full amount shows as a deficit against budget because (gain)/loss on disposal of assets is not a budgeted item.

## 8. Amortization of Tangible Capital Assets

| 2022<br>BUDGET | 2022<br>ACTUAL | 2021<br>ACTUAL | \$ VARIANCE<br>VS. BUDGET | % VARIANCE<br>VS. BUDGET | \$ CHANGE VS.<br>PRIOR YEAR | % CHANGE VS.<br>PRIOR YEAR |
|----------------|----------------|----------------|---------------------------|--------------------------|-----------------------------|----------------------------|
| 155,860        | 149,952        | 150,343        | (5,908)                   | (3.8%)                   | (391)                       | (0.3%)                     |

**What it is:** Capital assets decline in value over time as they are used. Each year a portion of their cost is reflected in the financial statements as amortization expense. The amount of amortization expensed each year is determined by the estimated useful life of each asset class.

**Why it is important:** Amortization allows the net value of assets (vs. their cost value) to be represented on the financial statements.

**Change between 2022 and 2021:** Amortization expense decreased from 2021 due to the planned disposal of older transit buses during 2022.

**Variance between 2022 actuals and 2022 budget:** Amortization is not included in the annual operating budget; however, for the purpose of the financial statements, a budget estimate is included to match up against the expense. In this instance, the expenditure was lower than the estimate due to the timing of capitalization of expenses.

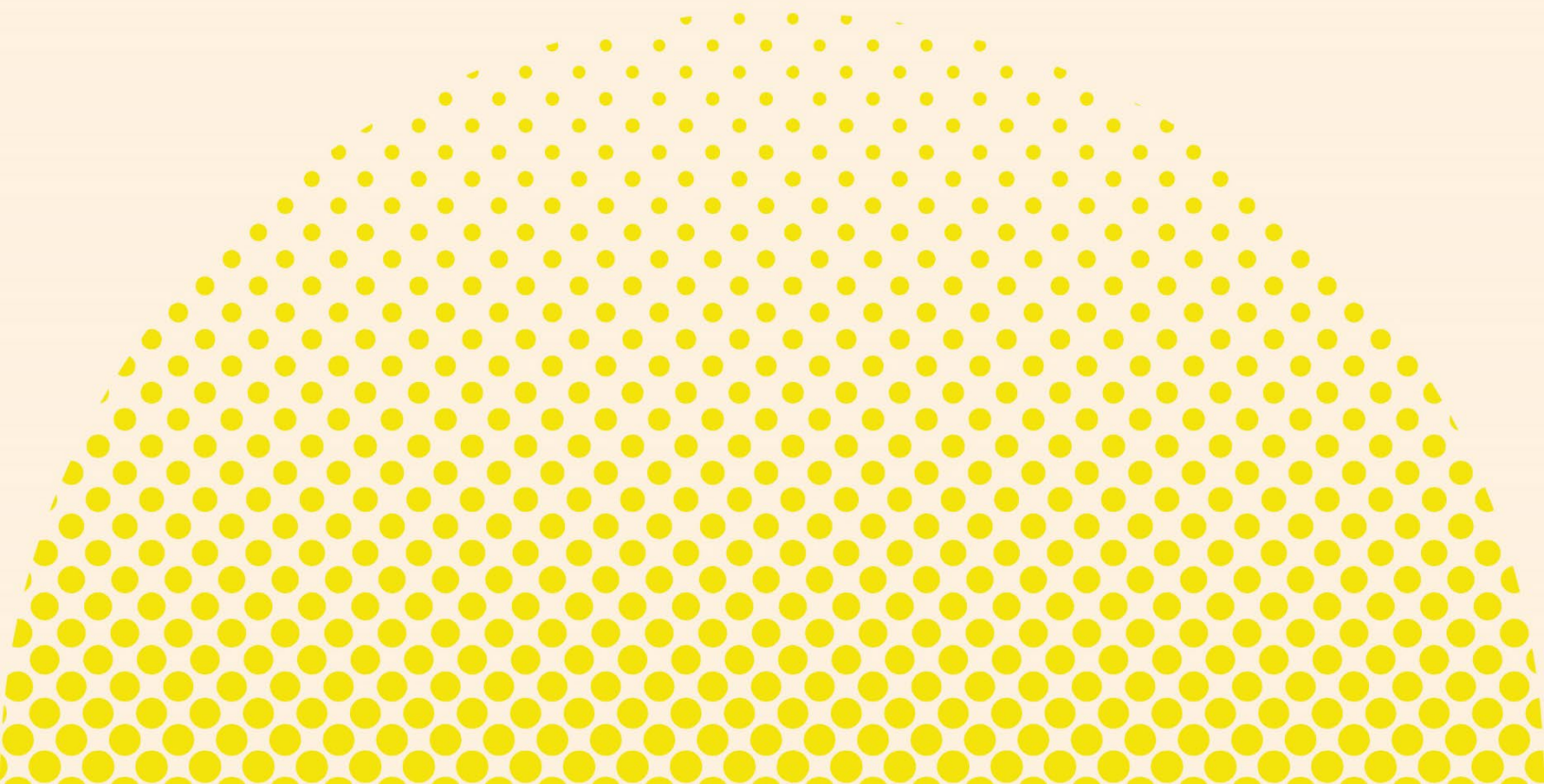
## Consolidated Statement of Change in Net Financial Assets

The Consolidated Statement of Change in Net Financial Assets/(Net Debt) starts with the annual surplus/(deficit) and identifies changes in non-financial assets (i.e., tangible capital asset acquisition, amortization) that will use or add to the surplus amount to derive a net change in financial assets.

## Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows reports changes in cash resulting from operations. It shows how the City financed its activities during the year and met its cash requirements.

# **Reconciliation of Budget to Audited Financial Statements**



## Reconciliation of the City's Budget to Audited Financial Statements

The City prepares two main sets of financial documents annually: the annual financial statements, and the Business Plan & Budget.

The *Municipal Act, 2001* requires that municipalities prepare annual financial statements that use the accrual basis of accounting in accordance with PSAS for local governments as recommended by PSAB.

The Business Plan & Budget document is a spending control document, a revenue rate-setting document and the means to calculate a property tax levy, as specified in sections 290 and 312 of the *Municipal Act, 2001*. The Business Plan & Budget is prepared using the cash basis of accounting.

Ontario Regulation 284/09 was introduced to reconcile the major differences between the annual financial statements and the Business Plan & Budget that result from using the two different accounting bases. The main differences include:

- Certain revenues and expenses, such as contributed assets received through development, or changes in employment and other liabilities, are not included in the budget, but are in the financial statements
- In the Business Plan & Budget, transfers in or out of the Operating Fund or Capital Fund from reserves are recorded as either revenues or expenses; these transfers are not recorded as revenues or expenses in the financial statements
- Liabilities are fully recognized in the financial statements, but are not fully funded in the Business Plan & Budget, as these are an estimate of future possible expenditures. Levying an amount to fully fund liabilities would significantly increase the tax levy
- The Business Plan & Budget does not provide for amortization, although it does set aside funds in reserves to pay for the future renewal of City infrastructure

Regulation 284/09 requires the City to identify the impacts of not including amortization expenses, post-employment retirement benefits and solid waste landfill closure and post-closure expenses in its budget.

The two charts that follow help break down the reconciliation between the City's budget and the audited financial statements. Refer to **Notes 15 and 16** (page 109 and page 114, respectively) in the audited financial statements for actuals and budgets by service area.

## Revenue Reconciliation by Service Area (\$000s)

| Service Area                     | 2022<br>Operating<br>Revenue<br>Budget | In-year<br>Budget<br>Adj. | Final<br>Assessment<br>Growth | Obligatory<br>Reserve<br>Fund<br>Revenue<br>Applied | Contributions<br>from Reserves<br>& Reserve<br>Funds | Enersource<br>Net<br>Income | Enersource<br>Dividend | Capital<br>Project<br>Revenue &<br>Recoveries | Discretionary<br>Reserve<br>Fund<br>Investment<br>Income | Tax<br>Adjustments<br>Reclassified<br>from<br>Expense | BIA<br>Budgeted<br>Revenues | BIA<br>Contributions<br>from Reserves<br>& Reserve<br>Funds | Adjusted<br>Budget |
|----------------------------------|--|---------------------------|-------------------------------|---|--|-----------------------------|------------------------|---|--|---|-----------------------------|---|--------------------|
| Corporate Transactions           | 210,407                                | -                         | 2,284                         | 2,235   | (58,744)   | (17,577)                    | 25,000                 | -   | 12,100   | (4,208)   | -                           | -   | 171,496            |
| Culture                          | 19,429                                 | -                         | -                             | 546   | (2,415)  | -                           | -                      | -   | -  | -   | -                           | -   | 17,561             |
| Facilities & Property Management | 26,508                                 | (1,588)                   | -                             | 5,076   | (236)  | -                           | -                      | -   | -  | -   | -                           | -   | 29,760             |
| Fire & Emergency Services        | 139,017                                | -                         | -                             | 38  | (5,541)  | -                           | -                      | -   | -  | -   | -                           | -   | 133,514            |
| General Government               | 70,247                                 | 1,688                     | -                             | 20  | (3,490)  | -                           | -                      | 1,000   | -  | -   | -                           | -   | 69,465             |
| Information Technology           | 34,421                                 | -                         | -                             | -   | -  | -                           | -                      | -   | -  | -   | -                           | -   | 34,421             |
| Mayor & Members of Council       | 5,081                                  | 254                       | -                             | -   | (254)  | -                           | -                      | -   | -  | -   | -                           | -   | 5,081              |
| Mississauga Library              | 31,744                                 | -                         | -                             | 6,470   | (250)  | -                           | -                      | 219   | -  | -   | -                           | -   | 38,183             |
| Parks, Forestry & Environment    | 44,201                                 | -                         | -                             | 36,540  | -  | -                           | -                      | 3,679   | -  | -   | -                           | -   | 84,420             |
| Planning & Building              | 27,980                                 | 170                       | -                             | 870   | (401)  | -                           | -                      | -   | -  | -   | 2,271                       | (327)   | 30,563             |
| Recreation                       | 88,423                                 | -                         | -                             | 7,463   | (630)  | -                           | -                      | 1,809   | -  | -   | -                           | -   | 97,065             |
| Regulatory Services              | 19,500                                 | 119                       | -                             | -   | -  | -                           | -                      | 5,098   | -  | -   | -                           | -   | 24,717             |
| Roads                            | 92,916                                 | (15)                      | -                             | 74,596  | (2,562)  | -                           | -                      | 4,020   | -  | -   | -                           | -   | 168,955            |
| Stormwater                       | 44,762                                 | 111                       | -                             | 4,245   | (111)  | -                           | -                      | -   | -  | -   | -                           | -   | 49,007             |
| Transit                          | 201,642                                | 115                       | -                             | 21,962  | -  | -                           | -                      | 98,257  | -  | -   | -                           | -   | 321,975            |
| <b>Total</b>                     | <b>1,056,279</b>                       | <b>854</b>                | <b>2,284</b>                  | <b>160,060</b>                                      | <b>(74,633)</b>                                      | <b>(17,577)</b>             | <b>25,000</b>          | <b>114,082</b>                                | <b>12,100</b>  | <b>(4,208)</b>  | <b>2,271</b>                | <b>(327)</b>  | <b>1,276,184</b>   |

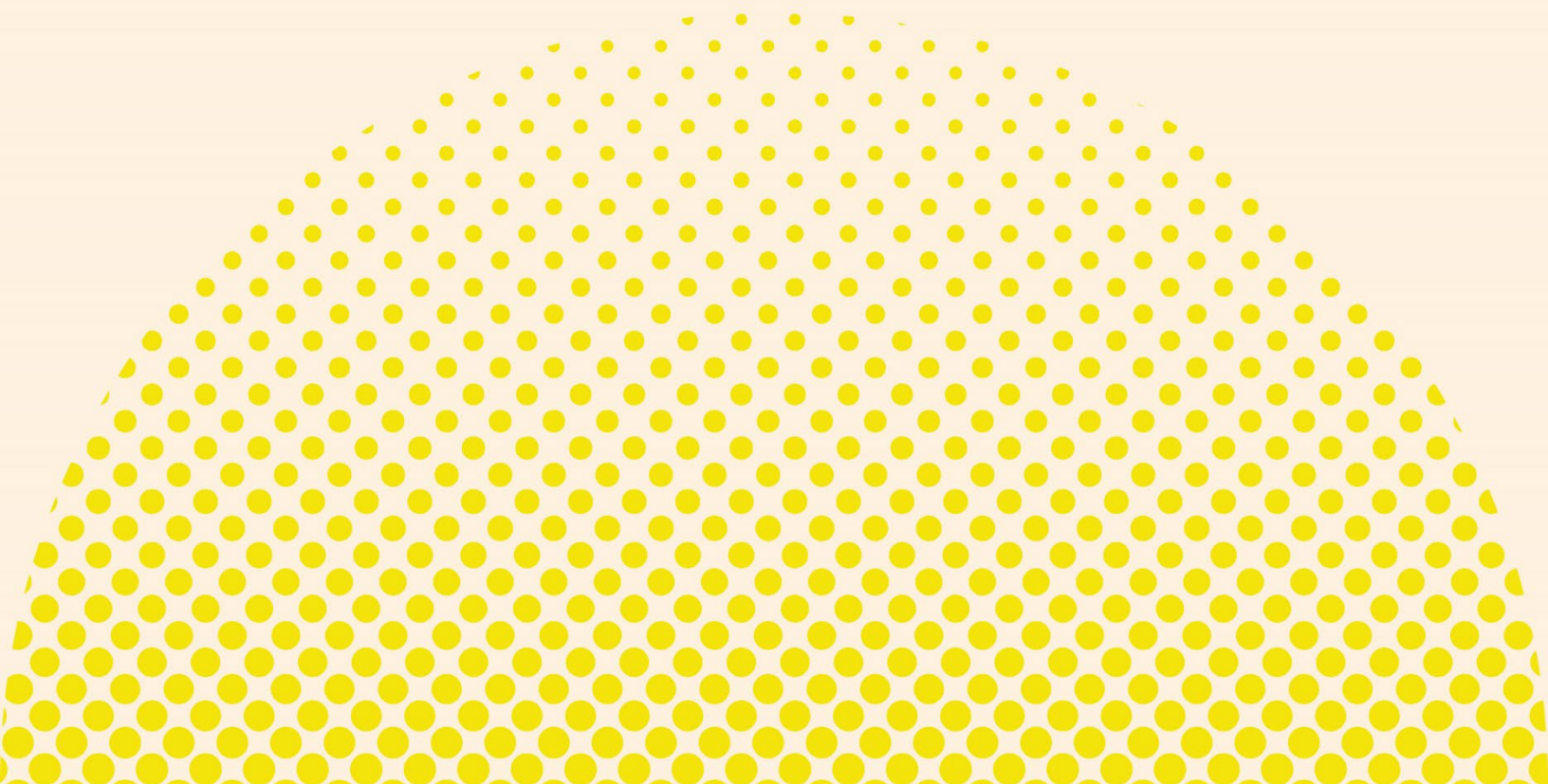


## Expense Reconciliation by Service Area (\$000s)

| Service Area                        | 2022<br>Operating<br>Expense<br>Budget | In-year<br>Budget<br>Adjustments | Allocations | Amortization<br>of Tangible<br>Capital Assets | Contributions<br>to Reserves &<br>Reserve Funds | Debt<br>Principal<br>Repayments | Changes in<br>Employee<br>Benefits and<br>Other<br>Liabilities | BIA<br>Budgeted<br>Expenses | BIA<br>Amortization<br>of Tangible<br>Capital Assets | Tax<br>Adjustments<br>Reclassified<br>from Expense | Adjusted<br>Budget |
|-------------------------------------|--|----------------------------------|-------------|---|---|---------------------------------|--|-----------------------------|--|--|--------------------|
| Corporate Transactions              | 209,981                                | 2,709                            | -           | -   | (140,089)                                       | (40,062)                        | 7,530  | -                           | -  | (4,208)  | 35,861             |
| Culture                             | 19,348                                 | (24)                             | 105         | 2,688   | (639)   | -                               | -  | -                           | -  | -  | 21,478             |
| Facilities & Property<br>Management | 29,711                                 | (2,993)                          | (1,797)     | -   | -   | -                               | -  | -                           | -  | -  | 24,920             |
| Fire & Emergency Services           | 138,144                                | -                                | 873         | 7,225   | (14,284)  | -                               | -  | -                           | -  | -  | 131,958            |
| General Government                  | 68,778                                 | 3,061                            | 96          | 22,612  | (1,499)   | -                               | -  | -                           | -  | -  | 93,048             |
| Information Technology              | 35,949                                 | (1)                              | (1,527)     | -   | -   | -                               | -  | -                           | -  | -  | 34,421             |
| Mayor & Members of Council          | 5,018                                  | 318                              | -           | -   | -   | -                               | -  | -                           | -  | -  | 5,336              |
| Mississauga Library                 | 31,252                                 | (25)                             | 516         | 7,991   | (1,763)   | -                               | 262  | -                           | -  | -  | 38,233             |
| Parks, Forestry &<br>Environment    | 43,832                                 | (12)                             | 381         | 12,643  | (701)   | -                               | -  | -                           | -  | -  | 56,143             |
| Planning & Building                 | 28,002                                 | 148                              | -           | -   | (630)   | -                               | -  | 2,113                       | 158  | -  | 29,791             |
| Recreation                          | 88,929                                 | (183)                            | (323)       | 16,951  | (3,563)   | -                               | -  | -                           | -  | -  | 101,811            |
| Regulatory Services                 | 19,333                                 | 109                              | 178         | 141   | (44)  | -                               | -  | -                           | -  | -  | 19,716             |
| Roads                               | 92,801                                 | (142)                            | 242         | 51,365  | (2,279)   | -                               | -  | -                           | -  | -  | 141,987            |
| Stormwater                          | 44,762                                 | 111                              | -           | 8,707   | (31,718)  | (879)                           | -  | -                           | -  | -  | 20,985             |
| Transit                             | 200,439                                | 62                               | 1,256       | 25,378  | (281)   | -                               | -  | -                           | -  | -  | 226,853            |
| <b>Total</b>                        | <b>1,056,279</b>                       | <b>3,138</b>                     | <b>-</b>    | <b>155,703</b>                                | <b>(197,492)</b>                                | <b>(40,940)</b>                 | <b>7,791</b>   | <b>2,113</b>                | <b>158</b>   | <b>(4,208)</b>                                     | <b>982,542</b>     |

# **2022 Audited Consolidated Financial Statements**

For the year ended December 31, 2022



## Introduction to the Financial Statements

The accompanying Financial Statements have been prepared in accordance with the *Municipal Act, 2001*. They are based on the reporting standards set by PSAB. The Consolidated Financial Statements and all other financial information included within this Annual Financial and Sustainability Report are the responsibility of the management of the City of Mississauga.

The City's Financial Statements have been prepared in accordance with the accounting principles and disclosure requirements of the CPA Canada Public Sector Accounting Standards Manual.

The Director of Finance and Treasurer is responsible for submitting audited financial statements annually to the Audit Committee and Council. These financial statements include the consolidated results of the City for the fiscal year ended December 31, 2022. Finance staff are responsible for the co-ordination and completion of the annual financial statements in a timely, accurate and efficient manner, as well as providing support and related financial information to external auditors during the year-end audit.

The Consolidated Financial Statements of the City provide important information about the overall financial condition of the City. The purpose of the Consolidated Financial Statements is to present the effects of transactions of the City taking into consideration the accounting for all City Funds and associated City business enterprises. The financial statements should reflect the full nature and extent of the government's financial affairs.

The following audited financial statements have been included in this Annual Financial and Sustainability Report:

- City of Mississauga (Consolidated)
- Trust Funds of the City of Mississauga

## Management's Responsibility for Financial Reporting

For the year ended December 31, 2022

The accompanying consolidated financial statements of the Corporation of the City of Mississauga (the "City") are the responsibility of the City's management and have been prepared in accordance with Canadian Generally Accepted Accounting Principles 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 consolidated financial statements and accompanying notes, and include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis to ensure that the consolidated financial statements are presented fairly in all material respects.

There are four required consolidated financial statements: the Consolidated Statement of Financial Position, the Consolidated Statement of Operations, the Consolidated Statement of Change in Net Financial Assets, and the Consolidated Statement of Cash Flows. These consolidated financial statements provide information on the cost of all the City activities, how they were financed, investing activities and the assets and liabilities of the City. The financial statements are reviewed and approved by the Director of Finance and Treasurer.

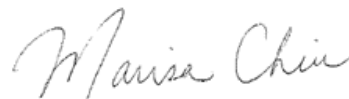
The City maintains a system of internal and financial controls designed to ensure that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation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

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

The consolidated 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 City's consolidated financial statements.



Shari Lichterman  
City Manager and Chief Administrative  
Officer



Marisa Chiu  
Director of Finance and Treasurer



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

### **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 consolidated financial statements of the Corporation of the City of Mississauga (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 consolidated financial position of the Entity as at December 31, 2022, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.





## ***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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants  
Vaughan, Canada  
April 14, 2023

**City of Mississauga**  
**Consolidated Statement of Financial Position**

As at December 31, 2022 with comparatives for 2021

All dollar amounts are in \$000s

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

|  | 2022             | 2021             |
|--|------------------|------------------|
| <b>Financial Assets</b>                              |                  |                  |
| Cash and cash equivalents                            | 303,166          | 284,702          |
| Taxes receivable (Note 2)                            | 66,237           | 57,100           |
| Accounts receivable (Note 2)                         | 121,857          | 125,958          |
| Loans and other receivables                          | 300              | 350              |
| Inventories for resale                               | 97               | 80               |
| Investments (Note 3)                                 | 1,518,329        | 1,331,686        |
| Investment in Enersource Corporation (Note 4)        | 505,416          | 510,531          |
| <b>Total Financial Assets</b>                        | <b>2,515,402</b> | <b>2,310,407</b> |
| <b>Financial Liabilities</b>                         |                  |                  |
| Accounts payable and accrued liabilities             | 265,955          | 223,234          |
| Deferred revenue - general (Note 5)                  | 21,813           | 15,026           |
| Deferred revenue - obligatory reserve funds (Note 6) | 784,686          | 668,359          |
| Employee benefits and other liabilities (Note 7)     | 240,740          | 231,246          |
| Long-term debt (Note 8)                              | 249,095          | 237,322          |
| <b>Total Financial Liabilities</b>                   | <b>1,562,289</b> | <b>1,375,187</b> |
| <b>Net Financial Assets</b>                          | <b>953,113</b>   | <b>935,220</b>   |
| <b>Non-financial Assets</b>                          |                  |                  |
| Tangible capital assets (Note 9)                     | 8,584,033        | 8,457,200        |
| Inventories of supplies                              | 10,929           | 8,191            |
| Prepaid expenses                                     | 8,758            | 3,910            |
| <b>Total Non-financial Assets</b>                    | <b>8,603,720</b> | <b>8,469,301</b> |
| <b>Accumulated Surplus (Note 10)</b>                 | <b>9,556,833</b> | <b>9,404,521</b> |

Contingent liabilities and guarantee (Note 13)

Contractual rights (Note 21)

Commitments (Note 22)

Contingent assets (Note 24)

# City of Mississauga

## Consolidated Statement of Operations

For the year ended December 31, 2022 with comparatives for 2021

All dollar amounts are in \$000s

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

|   | Budget<br>2022<br>(Note 17) | Actual<br>2022   | Actual<br>2021   |
|---|-----------------------------|------------------|------------------|
| <b>Revenues (Notes 14, 15 and 16)</b>                         |                             |                  |                  |
| Taxation (Note 11)  | 623,013                     | 599,708          | 591,198          |
| Municipal accommodation tax                                   | 9,800                       | 12,279           | 5,907            |
| User charges (Note 19)  | 268,948                     | 232,734          | 179,157          |
| Recoveries from third parties                                 | 128,515                     | 34,696           | 16,699           |
| Funding transfers from other governments (Note 20)            | 2,907                       | 37,067           | 80,860           |
| Development and other contributions applied                   | 178,710                     | 100,368          | 154,415          |
| Investment income   | 26,580                      | 36,374           | 32,711           |
| Penalties and interest on taxes                               | 8,610                       | 14,825           | 14,592           |
| Contributed and assumed assets (Note 9)                       | -                           | 75,591           | 35,899           |
| Other   | 4,101                       | 3,949            | 2,698            |
| City's share of net income in Enersource Corporation (Note 4) | 25,000                      | 15,890           | 28,712           |
| <b>Total Revenues</b>   | <b>1,276,184</b>            | <b>1,163,481</b> | <b>1,142,848</b> |
| <b>Expenses (Notes 14, 15 and 16)</b>                         |                             |                  |                  |
| General government services                                   | 178,761                     | 229,838          | 219,344          |
| Protection services (Note 19)                                 | 158,698                     | 156,161          | 151,117          |
| Transportation services                                       | 373,627                     | 376,458          | 354,347          |
| Environmental services  | 27,994                      | 20,995           | 21,082           |
| Health services   | 837                         | 791              | 740              |
| Social and family services                                    | 810                         | 581              | 481              |
| Recreation and cultural services                              | 212,704                     | 197,635          | 174,762          |
| Planning and development services                             | 29,111                      | 28,710           | 27,039           |
| <b>Total Expenses (Note 18)</b>                               | <b>982,542</b>              | <b>1,011,169</b> | <b>948,912</b>   |
| <b>Annual Surplus</b>   | <b>293,642</b>              | <b>152,312</b>   | <b>193,936</b>   |
| Accumulated surplus, beginning of year                        | 9,404,521                   | 9,404,521        | 9,210,585        |
| <b>Accumulated Surplus, end of year (Note 10)</b>             | <b>9,698,163</b>            | <b>9,556,833</b> | <b>9,404,521</b> |

**City of Mississauga**  
**Consolidated Statement of Change in Net Financial Assets**

For the year ended December 31, 2022 with comparatives for 2021  
All dollar amounts are in \$000s

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

|   | Budget<br>2022<br>(Note 17) | Actual<br>2022 | Actual<br>2021 |
|---|-----------------------------|----------------|----------------|
| <b>Annual Surplus</b>                                       | <b>293,642</b>              | <b>152,312</b> | <b>193,936</b> |
| Acquisition of tangible capital assets                      | -                           | (277,920)      | (246,357)      |
| Amortization of tangible capital assets (Note 9)            | 155,860                     | 149,952        | 150,343        |
| (Gain)/loss on disposal of tangible capital assets (Note 9) | -                           | (40)           | 849            |
| Proceeds of disposition of tangible capital assets (Note 9) | -                           | 1,175          | 1,093          |
|   | <b>449,502</b>              | <b>25,479</b>  | <b>99,864</b>  |
| Acquisition of inventory of supplies                        | -                           | (10,929)       | (8,191)        |
| Acquisition of prepaid expenses                             | -                           | (8,758)        | (3,910)        |
| Consumption of inventory of supplies                        | -                           | 8,191          | 8,338          |
| Use of prepaid expenses                                     | -                           | 3,910          | 4,784          |
| <b>Change in Net Financial Assets</b>                       | <b>449,502</b>              | <b>17,893</b>  | <b>100,885</b> |
| Net financial assets, beginning of year                     | 935,220                     | 935,220        | 834,335        |
| <b>Net Financial Assets, end of year</b>                    | <b>1,384,722</b>            | <b>953,113</b> | <b>935,220</b> |



## City of Mississauga

### Consolidated Statement of Cash Flows

For the year ended December 31, 2022 with comparatives for 2021  
All dollar amounts are in \$000s

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

|  | 2022             | 2021             |
|--|------------------|------------------|
| <b>Cash Provided by (Used in):</b>                   |                  |                  |
| <b>Operating Activities</b>                          |                  |                  |
| Annual Surplus                                       | 152,312          | 193,936          |
| <b>Items Not Involving Cash</b>                      |                  |                  |
| Amortization of tangible capital assets              | 149,952          | 150,343          |
| (Gain)/loss on disposal of tangible capital assets   | (40)             | 849              |
| Contributed and assumed assets                       | (75,591)         | (35,899)         |
| Change in employee benefits and other liabilities    | 9,494            | 10,807           |
| City's share of net income in Enersource Corporation | (15,890)         | (28,712)         |
| <b>Change in Non-cash Assets and Liabilities</b>     |                  |                  |
| Taxes receivable                                     | (9,137)          | 26,879           |
| Accounts receivable                                  | 4,101            | (9,117)          |
| Inventories for resale                               | (17)             | 17               |
| Accounts payable and accrued liabilities             | 42,721           | (4,988)          |
| Deferred revenue - general                           | 6,787            | 8,635            |
| Deferred revenue - obligatory reserve funds          | 116,327          | 116,085          |
| Inventories of supplies                              | (2,738)          | 147              |
| Prepaid expenses                                     | (4,848)          | 874              |
| <b>Net Change in Cash from Operating Activities</b>  | <b>373,433</b>   | <b>429,856</b>   |
| <b>Capital Activities</b>                            |                  |                  |
| Tangible capital asset additions                     | (202,329)        | (210,458)        |
| Proceeds of disposition of tangible capital assets   | 1,175            | 1,093            |
| <b>Net Change in Cash from Capital Activities</b>    | <b>(201,154)</b> | <b>(209,365)</b> |
| <b>Investing Activities</b>                          |                  |                  |
| Increase in investments                              | (186,643)        | (232,741)        |
| Decrease in loans and other receivables              | 50               | 50               |
| Dividends from Enersource Corporation                | 21,005           | 16,701           |
| <b>Net Change in Cash from Investing Activities</b>  | <b>(165,588)</b> | <b>(215,990)</b> |
| <b>Financing Activities</b>                          |                  |                  |
| Proceeds from issuance of long-term debt             | 50,000           | 90,000           |
| Repayment of long-term debt                          | (38,227)         | (29,112)         |
| <b>Net Change in Cash from Financing Activities</b>  | <b>11,773</b>    | <b>60,888</b>    |
| <b>Net Change in Cash</b>                            | <b>18,464</b>    | <b>65,389</b>    |
| Cash, beginning of year                              | 284,702          | 219,313          |
| <b>Cash, end of year</b>                             | <b>303,166</b>   | <b>284,702</b>   |

## City of Mississauga Notes to the Consolidated Financial Statements

For the year ended December 31, 2022  
(All dollar amounts are in \$000s)

The Corporation of the City of Mississauga (the "City") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the *Municipal Act, 2001*, *Building Code Act, 1992*, *Planning Act*, *Provincial Offences Act* and other related legislation.

### 1. Significant Accounting Policies

The consolidated financial statements of the City are prepared by management in accordance with generally accepted accounting principles ("GAAP") for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the City are as follows:

#### a) Basis of consolidation

##### (i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity (the City). The reporting entity comprises all organizations, committees, and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City except for Enersource (the City's government business enterprise) which is accounted for on the modified equity basis of accounting.

The entities and organizations included in the reporting entity are:

- City of Mississauga Public Library Board
- Tourism Mississauga
- Clarkson Village Business Improvement Association
- Cooksville Business Improvement Area
- Malton Business Improvement Area
- Port Credit Business Improvement Area
- Streetsville Business Improvement District Association

Inter-departmental and inter-organizational transactions and balances between these entities and organizations are eliminated.

##### (ii) Investment in a government business enterprise

The City's investment in Enersource Corporation is accounted for on a modified equity basis, consistent with GAAP as recommended by PSAB for investments in government business enterprises. Under the modified equity basis, the government business enterprise's accounting policies are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income of

Enersource Corporation in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the City may receive from Enersource Corporation are reflected as reductions in the investment asset account.

(iii) Accounting for region and school board transactions

Revenues (including taxation), expenses, assets and liabilities with respect to the operations of the Regional Municipality of Peel and the school boards are not reflected in these consolidated financial statements.

(iv) Trust funds

Trust funds and their related operations administered by the City are not included in these consolidated financial statements. The Perpetual Care Fund and Election Trust Fund are not accounted for as part of the City's assets. The City acts as a trustee, investing and administering such funds, in accordance with regulations of the *Funeral, Burial and Cremations Services Act, 2002* and the *Municipal Elections Act, 1996*.

b) Basis of accounting

The City follows the accrual method of accounting for revenue and expenses. Revenue is normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the legal obligation to pay.

c) Government transfers

Government grants are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

d) Taxation and user charges revenue

Taxation revenues and taxes receivable are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. Additional property taxation revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property taxation, after the return of the annual assessment roll used for billing purposes. The City may receive supplementary assessment rolls over the course of the year from Municipal Property Assessment Corporation ("MPAC"), identifying new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then billed according to the approved tax rate for the property class. User charges are recognized when earned and measurable.

e) Municipal accommodation tax revenue

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

f) Deferred Revenue – General

Deferred revenues represent licenses, permits and other fees which have been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

g) Development and other contributions applied

Development charges are charges imposed on land development or redevelopment projects. Fees are set out in a City by-law which conforms to the requirements of the *Development Charges Act, 1997*. Development charges are collected when an above grade building permit is issued and are deferred and recognized in revenues when used to fund the growth-related portion of qualifying capital projects, as required by the *Act*. Other contributions received and initially deferred such as cash-in-lieu of parkland, community benefit charges, provincial gas tax and Canada Community-Building Fund, and provincial and federal public transit funds are recognized as revenues when spent.

h) Investment income

Investment income is reported as revenue in the year earned. Investment income earned on Deferred Revenue – Obligatory Reserve Funds is not included in investment income but recognized as a receipt and recognized as obligatory reserve fund revenues when actual operating or capital expenditures are incurred.

i) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with original dates to maturity of 90 days or less. Cash and short-term investments are recorded at cost with write down to market value when there is a decrease in value.

j) Loans and other receivables

Loans and other receivables are valued at cost. Recoverability is reviewed annually and a valuation allowance is recorded when recoverability is impaired. A loan receivable is written off when it is no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized as it is earned.

k) Inventories for resale

Inventory is valued at the lower of cost and net realizable value.

l) Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

m) Investments

Investments consist of bonds and debentures with original dates to maturity of 91 days or longer and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss of value that is other than a temporary decline in value, the respective investment is written down to recognize the loss in the Consolidated Statement of Operations.

n) Employee future benefits

The City provides certain employee benefits which will require funding in future years. These benefits include sick leave, benefits under the *Workplace Safety and Insurance Act, 1997*, and life insurance, extended health and dental benefits for early retirees.

The costs of sick leave, benefits under the *Workplace Safety and Insurance Act, 1997* and life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discounted rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the years of service provided by employees, such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time (such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave) the cost is recognized immediately in the year when the events occur. Any actuarial gains or losses that are related to these benefits are recognized immediately in the year they arise.

The costs of a multi-employer defined benefit pension plan, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions which is accounted for as a defined contribution plan, are the employer's defined contributions to the plan in the year.

o) Loan guarantees

Provisions for liabilities arising under the terms of a loan guarantee program are made when it is likely that a payment will be made and an amount can be estimated.

p) Contaminated sites

Contaminated sites are defined as the result of contamination being introduced that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists
- (ii) contamination exceeds the environmental standard
- (iii) the organization is directly responsible or accepts responsibility for the liability
- (iv) future economic benefits will be given up, and
- (v) a reasonable estimate of the liability can be made.

**Note 7 (i)** (page 99) provides disclosure regarding the nature, extent and sources of contamination on City-owned sites.

q) 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.

(i) Tangible capital assets

Tangible capital assets are recorded at cost and includes amounts that are directly attributed to the acquisition, construction, development or betterment of the asset. The cost of tangible capital assets (excluding land) less residual value are amortized on a straight-line basis over their estimated useful lives in accordance with City policy as follows:

| ASSET                      | USEFUL LIFE - YEARS |
|----------------------------|---------------------|
| Land                       | Unlimited           |
| Land improvements          | 20                  |
| Buildings                  | 5-50                |
| Equipment, books and other | 4-40                |
| Linear - storm drainage    | 25-100              |
| Linear - transportation    | 15-100              |
| Vehicles                   | 3-20                |

A full year of amortization is charged in the year of acquisition. Amortization is not charged in the year of disposition. Assets under construction are not amortized until the asset is available for productive use.

(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 also recorded as revenues.



(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets, including archaeological artifacts, memorabilia, photographs, and other heritage assets to support the City's museum and cultural programming, are not recorded as assets in these consolidated financial statements, as a reasonable estimate of the future benefits associated cannot be made. These assets are non-operational and are not amortized.

(iv) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(v) Inventories of supply

Inventories of supplies held for consumption are recorded at the lower of cost and net realizable value.

r) Contingent assets

Public Sector (PS) 3320 – Contingent Assets requires disclosure of possible assets arising from existing conditions or situations involving uncertainty which will be ultimately resolved when one or more future events occur that are not wholly within the government's control, and when the occurrence of a confirming future event is likely.

s) Contractual rights

PS 3380 – Contractual Rights requires disclosure of information pertaining to future rights to economic resources arising from contracts or agreements that will result in both an asset and revenues in the future. **Note 21** provides disclosure regarding the nature, extent and timing of contractual rights.

t) Related party disclosures

PS 2200 – Related Party Disclosures requires disclosure of related party transactions when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has a material effect on the consolidated financial statements.

There were no material related party transactions to disclose for the year ended December 31, 2022.

u) Inter-entity transactions

PS 3420 Inter-entity Transactions requires disclosure of transactions between public sector entities that comprise a government's reporting entity from both a provider

and recipient perspective. All City transactions are recorded at the exchange amount, being the amount agreed to by both parties.

There were no material inter-entity transactions to disclose for the year ended December 31, 2022.

#### v) Use of estimates

The preparation of consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during the year. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, carrying value of tangible capital assets, provisions for accrued liabilities and obligations related to employee benefits.

Actual results could differ from estimates.

#### w) Assets

PS 3210 – Assets provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained. All material assets have been disclosed and reported within this definition for the year ended December 31, 2022.

#### x) Adoption of budgets

The 2022 operating and capital budgets were approved by Council on December 8, 2021.

#### y) Future accounting pronouncements

The following standards, amendments, and guideline were not yet effective for the year ended December 31, 2022, and have therefore not been applied in preparing these consolidated financial statements. The City is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

(i) PS 1201 – Financial Statement Presentation was issued in June 2011. This standard requires entities to present a new financial statement called the statement of remeasurement gains and losses that is separate from the statement of operations and accumulated surplus. This new statement includes unrealized gains and losses arising from the 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. This standard is effective for fiscal years beginning on or after April 1, 2022 and applies when PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation are adopted (the City's December 31, 2023 year end).

(ii) PS 3450 – Financial Instruments establishes standards on accounting for and reporting all types of financial instruments including derivatives. This standard is

effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year end).

(iii) PS 2601 – Foreign Currency Translation establishes standards on accounting for and reporting on transactions that are denominated in a foreign currency. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year end) but earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard (PS 3450).

(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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year end).

(v) PS 3280 – Asset Retirement Obligations addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year end).

(vi) PS 3160 – Public Private Partnerships ("P3") 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, 2022 (the City's December 31, 2023 year end).

(vii) 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 City's December 31, 2024 year end).

(viii) 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 City's December 31, 2024 year end).

## 2. Taxes Receivable and Accounts Receivable

Taxes receivable are reported net of valuation allowances of \$193 (2021 \$nil).  
Accounts receivable are reported net of a valuation allowance of \$545 (2021 \$619) and comprises the following:

|                                  | 2022           | 2021           |
|----------------------------------|----------------|----------------|
| Government of Canada             | 15,361         | 9,291          |
| Government of Ontario            | 41,136         | 37,458         |
| Other Municipalities             | 27,595         | 28,938         |
| School Boards                    | 10,840         | 30,517         |
| Other                            | 27,470         | 20,373         |
| <b>Sub-total</b>                 | <b>122,402</b> | <b>126,577</b> |
| Less: Valuation Allowance        | 545            | 619            |
| <b>Total Accounts Receivable</b> | <b>121,857</b> | <b>125,958</b> |

## 3. Investments

Investments reported on the Consolidated Statement of Financial Position have cost and market values as follows:

|  | 2022             |                  | 2021             |                  |
|--|------------------|------------------|------------------|------------------|
|  | Cost             | Market Value     | Cost             | Market Value     |
| Bank deposit notes and finance paper       | -                | -                | 10,103           | 10,208           |
| Government and government guaranteed bonds | 1,250,901        | 1,057,054        | 1,096,275        | 1,117,537        |
| Municipal bonds                            | 267,428          | 224,747          | 225,308          | 233,152          |
| <b>Total</b>                               | <b>1,518,329</b> | <b>1,281,801</b> | <b>1,331,686</b> | <b>1,360,897</b> |

As at December 31, 2022, the City's investments measured at amortized cost exceed market value, representing a temporary decline in market value but no decline in the amortized cost value reported. There is no impairment due to the low-risk nature of the investments, the high credit ratings of the issuers, and the City's intention to hold these investments to their maturities.

## 4. Investment in Enersource Corporation

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

Enersource acts as a holding company whereby the Corporation's principal business activity is represented by its equity interest in Alectra Inc. ("Alectra"). Dividends are received from Alectra. The Corporation also distributes dividends to its shareholders. Alectra's primary businesses are to distribute electricity to customers in the greater golden horseshoe area, as well as provide non-regulated energy services. As at

December 31, 2022, Enersource's interest in Alectra was 29.57 per cent (2021 29.57 per cent).

Enersource's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

The following table provides condensed financial information for Enersource Corporation for its 2022 fiscal year, together with comparative figures for 2021:

| FINANCIAL POSITION  | 2022           | 2021           |
|---|----------------|----------------|
| <b>Assets</b>   |                |                |
| Current   | 8,577          | 7,555          |
| Investment in Alectra                                       | 598,113        | 607,902        |
| Other   | 548            | -              |
| <b>Total Assets</b>   | <b>607,238</b> | <b>615,457</b> |
| <b>Liabilities</b>  |                |                |
| Current   | 2,540          | 2,500          |
| Non-current liabilities                                     | 43,125         | 45,700         |
| <b>Total Liabilities</b>                                    | <b>45,665</b>  | <b>48,200</b>  |
| <b>Shareholders' Equity</b>                                 |                |                |
| Share capital   | 175,691        | 175,691        |
| Accumulated other comprehensive income/(loss)               | 2,172          | (5,221)        |
| Retained earnings   | 383,710        | 396,787        |
| <b>Total Shareholders' Equity</b>                           | <b>561,573</b> | <b>567,257</b> |
| <b>Total Liabilities and Shareholders' Equity</b>           | <b>607,238</b> | <b>615,457</b> |
| <b>Results of Operations and Non-Operations</b>             |                |                |
| Revenues  | 19,155         | 32,829         |
| Expenses (including income tax provision)                   | 1,500          | 927            |
| <b>Net Income</b>   | <b>17,655</b>  | <b>31,902</b>  |
| <b>City's Share of Net Income in Enersource Corporation</b> | <b>15,890</b>  | <b>28,712</b>  |

During the year, the City received a dividend of \$21,005 (2021 \$16,701) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in the following table for its 2022 fiscal year together with comparative figures for 2021:

|  | 2022           | 2021           |
|--|----------------|----------------|
| Opening Balance, Beginning of Year                   | 510,531        | 498,520        |
| City's Share of Net Income in Enersource Corporation | 15,890         | 28,712         |
| Dividend Received                                    | (21,005)       | (16,701)       |
| <b>Closing Balance, End of Year</b>                  | <b>505,416</b> | <b>510,531</b> |

In December 2021, the City purchased 3214 and 3240 Mavis Road from Alectra Utilities Corporation for a purchase price of \$28,433. The City subsequently entered into a lease-back agreement with Alectra Utilities Corporation for the period

December 2021 to September 2023. The tenant will pay the City basic rent of \$1,304 per annum and will also be responsible for all related realty taxes and utilities during that period.

## 5. Deferred Revenue – General

Advance sales of goods and services are revenues received from operations in advance of the services being provided. Government grants are externally restricted amounts that are recognized in revenues when the conditions of use are satisfied. Other contributions relate primarily to private sponsorships and donations received for which the related expenditures have not yet been incurred. These funds are recognized as revenues in the year they are used for the purpose specified.

Deferred Revenue – General is comprised of the following:

|   | 2022          | 2021          |
|---|---------------|---------------|
| Deferred Advance Sales                  | 16,966        | 6,889         |
| Deferred Grants                         | 4,153         | 6,780         |
| Deferred Other Contributions            | 694           | 1,357         |
| <b>Total Deferred Revenue - General</b> | <b>21,813</b> | <b>15,026</b> |

## 6. Deferred Revenue – Obligatory Reserve Funds

Revenues received that have been set aside for specific purposes by provincial legislation, certain City by-laws, or agreements are included in Deferred Revenue – Obligatory Reserve Funds and reported on the Consolidated Statement of Financial Position. In the schedule below, \$16,203 of investment earnings (2021 \$13,968) was included in the interest applied balances.

|  | 2022           | 2021           |
|--|----------------|----------------|
| Development Charges                                      | 357,884        | 270,889        |
| Cash-in-lieu (CIL) Parkland                              | 171,977        | 126,679        |
| CIL Parking  | 3,195          | 11,163         |
| Community Benefit Charges                                | 18,017         | 4,422          |
| Provincial Gas Tax                                       | 35,515         | 33,224         |
| Canada Community-Building Fund                           | 183,919        | 188,653        |
| Provincial Public Transit Funds                          | 8,069          | 8,948          |
| Federal Public Transit Funds                             | 6,110          | 6,153          |
| Safe Restart (Note 20)                                   | -              | 18,228         |
| <b>Total Deferred Revenue - Obligatory Reserve Funds</b> | <b>784,686</b> | <b>668,359</b> |



## Deferred Revenue - Obligatory Reserve Funds Continuity Schedule:

|                                 | Opening<br>Balance | Receipts<br>Applied | Interest<br>Applied | Recognized<br>as Revenue | Closing<br>Balance |
|---------------------------------|--------------------|---------------------|---------------------|--------------------------|--------------------|
| Development Charges             | 270,889            | 111,253             | 5,614               | 29,872                   | 357,884            |
| CIL Parkland                    | 126,679            | 48,441              | 4,147               | 7,290                    | 171,977            |
| CIL Parking                     | 11,163             | 502                 | 521                 | 8,991                    | 3,195              |
| Community Benefit Charges       | 4,422              | 13,001              | 639                 | 45                       | 18,017             |
| Provincial Gas Tax              | 33,224             | 4,733               | 1,774               | 4,216                    | 35,515             |
| Canada Community-Building Fund  | 188,653            | 41,868              | 2,308               | 48,910                   | 183,919            |
| Provincial Public Transit Funds | 8,948              | -                   | 113                 | 992                      | 8,069              |
| Federal Public Transit Funds    | 6,153              | -                   | 9                   | 52                       | 6,110              |
| Safe Restart (Note 20)          | 18,228             | -                   | 1,078               | 19,306                   | -                  |
| <b>Total</b>                    | <b>668,359</b>     | <b>219,798</b>      | <b>16,203</b>       | <b>119,674</b>           | <b>784,686</b>     |

Deferred Revenue - Obligatory Reserve Fund balances are broken down between committed and uncommitted funds to help identify the funds available for future projects. The committed balances represent approved planned spending through the City's capital budget that will be recognized as revenue as expenses are incurred.

|                                 | Committed<br>Funds | Uncommitted<br>Funds | Total          |
|---------------------------------|--------------------|----------------------|----------------|
| Development Charges             | 135,652            | 222,232              | 357,884        |
| CIL Parkland                    | 117,618            | 54,359               | 171,977        |
| CIL Parking                     | 2,270              | 925                  | 3,195          |
| Community Benefit Charges       | 4,598              | 13,419               | 18,017         |
| Provincial Gas Tax              | 66                 | 35,449               | 35,515         |
| Canada Community-Building Fund  | 122,288            | 61,631               | 183,919        |
| Provincial Public Transit Funds | 7,996              | 73                   | 8,069          |
| Federal Public Transit Funds    | 6,049              | 61                   | 6,110          |
| <b>Total</b>                    | <b>396,537</b>     | <b>388,149</b>       | <b>784,686</b> |

## 7. Employee Benefits and Other Liabilities

Employee benefits and other liabilities, reported on the Consolidated Statement of Financial Position, are made up of the following:

|                              | 2022           | 2021           |
|------------------------------|----------------|----------------|
| WSIB                         | 44,110         | 40,532         |
| Sick leave benefits          | 20,696         | 18,944         |
| Early retirement benefits    | 43,495         | 42,577         |
| Post-employment benefits     | 12,665         | 11,137         |
| Vacation pay                 | 32,833         | 32,282         |
| Developer charges credits    | 47,335         | 43,835         |
| Contaminated sites liability | 2,529          | 322            |
| Other liabilities            | 37,077         | 41,617         |
| <b>Total</b>                 | <b>240,740</b> | <b>231,246</b> |

The City has set aside reserve funds with a balance of \$142,960 (2021 \$146,107) to mitigate the future impact of these obligations.

a) The City has elected to be a Schedule 2 employer under the provisions of the Workplace Safety and Insurance Board (“WSIB”), and remits payments to the WSIB only as required to fund disability payments. A full actuarial study of this obligation was completed in December 2019 in accordance with the financial reporting guidelines established by PSAB.

b) Sick leave benefits accrue for certain employees of the City and are paid out either on approved retirement, termination or death. The accrued benefit obligation and the net periodic benefit cost were determined by an actuarial valuation completed in December 2019 in accordance with the financial reporting guidelines established by PSAB.

c) Early retirement benefits are representative of the City’s share of the cost to provide certain employees with extended benefits upon early retirement. The accrued benefit obligation and the net periodic benefit cost were determined by an actuarial valuation completed in December 2019 in accordance with the financial reporting guidelines established by PSAB.

d) Post-employment benefits are paid on behalf of any employee on long-term disability. The accrued benefit obligation and the net periodic cost were determined by an actuarial valuation completed in December 2019 in accordance with the financial reporting guidelines established by PSAB.

e) Vacation pay entitlements are accrued for as earned by the employee. Values are derived by the employees’ current wage rates and vacation entitlement, unless specified otherwise in employment contracts or union agreements.

f) Other liabilities are comprised of legal and insurance liabilities and are accrued as the liability is determined.

Information about liabilities for defined benefit plans is as follows:

|  | WSIB          | Sick<br>Leave | Early<br>Retirement | Post-<br>employment | 2022<br>Total  | 2021<br>Total  |
|--|---------------|---------------|---------------------|---------------------|----------------|----------------|
| Accrued Benefit Liability, Beginning of Year   | 40,532        | 18,944        | 42,577              | 11,137              | 113,190        | 104,145        |
| Service cost                                   | 5,671         | 1,994         | 2,169               | 2,480               | 12,314         | 11,874         |
| Interest cost                                  | 1,738         | 881           | 1,535               | 380                 | 4,534          | 4,306          |
| Amortization of actuarial (gain)/loss          | 1,355         | 1,153         | (371)               | (336)               | 1,801          | 2,419          |
| Benefit payments                               | (5,186)       | (2,276)       | (2,415)             | (996)               | (10,873)       | (10,463)       |
| Increase due to survivor claims                | -             | -             | -                   | -                   | -              | 909            |
| <b>Accrued Benefit Liability, End of Year</b>  | <b>44,110</b> | <b>20,696</b> | <b>43,495</b>       | <b>12,665</b>       | <b>120,966</b> | <b>113,190</b> |
| Unamortized actuarial (gain)/loss              | 7,518         | 5,219         | 1,781               | 155                 | 14,673         | 16,475         |
| <b>Actuarial valuation update, End of year</b> | <b>51,628</b> | <b>25,915</b> | <b>45,276</b>       | <b>12,820</b>       | <b>135,639</b> | <b>129,665</b> |
| Expected average remaining service life        | 11 yrs        | 13 yrs        | 13 yrs              | 8 yrs               |                |                |

The actuarial valuations of the plans were based on a number of assumptions about future events which reflect management's best estimates. The following represents the significant assumptions:

|                                    | WSIB  | Sick<br>Leave | Early<br>Retirement | Post-<br>employment<br>Health and<br>Dental | Post-<br>employment<br>Life<br>Insurance |
|------------------------------------|-------|---------------|---------------------|---|--|
| Expected inflation rate            | 1.75% | 1.75%         | 1.75%               | 1.75%                                       | 1.75%                                    |
| Expected level of salary increases | N/A   | 2.75%         | 2.75%               | 2.75%                                       | 2.75%                                    |
| Interest discount rate             | 3.50% | 3.50%         | 3.50%               | 3.25%                                       | 3.25%                                    |
| Expected health care increases     | 3.75% | N/A           | 6.75%               | 6.75%                                       | N/A                                      |

g) The City makes contributions to OMERS, a multi-employer plan, on behalf of 5,132 employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions for employees with a normal retirement age of 65 are being made at a rate of 9.0 per cent for earnings up to the annual maximum pensionable earnings of \$64,900 and at a rate of 14.6 per cent for earnings greater than the annual maximum pensionable earnings. Contributions for employees with a normal retirement age of 60 (firefighters) are being made at a rate of 9.2 per cent up to the annual maximum pensionable earnings of \$64,900 at a rate of 15.8 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2022 was \$43,233 (2021 \$42,976) for current service and is included as an expense on the Consolidated Statement of Operations. Employees' contributions to OMERS in 2022 totalled \$43,241 (2021 \$42,974).

The City is current with all payments to OMERS; therefore, there is neither a surplus nor deficit with the pension plan contributions. The pension plan's funding deficit at OMERS in 2022 increased to \$6.7 billion (2021 \$3.1 billion).

OMERS has held contributions for both employees and employers in 2022 at the 2016 rates for employees with a normal retirement age of 65 and for employees and employers with a normal retirement age of 60 (firefighters). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, additional increases in the contributions may be required.

h) Developer charge credits are liabilities and obligations that arise through the *Development Charges Act, 1997*. For the year ended December 31, 2022, the developer charge credit liability is \$47,335 (2021 \$43,835).

i) The City is responsible for the remediation of contaminated sites that are no longer in productive use where the City is directly responsible or has accepted responsibility for remediation. A provision for future clean up costs and monitoring has been accrued based on environmental assessments.

The liability for contaminated sites includes sites associated with former industrial operations. The nature of contamination generally includes, but is not limited to, metals, petroleum hydrocarbons and polycyclic aromatic hydrocarbons. The sources of the contamination include, but are not limited to, activities related to historical operations (such as a former industrial or commercial operation) and non-sanctioned activities on City lands. Sites can often have multiple sources of contamination.

From time to time, there may be uncertainty as to whether the City has a legal responsibility or accepts responsibility for a contaminated site or whether economic benefits will be foregone for a contaminated site. It is not expected that the impact of any such sites would have a material impact on the consolidated financial statements. When the City is able to determine that all inclusion criteria have been met, the City will accrue a liability for these future remediation costs. As at December 31, 2022, the amount of estimated recoveries is \$nil (2021 – \$nil).

## 8. Long-term Debt

The long-term debt reported on the Consolidated Statement of Financial Position of \$249,095 (2021 \$237,322) was issued by the Region of Peel. The City issued \$50,000 in 2022 (2021 \$90,000). The following table summarizes outstanding principal payments along with their respective interest rates and maturity dates:

| Debt Series  | Interest Rate | Maturity Date      | Principal Amount | Outstanding Principal |                |
|--------------|---------------|--------------------|------------------|-----------------------|----------------|
|              |               |                    |                  | 2022                  | 2021           |
| 2013         | 1.30%-3.30%   | June 20, 2023      | 50,000           | 4,000                 | 8,300          |
| 2014         | 1.20%-3.30%   | June 10, 2024      | 36,607           | 6,000                 | 9,500          |
| 2015         | 0.95%-2.40%   | August 20, 2025    | 40,000           | 12,000                | 16,000         |
| 2016         | 1.15%-2.50%   | June 1, 2026       | 37,584           | 15,500                | 19,000         |
| 2017         | 1.70%-3.00%   | September 28, 2027 | 38,853           | 19,000                | 24,000         |
| 2018         | 1.80%-3.05%   | March 27, 2028     | 46,270           | 26,395                | 31,522         |
| 2019         | 1.90%-2.25%   | October 15, 2029   | 48,150           | 34,500                | 39,000         |
| 2021-1       | 0.25%-1.50%   | February 17, 2031  | 43,000           | 38,700                | 43,000         |
| 2021-2       | 0.08%-2.30%   | November 8, 2031   | 47,000           | 43,000                | 47,000         |
| 2022         | 1.45%-2.75%   | March 7, 2032      | 50,000           | 50,000                | -              |
| <b>Total</b> |               |                    |                  | <b>249,095</b>        | <b>237,322</b> |

Interest and issuance costs for the year consisted of the following:

|                          | 2022         | 2021         |
|--------------------------|--------------|--------------|
| Interest expense on debt | 5,453        | 4,469        |
| Debt issuance costs      | 223          | 208          |
| <b>Total</b>             | <b>5,676</b> | <b>4,677</b> |

Debt from the issuance of serial debentures has been approved by Council by-law. The annual principal and interest payments required to service this liability are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing and the City's Debt Management Policy.

Principal payments are repayable annually, as follows:

|              | Principal Contributions | Interest      | Total          |
|--------------|-------------------------|---------------|----------------|
| 2023         | 41,055                  | 4,993         | 46,048         |
| 2024         | 37,295                  | 4,219         | 41,514         |
| 2025         | 34,405                  | 3,498         | 37,903         |
| 2026         | 32,022                  | 2,760         | 34,782         |
| 2027         | 28,644                  | 2,127         | 30,771         |
| Thereafter   | 75,674                  | 3,534         | 79,208         |
| <b>Total</b> | <b>249,095</b>          | <b>21,131</b> | <b>270,226</b> |

## 9. Tangible Capital Assets

### a) Assets under construction:

Assets under construction having a value of \$139,315 (2021 \$97,072) have not been amortized. Amortization of these assets will commence when the asset is put into service.

### b) Contributed and assumed assets:

Contributed and assumed assets have been recognized at fair market value at the date of contribution. The value of contributed and assumed assets received during the year is \$65,049 (2021 \$65,106) comprising infrastructure in the amount of \$3,469 (2021 \$901), equipment in the amount of \$nil (2021 \$17), land in the amount of \$61,548 (2021 \$64,188), and buildings in the amount of \$32 (2021 \$nil). Contributed assets of \$75,591 (2021 \$35,899) includes a net adjustment increase of \$10,542 (2021 decrease of \$29,207) resulting from changes to land ownership between the City and other entities.

### c) Works of art and historical treasures:

The City owns both works of art and historical treasures at various City-owned facilities such as Benares and Bradley Museums and the Mississauga Art Gallery. These assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. These assets are not recorded as tangible capital assets and are not amortized.

### d) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$nil (2021 \$1,417), mainly due to replacing tangible capital assets that were near the end of their useful lives.

### e) Disposal of tangible capital assets:

The costs of assets under construction are excluded in calculating the loss on disposal of tangible capital assets. Asset purchase costs of \$36,523 (2021 \$14,752) include land of \$3; buildings \$6,667; land improvements \$962; equipment \$952; linear transportation \$7,117 and vehicles \$20,822, less the accumulated amortization of \$35,388 (2021 \$14,227) and proceeds of \$1,175 (2021 \$1,093) resulted in a gain on disposal of \$40 (2021 gain on disposal of \$568).

### f) Interest capitalization:

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. Rather, the interest costs are expensed within normal operations.



| <b>Cost</b>                | <b>December 31,<br/>2021</b> | <b>Additions</b> | <b>Disposals</b> | <b>December 31,<br/>2022</b> |
|----------------------------|------------------------------|------------------|------------------|------------------------------|
| Land                       | 5,408,859                    | 77,941           | 3                | 5,486,797                    |
| Land improvements          | 252,161                      | 22,812           | 962              | 274,011                      |
| Buildings                  | 1,213,806                    | 36,837           | 6,667            | 1,243,976                    |
| Equipment, books and other | 355,246                      | 21,554           | 952              | 375,848                      |
| Linear - storm drainage    | 933,961                      | 16,967           | -                | 950,928                      |
| Linear - transportation    | 2,364,432                    | 50,535           | 7,117            | 2,407,850                    |
| Vehicles                   | 335,752                      | 9,031            | 20,822           | 323,961                      |
| Assets under construction  | 97,072                       | 93,646           | 51,403           | 139,315                      |
| <b>Total Cost</b>          | <b>10,961,289</b>            | <b>329,323</b>   | <b>87,926</b>    | <b>11,202,686</b>            |

Included in the additions of \$329,323 (2021 \$354,835) are contributed assets of \$75,591 (2021 \$35,899).

| <b>Accumulated Amortization</b> | <b>December 31,<br/>2021</b> | <b>Amortization<br/>Expense</b> | <b>Disposals</b> | <b>December 31,<br/>2022</b> |
|---------------------------------|------------------------------|---------------------------------|------------------|------------------------------|
| Land improvements               | 131,360                      | 10,448                          | 233              | 141,575                      |
| Buildings                       | 500,632                      | 33,861                          | 6,823            | 527,670                      |
| Equipment, books and other      | 235,180                      | 27,342                          | 861              | 261,661                      |
| Linear - storm drainage         | 273,913                      | 9,195                           | -                | 283,108                      |
| Linear - transportation         | 1,140,547                    | 53,084                          | 6,687            | 1,186,944                    |
| Vehicles                        | 222,457                      | 16,022                          | 20,784           | 217,695                      |
| <b>Total</b>                    | <b>2,504,089</b>             | <b>149,952</b>                  | <b>35,388</b>    | <b>2,618,653</b>             |

| <b>Net Book Value</b>       | <b>December 31,<br/>2021</b> | <b>December 31,<br/>2022</b> |
|-----------------------------|------------------------------|------------------------------|
| Land                        | 5,408,859                    | 5,486,797                    |
| Land improvements           | 120,801                      | 132,436                      |
| Buildings                   | 713,174                      | 716,306                      |
| Equipment, books and other  | 120,066                      | 114,187                      |
| Linear - storm drainage     | 660,048                      | 667,820                      |
| Linear - transportation     | 1,223,885                    | 1,220,906                    |
| Vehicles                    | 113,295                      | 106,266                      |
| Assets under construction   | 97,072                       | 139,315                      |
| <b>Total Net Book Value</b> | <b>8,457,200</b>             | <b>8,584,033</b>             |

## 10. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

|   | 2022             | 2021             |
|---|------------------|------------------|
| <b>Surplus</b>  |                  |                  |
| Tangible capital assets   | 8,584,034        | 8,457,200        |
| Unfunded employee benefits and other liabilities                | (240,740)        | (231,246)        |
| Long-term debt  | (249,095)        | (237,322)        |
| Investment in Enersource  | 505,416          | 510,531          |
| <b>Total Surplus</b>  | <b>8,599,615</b> | <b>8,499,163</b> |
| <b>Reserves Set Aside by Council</b>                            |                  |                  |
| Fiscal Stability Reserve  | 53,307           | 59,188           |
| Operating Reserves  | 70,101           | 60,488           |
| Stormwater Reserve  | 5,546            | 5,371            |
| BIA Reserves  | 549              | 294              |
| <b>Total Reserves</b>   | <b>129,503</b>   | <b>125,341</b>   |
| <b>Reserve Funds Set Aside for Specific Purposes by Council</b> |                  |                  |
| Tax Reserve Funds   | 466,485          | 431,518          |
| Stormwater Reserve Funds  | 144,764          | 128,524          |
| Lot Levy Reserve Funds  | 71,557           | 67,747           |
| Insurance Reserve Funds   | 40,998           | 44,750           |
| Employee Benefits Reserve Funds                                 | 30,405           | 33,610           |
| Developer Contributions Reserve Funds                           | 35,937           | 28,323           |
| Other Reserve Funds   | 37,569           | 45,545           |
| <b>Total Reserve Funds</b>                                      | <b>827,715</b>   | <b>780,017</b>   |
| <b>Total Accumulated Surplus</b>                                | <b>9,556,833</b> | <b>9,404,521</b> |

### Committed Reserves:

Reserve balances are broken down between committed and uncommitted funds to help identify the funds available for future projects. The committed balances represent approved planned spending through the City's capital budget.

|                          | Committed Funds | Uncommitted Funds | Total          |
|--------------------------|-----------------|-------------------|----------------|
| Fiscal Stability Reserve | 2,478           | 50,829            | 53,307         |
| Operating Reserves       | 1,546           | 68,555            | 70,101         |
| Stormwater Reserve       | -               | 5,546             | 5,546          |
| BIA Reserves             | 549             | -                 | 549            |
| <b>Total</b>             | <b>4,573</b>    | <b>124,930</b>    | <b>129,503</b> |

### Committed Reserve Funds:

Reserve fund balances are broken down between committed and uncommitted funds to help identify the funds available for future projects. The committed balances represent approved planned spending through the City's capital budget.

|                                       | Committed Funds | Uncommitted Funds | Total          |
|---------------------------------------|-----------------|-------------------|----------------|
| Tax Reserve Funds                     | 298,932         | 167,553           | 466,485        |
| Stormwater Reserve Funds              | 74,254          | 70,510            | 144,764        |
| Lot Levy Reserve Funds                | -               | 71,557            | 71,557         |
| Insurance Reserve Funds               | -               | 40,998            | 40,998         |
| Employee Benefits Reserve Funds       | -               | 30,405            | 30,405         |
| Developer Contributions Reserve Funds | 3,383           | 32,554            | 35,937         |
| Other Reserve Funds                   | 1,494           | 36,075            | 37,569         |
| <b>Total</b>                          | <b>378,063</b>  | <b>449,652</b>    | <b>827,715</b> |

## 11. Taxation

Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenues can be added throughout the year that are related to new properties that become occupied or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The City may receive supplementary assessment rolls over the course of the year from MPAC which identify new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then billed according to the approved tax rate for the property class. Taxation revenues, reported on the Consolidated Statement of Operations, are made up of the following:

|   | 2022             | 2021             |
|---|------------------|------------------|
| City, Region, School Boards Taxation  | 1,851,534        | 1,785,336        |
| Payments in lieu of property taxes  | 17,494           | 38,762           |
| <b>Total Property Taxes Collected</b>   | <b>1,869,028</b> | <b>1,824,098</b> |
| Payments to the Region and school boards  | (1,269,320)      | (1,232,900)      |
| <b>Net Property Taxes and Payments in Lieu Available for Municipal Purposes</b> | <b>599,708</b>   | <b>591,198</b>   |

## 12. Trust Funds

Trust funds administered by the City amounting to \$1,100 (2021 \$1,083) have not been included in the consolidated statement of financial position nor have their operations been included in the Consolidated Statement of Operations. Trust funds comprises cemetery perpetual care of \$1,100 (2021 \$1,083) and election trust funds of \$nil (2021 \$nil).

### 13. Contingent Liabilities and Guarantee

As at December 31, 2022, the City has been named as defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed the likelihood of exposure as being likely and is able to reasonably assess the exposure, an amount is provided for in these consolidated financial statements.

On February 1, 2017, Enersource Corporation became a shareholder of Alectra, an entity created through the merger of certain hydro holding companies. The transactions included Enersource Corporation exchanging all of its ownership in its operating companies for this ownership in the newly created merged entity of Alectra. Included in these transactions and as of the same date, the City entered into an arrangement to provide \$70,000 of loan guarantees to Enersource Corporation. The secured bank loan balance as at December 31, 2022 is \$45,625 (2021 \$48,125). Enersource Corporation's obligations are in good standing and no loss has been recognized by the City.

### 14. Segmented Information

Segmented information has been identified based on lines of service provided by the City. City services are provided by departments and their activities are reported by functional areas in the Consolidated Statement of Operations. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

#### a) General Government Services:

The General Government Services segment comprises the following service areas: Mayor & Council, City Manager's Office, Internal Audit, Economic Development, Office of the City Clerk, Finance, Information Technology, Facilities & Property Management, Corporate Business Services, Legal, and Strategic Communications & Initiatives. These divisions are responsible for by-laws and administrative policies; levying taxes; acquiring and managing City assets; ensuring effective financial management, planning and budgeting; monitoring financial and operating performance; and ensuring that high-quality City service standards are met.

#### b) Protection Services:

The Protection Services segment comprises the following service areas: fire & emergency services, including fire suppression, fire prevention programs, and fire inspection; by-law enforcement; animal control; vehicle and business licensing; security services; and Provincial Offences Administration.

c) Transportation Services:

The Transportation Services segment comprises the following service areas: road services including road maintenance; public work; street cleaning; traffic operations, planning; engineering and development; winter maintenance control; transit; and streetlighting.

d) Environmental Services:

The Environmental Services segment comprises primarily storm sewer services. The City's stormwater program manages the overall health and maintenance of creeks, rivers, and water channels in Mississauga. Water and sanitary sewer services are provided by the Region of Peel.

e) Health Services:

The Health Services segment comprises primarily the maintenance and operation of City-owned cemeteries.

f) Social and Family Services:

The Social and Family Services segment comprises primarily assistance to aged persons. While social and family services are handled directly by the Region of Peel, the City does offer some programs and services to support and aid seniors in Mississauga.

g) Recreation and Cultural Services:

The Recreation and Cultural Services segment comprises the following services: parks; forestry and environment; recreation programs; recreation facilities; marinas and golf courses; libraries; museums; the Living Arts Centre; and other cultural services and activities.

h) Planning and Development Services:

The Planning and Development Services segment comprises the following service areas: planning & zoning; commercial and industrial developments; and City planning strategies. The Planning and Development Services segment manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods and the downtown area through City planning and community development.

The segmented information was provided in accordance with the financial reporting guidelines established by the PSAB (section PS 2700). For additional information, see the Segmented Information table below.

Certain allocation methodologies are employed in the preparation of segmented financial information. User charges and other revenues have been allocated to the segments based upon the segment that generated the revenues. Government transfers have been allocated to the segment based on the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the Other segment category.

Taxation revenues are reflected under General Government Services and not segmented based upon functional lines of service provided by the City. Taxation revenues are allocated to the City's services based on the 2022 operating budget as approved by Council. The approved budget outlines how and where public resources will be spent, including the established framework for services, the way they will be provided, and how they will be funded.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in **Note 1** (page 85).



## Segmented Information

|  | 2022                              |                        |                            |                           |                    |                                  |  |   |        |               |               |
|--|-----------------------------------|------------------------|----------------------------|---------------------------|--------------------|----------------------------------|--|---|--------|---------------|---------------|
|  | General<br>Government<br>Services | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health<br>Services | Social and<br>Family<br>Services | Recreation<br>and Cultural<br>Services | Planning and<br>Development<br>Services | Other  | 2022<br>Total | 2021<br>Total |
| Revenues   |                                   |                        |                            |                           |                    |                                  |  |   |        |               |               |
| Taxation   | 598,007                           | -                      | -                          | -                         | -                  | -                                | -                                      | 1,701                                   | -      | 599,708       | 591,198       |
| Municipal accommodation tax                          | 6,186                             | -                      | -                          | -                         | -                  | -                                | 6,093                                  | -                                       | -      | 12,279        | 5,907         |
| User charges   | 5,488                             | 31,299                 | 99,759                     | 45,510                    | 104                | 95                               | 41,747                                 | 8,732                                   | -      | 232,734       | 179,157       |
| Recoveries from third parties                        | 3,628                             | 322                    | 19,478                     | 206                       | 34                 | -                                | 10,032                                 | 996                                     | -      | 34,696        | 16,699        |
| Funding transfers from other governments             | 342                               | -                      | 31,459                     | 12                        | -                  | 59                               | 4,348                                  | 847                                     | -      | 37,067        | 80,860        |
| Development and other contributions applied          | 8,239                             | 97                     | 41,801                     | 858                       | -                  | -                                | 35,639                                 | 382                                     | 13,352 | 100,368       | 154,415       |
| Investment income                                    | 14,464                            | -                      | -                          | -                         | -                  | -                                | 7                                      | 13                                      | 21,890 | 36,374        | 32,711        |
| Penalties and interest on taxes                      | 14,825                            | -                      | -                          | -                         | -                  | -                                | -                                      | -                                       | -      | 14,825        | 14,592        |
| Contributed and assumed assets                       | 75,591                            | -                      | -                          | -                         | -                  | -                                | -                                      | -                                       | -      | 75,591        | 35,899        |
| Other  | 2,154                             | 89                     | 77                         | -                         | -                  | 14                               | 1,338                                  | 277                                     | -      | 3,949         | 2,698         |
| City's share of net income in Enersource Corporation | 15,890                            | -                      | -                          | -                         | -                  | -                                | -                                      | -                                       | -      | 15,890        | 28,712        |
| Total Revenues                                       | 744,814                           | 31,807                 | 192,574                    | 46,586                    | 138                | 168                              | 99,204                                 | 12,948                                  | 35,242 | 1,163,481     | 1,142,848     |
| Expenses   |                                   |                        |                            |                           |                    |                                  |  |   |        |               |               |
| Salaries, wages and employee benefits                | 113,254                           | 139,197                | 186,846                    | 5,950                     | 664                | 202                              | 106,794                                | 21,973                                  | -      | 574,880       | 555,219       |
| Long-term debt interest and fees                     | 5,606                             | -                      | -                          | 70                        | -                  | -                                | -                                      | -                                       | -      | 5,676         | 4,677         |
| Materials and supplies                               | 2,203                             | 4,444                  | 61,571                     | 243                       | 31                 | 4                                | 12,562                                 | 2,371                                   | -      | 83,429        | 55,147        |
| Contracted services                                  | 37,554                            | 1,223                  | 50,816                     | 2,597                     | 9                  | 32                               | 8,580                                  | 3,430                                   | -      | 104,241       | 100,035       |
| Rents and financial expenses                         | 38,172                            | 5,320                  | 4,536                      | 2,273                     | 31                 | 6                                | 27,118                                 | 695                                     | -      | 78,151        | 77,859        |
| External transfers to others                         | 9,930                             | -                      | -                          | 660                       | -                  | 34                               | 4,179                                  | 77                                      | -      | 14,880        | 4,783         |
| (Gain)/loss on disposal of tangible capital assets   | 1,125                             | (192)                  | (658)                      | -                         | -                  | -                                | (324)                                  | 9                                       | -      | (40)          | 849           |
| Amortization of tangible capital assets              | 21,994                            | 6,169                  | 73,347                     | 9,202                     | 56                 | 303                              | 38,726                                 | 155                                     | -      | 149,952       | 150,343       |
| Total Expenses                                       | 229,838                           | 156,161                | 376,458                    | 20,995                    | 791                | 581                              | 197,635                                | 28,710                                  | -      | 1,011,169     | 948,912       |
| Annual Surplus (Deficit)                             | 514,976                           | (124,354)              | (183,884)                  | 25,591                    | (653)              | (413)                            | (98,431)                               | (15,762)                                | 35,242 | 152,312       | 193,936       |

## 15. Segmented Information by Service Area

Segmented information by service area has been identified based on lines of service provided by the City as presented in the City's Business Plan & Budget. City services are provided by departments and their activities are planned and budgeted according to service areas. These services are not presented in the Consolidated Statement of Operations. Rather, they are reported as an additional note to relate back to the Business Plan & Budget presentation. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

### a) Corporate Transactions:

The Corporate Transactions section of the budget accounts for certain operating budget revenue and expense transactions required for the general administration of City finances. These include ongoing operations support; reserves and reserve funds; payments in lieu of taxes, and taxation; city-wide sources of revenue; and the Capital Infrastructure and Debt Repayment Levy.

### b) Culture:

Culture grows and supports Mississauga's creative sector, delivers cultural services, and enables high quality cultural experiences. This includes venue and events management for the Living Arts Centre, Paramount Fine Foods Centre, Celebration Square, Museums of Mississauga, Small Arms Inspection Building, Meadowvale Theatre, and the Maja Prentice Theatre; creative program delivery for people of all ages; culture and heritage planning; conservation of the City's heritage houses and artifact collection; film/television and music offices; grants; public art; live event production; and Indigenous Relations.

### c) Facilities & Property Management:

Facilities & Property Management deals with the planning, design and construction of new and existing City facilities with consideration for accessibility, space planning and environmental sustainability, and manages the maintenance of existing buildings including operations, energy conservation, asset management, and the safety and security of the public and City staff.

### d) Fire & Emergency Services:

Mississauga Fire and Emergency Services (MFES) is an all-hazards fire department which operates 24 hours a day, 365 days a year. The MFES programming and resource deployment model is designed to reduce, mitigate or eliminate community risk.

### e) General Government:

General Government comprises eight business areas: Corporate Business Services, Finance, Human Resources, Internal Audit, Legal Services, Legislative Services, Office of Emergency Management, and Strategic Communications & Initiatives. Together these areas support diligent business planning and reporting, and keep the

organization safely, fairly and inclusively staffed and supplied; properly financed and accounted for; legally compliant and transparent; connected and communicating with stakeholders; and innovating and performing at a high standard of efficiency.

f) Information Technology:

Information Technology focuses on innovative, reliable, responsive and secure information technology planning, management, service delivery, support, and maintenance to enable City services and drive efficiencies. This includes all systems, applications, computers, networks, data, internet access, security and policies critical to the delivery of City services seven days a week, 365 days a year.

g) Mayor & Members of Council:

Mississauga's elected governing Council consists of a mayor and 11 ward councillors. This service area budget includes the salaries and expenses of these elected officials and their support staff. In Ontario, municipal elections take place every four years.

h) Mississauga Library:

The Mississauga Library ("the Library") operates 18 libraries of varying sizes that provide a physical space where people can gather, attend programs, and access the Library's collections and services. The Library runs thousands of free programs a year for all demographics, operates four permanent makerspaces, has thousands of electronic resources available, and operates the Open Window Hub which supports at-risk residents from across the city.

i) Parks, Forestry & Environment:

Parks, Forestry & Environment protects the natural environment and plans, develops and operates great outdoor public spaces to make healthy and happy communities. The service area aims to meet the open space and outdoor recreational needs of the community while also driving environmental sustainability and climate action.

j) Planning & Building:

Planning & Building facilitates the City's physical and economic development to ensure the health, safety, and well-being of the public and business community. This includes strategic, long-term and community land use planning; creating urban design and built form policies and plans; conducting development and design studies; processing development applications and building permits; carrying out building inspections and site inspections; and supporting business start-up, growth and investment.

k) Recreation:

Recreation's purpose is to keep Mississauga residents healthy, active and connected in partnership with the community. Recreation's service mix is balanced to be responsive to the diverse needs of residents within all Mississauga communities, and includes registration and drop-in recreational programs; recreational facilities operations and facility rentals; banquet and food services; golf course operations and

programming; community partnerships and affiliations; and community event support.

l) Regulatory Services:

Regulatory Services aims to achieve compliance with municipal by-laws and provide services in a safe and professional manner to maintain order, safety and community standards in the City. This includes education on by-laws, pets and wildlife; licensing of businesses, public vehicles and pets; animal investigations, care, adoption and fostering; by-law administration; and enforcement of over 35 by-laws including Zoning, Property Standards, Public Vehicle, Parking, and Animal Care and Control.

m) Roads:

Roads plans, develops, constructs, operates, maintains and manages a multi-modal transportation system which efficiently and safely moves people and goods, respects the environment, supports the development of Mississauga as a 21st century city and serves the municipality's social, economic and physical needs.

n) Stormwater:

Stormwater plans, develops, constructs, maintains and renews the City's stormwater system which protects property, infrastructure and the natural environment from flooding and erosion and helps to protect water quality.

o) Transit:

Transit's purpose is to plan and deliver a safe, reliable, and efficient travel choice that provides an excellent customer experience. MiWay is Mississauga's transit service, and is Ontario's third-largest municipal transit service. MiWay routes create economical and efficient transportation connections between popular destinations throughout Mississauga and connect with neighbouring transit systems including GO Transit, Toronto Transit Commission (TTC), Brampton Transit, and Oakville Transit.

p) Other:

Other represents the (gain)/loss on disposal of tangible capital assets.

## q) Revenues by Service Area

|                                  | Property<br>Tax and<br>MAT* | User<br>charges | Recoveries<br>from third<br>parties | Funding<br>transfers<br>from other<br>governments | Development<br>and other<br>contributions<br>applied | Investment<br>income | Penalties<br>and<br>interest on<br>taxes | Contributed<br>and<br>assumed<br>assets | Other        | City's share<br>of net<br>income in<br>Enersource<br>Corporation | 2022<br>Total    | 2022<br>Budget** | 2021<br>Total    |
|----------------------------------|-----------------------------|-----------------|-------------------------------------|---|--|----------------------|--|---|--------------|--|------------------|------------------|------------------|
| <b>Revenues</b>                  |                             |                 |                                     |   |  |                      |  |   |              |  |                  |                  |                  |
| Corporate Transactions           | 604,193                     | 16              | 721                                 | -   | 11,839   | 36,367               | 14,775                                   | 75,591                                  | 2,131        | 15,890   | 761,523          | 171,496          | 751,596          |
| Culture                          | -                           | 4,047           | 4,518                               | 578   | 2,625  | -                    | -  | -                                       | 202          | -  | 11,970           | 17,561           | 7,074            |
| Facilities & Property Management | -                           | 46              | 1,170                               | -   | 5,251  | -                    | -  | -                                       | -            | -  | 6,467            | 29,760           | 7,253            |
| Fire & Emergency Services        | -                           | 2,179           | 187                                 | -   | 97   | -                    | -  | -                                       | -            | -  | 2,463            | 133,514          | 3,941            |
| General Government               | -                           | 12,453          | 192                                 | 297   | 284  | -                    | 50                                       | -                                       | 21           | -  | 13,297           | 69,465           | 29,832           |
| Information Technology           | -                           | 51              | 1,657                               | 45  | -  | -                    | -  | -                                       | -            | -  | 1,753            | 34,421           | 1,609            |
| Mayor & Members of Council       | -                           | -               | -                                   | -   | -  | -                    | -  | -                                       | -            | -  | -                | 5,081            | -                |
| Mississauga Library              | -                           | 503             | 215                                 | 715   | 9,211  | -                    | -  | -                                       | 4            | -  | 10,648           | 38,183           | 2,407            |
| Parks, Forestry & Environment    | -                           | 5,553           | 2,908                               | 407   | 14,681   | -                    | -  | -                                       | 167          | -  | 23,716           | 84,420           | 56,963           |
| Planning & Building              | 1,701                       | 26,017          | 1                                   | 823   | 384  | -                    | -  | -                                       | 278          | -  | 29,204           | 30,563           | 31,255           |
| Recreation                       | 6,093                       | 32,515          | 4,611                               | 2,731   | 9,142  | 7                    | -  | -                                       | 980          | -  | 56,079           | 97,065           | 25,856           |
| Regulatory Services              | -                           | 15,702          | 167                                 | -   | -  | -                    | -  | -                                       | 89           | -  | 15,958           | 24,717           | 11,463           |
| Roads                            | -                           | 10,609          | 8,831                               | 1,747   | 39,246   | -                    | -  | -                                       | 52           | -  | 60,485           | 168,955          | 49,967           |
| Stormwater                       | -                           | 45,386          | 216                                 | 12  | 858  | -                    | -  | -                                       | -            | -  | 46,472           | 49,007           | 40,443           |
| Transit                          | -                           | 77,657          | 9,302                               | 29,712  | 6,750  | -                    | -  | -                                       | 25           | -  | 123,446          | 321,976          | 123,189          |
| <b>Total Revenues</b>            | <b>611,987</b>              | <b>232,734</b>  | <b>34,696</b>                       | <b>37,067</b>                                     | <b>100,368</b>                                       | <b>36,374</b>        | <b>14,825</b>                            | <b>75,591</b>                           | <b>3,949</b> | <b>15,890</b>  | <b>1,163,481</b> | <b>1,276,184</b> | <b>1,142,848</b> |

\*Municipal Accommodation Tax

\*\*Service area budgets exclude the budget for transfers between funds because they are eliminated in the financial statement consolidation

r) Expenses by Service Area

|                                  | Salaries,<br>wages and<br>employee<br>benefits | Long-term<br>debt<br>interest<br>and fees | Materials<br>and<br>supplies | Contracted<br>services | Rents and<br>financial<br>expenses | External<br>transfers to<br>others | (Gain)/loss on<br>disposal of<br>tangible capital<br>assets | Amortization of<br>tangible capital<br>assets | 2022<br>Total    | 2022<br>Budget* | 2021<br>Total  |
|----------------------------------|--|---|------------------------------|------------------------|------------------------------------|------------------------------------|---|---|------------------|-----------------|----------------|
| <b>Expenses</b>                  |  |   |                              |                        |                                    |                                    |   |   |                  |                 |                |
| Corporate Transactions           | 24,390   | 5,606                                     | 345                          | 29,178                 | 23,048                             | 10,535                             | -   | -   | 93,102           | 35,861          | 88,515         |
| Culture                          | 8,495  | -   | 1,117                        | 1,947                  | 3,482                              | 3,213                              | -   | 2,679   | 20,933           | 21,478          | 16,137         |
| Facilities & Property Management | 15,388   | -   | 439                          | 2,401                  | 5,491                              | -                                  | -   | -   | 23,719           | 24,920          | 22,740         |
| Fire & Emergency Services        | 117,455  | -   | 3,711                        | 272                    | 4,029                              | -                                  | -   | 6,056   | 131,523          | 131,958         | 125,972        |
| General Government               | 53,197   | -   | 1,348                        | 6,513                  | 2,732                              | -                                  | -   | 21,994  | 85,784           | 93,048          | 80,752         |
| Information Technology           | 24,994   | -   | 63                           | 197                    | 7,215                              | -                                  | -   | -   | 32,469           | 34,421          | 32,703         |
| Mayor & Members of Council       | 4,509  | -   | 310                          | -                      | 334                                | -                                  | -   | -   | 5,153            | 5,336           | 4,869          |
| Mississauga Library              | 21,501   | -   | 1,187                        | 63                     | 2,317                              | -                                  | -   | 6,464   | 31,532           | 38,233          | 35,162         |
| Parks, Forestry & Environment    | 29,218   | -   | 7,837                        | 6,548                  | 4,599                              | -                                  | -   | 12,763  | 60,965           | 56,143          | 57,621         |
| Planning & Building              | 25,208   | -   | 1,768                        | 232                    | 1,117                              | 77                                 | -   | 154   | 28,556           | 29,791          | 27,066         |
| Recreation                       | 50,213   | -   | 3,146                        | 3,203                  | 16,060                             | 966                                | -   | 17,180  | 90,768           | 101,811         | 71,854         |
| Regulatory Services              | 15,689   | -   | 821                          | 930                    | 725                                | -                                  | -   | 113   | 18,278           | 19,716          | 18,414         |
| Roads                            | 37,671   | -   | 16,692                       | 47,732                 | (9,639)                            | -                                  | -   | 56,190  | 148,646          | 141,987         | 133,551        |
| Stormwater                       | 4,430  | 70  | 277                          | 2,983                  | 2,205                              | 89                                 | -   | 3,881   | 13,935           | 20,985          | 19,484         |
| Transit                          | 142,522  | -   | 44,368                       | 2,042                  | 14,436                             | -                                  | -   | 22,478  | 225,846          | 226,854         | 213,221        |
| Other                            | -  | -   | -                            | -                      | -                                  | -                                  | (40)  | -   | (40)             | -               | 851            |
| <b>Total Expenses</b>            | <b>574,880</b>                                 | <b>5,676</b>                              | <b>83,429</b>                | <b>104,241</b>         | <b>78,151</b>                      | <b>14,880</b>                      | <b>(40)</b>   | <b>149,952</b>                                | <b>1,011,169</b> | <b>982,542</b>  | <b>948,912</b> |

\*Service area budgets exclude the budget for transfers between funds because they are eliminated in the financial statement consolidation. Also, an assigned budget for amortization has been included due to the large dollar value.



## 16. Segmented Information Summary

|                                  | General<br>Government<br>Services | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health<br>Services | Social and<br>Family<br>Services | Recreation<br>and Cultural<br>Services | Planning and<br>Development<br>Services | Other         | 2022<br>Total    | 2022<br>Budget   |
|----------------------------------|-----------------------------------|------------------------|----------------------------|---------------------------|--------------------|----------------------------------|--|---|---------------|------------------|------------------|
| <b>Revenues</b>                  |                                   |                        |                            |                           |                    |                                  |  |   |               |                  |                  |
| Corporate Transactions           | 726,269                           | -                      | -                          | -                         | -                  | -                                | -                                      | 12                                      | 35,242        | 761,523          | 171,496          |
| Culture                          | -                                 | -                      | -                          | -                         | -                  | -                                | 11,970                                 | -                                       | -             | 11,970           | 17,561           |
| Facilities & Property Management | 6,467                             | -                      | -                          | -                         | -                  | -                                | -                                      | -                                       | -             | 6,467            | 29,760           |
| Fire & Emergency Services        | -                                 | 2,463                  | -                          | -                         | -                  | -                                | -                                      | -                                       | -             | 2,463            | 133,514          |
| General Government               | 6,192                             | 6,116                  | -                          | -                         | -                  | -                                | -                                      | 989                                     | -             | 13,297           | 69,465           |
| Information Technology           | 1,623                             | 130                    | -                          | -                         | -                  | -                                | -                                      | -                                       | -             | 1,753            | 34,421           |
| Mayor & Members of Council       | -                                 | -                      | -                          | -                         | -                  | -                                | -                                      | -                                       | -             | -                | 5,081            |
| Mississauga Library              | -                                 | -                      | -                          | -                         | -                  | -                                | 10,648                                 | -                                       | -             | 10,648           | 38,183           |
| Parks, Forestry & Environment    | -                                 | -                      | 777                        | -                         | 138                | -                                | 21,429                                 | 1,372                                   | -             | 23,716           | 84,420           |
| Planning & Building              | -                                 | 18,691                 | -                          | -                         | -                  | -                                | -                                      | 10,513                                  | -             | 29,204           | 30,563           |
| Recreation                       | 45                                | 228                    | 419                        | -                         | -                  | 168                              | 55,157                                 | 62                                      | -             | 56,079           | 97,065           |
| Regulatory Services              | -                                 | 4,179                  | 11,779                     | -                         | -                  | -                                | -                                      | -                                       | -             | 15,958           | 24,717           |
| Roads                            | -                                 | -                      | 60,360                     | 125                       | -                  | -                                | -                                      | -                                       | -             | 60,485           | 168,955          |
| Stormwater                       | -                                 | -                      | 11                         | 46,461                    | -                  | -                                | -                                      | -                                       | -             | 46,472           | 49,007           |
| Transit                          | 4,218                             | -                      | 119,228                    | -                         | -                  | -                                | -                                      | -                                       | -             | 123,446          | 321,976          |
| <b>Total Revenues</b>            | <b>744,814</b>                    | <b>31,807</b>          | <b>192,574</b>             | <b>46,586</b>             | <b>138</b>         | <b>168</b>                       | <b>99,204</b>                          | <b>12,948</b>                           | <b>35,242</b> | <b>1,163,481</b> | <b>1,276,184</b> |

|                                  | General<br>Government<br>Services | Protection<br>Services | Transportation<br>Services | Environmental<br>Services | Health<br>Services | Social and<br>Family<br>Services | Recreation and<br>Cultural<br>Services | Planning and<br>Development<br>Services | Other         | 2022<br>Total    | 2022<br>Budget |
|----------------------------------|-----------------------------------|------------------------|----------------------------|---------------------------|--------------------|----------------------------------|--|---|---------------|------------------|----------------|
| <b>Expenses</b>                  |                                   |                        |                            |                           |                    |                                  |  |   |               |                  |                |
| Corporate Transactions           | 91,198                            | 951                    | 313                        | 571                       | -                  | 34                               | 35                                     | -                                       | -             | 93,102           | 35,861         |
| Culture                          | -                                 | -                      | -                          | -                         | -                  | -                                | 20,933                                 | -                                       | -             | 20,933           | 21,478         |
| Facilities & Property Management | 22,862                            | -                      | (457)                      | -                         | -                  | -                                | 1,314                                  | -                                       | -             | 23,719           | 24,920         |
| Fire & Emergency Services        | -                                 | 131,523                | -                          | -                         | -                  | -                                | -                                      | -                                       | -             | 131,523          | 131,958        |
| General Government               | 79,643                            | 3,590                  | 33                         | -                         | -                  | -                                | 2,016                                  | 502                                     | -             | 85,784           | 93,048         |
| Information Technology           | 29,388                            | 301                    | 1,315                      | -                         | -                  | -                                | 1,465                                  | -                                       | -             | 32,469           | 34,421         |
| Mayor & Members of Council       | 5,153                             | -                      | -                          | -                         | -                  | -                                | -                                      | -                                       | -             | 5,153            | 5,336          |
| Mississauga Library              | -                                 | -                      | -                          | -                         | -                  | -                                | 31,532                                 | -                                       | -             | 31,532           | 38,233         |
| Parks, Forestry & Environment    | -                                 | -                      | -                          | -                         | 791                | -                                | 51,169                                 | 9,005                                   | -             | 60,965           | 56,143         |
| Planning & Building              | -                                 | 9,379                  | -                          | -                         | -                  | -                                | -                                      | 19,177                                  | -             | 28,556           | 29,791         |
| Recreation                       | 466                               | 240                    | -                          | -                         | -                  | 547                              | 89,498                                 | 17                                      | -             | 90,768           | 101,811        |
| Regulatory Services              | -                                 | 10,369                 | 7,909                      | -                         | -                  | -                                | -                                      | -                                       | -             | 18,278           | 19,716         |
| Roads                            | -                                 | -                      | 141,603                    | 7,043                     | -                  | -                                | -                                      | -                                       | -             | 148,646          | 141,987        |
| Stormwater                       | 3                                 | -                      | 554                        | 13,381                    | -                  | -                                | (3)                                    | -                                       | -             | 13,935           | 20,985         |
| Transit                          | -                                 | -                      | 225,846                    | -                         | -                  | -                                | -                                      | -                                       | -             | 225,846          | 226,854        |
| Other                            | 1,125                             | (192)                  | (658)                      | -                         | -                  | -                                | (324)                                  | 9                                       | -             | (40)             | -              |
| <b>Total Expenses</b>            | <b>229,838</b>                    | <b>156,161</b>         | <b>376,458</b>             | <b>20,995</b>             | <b>791</b>         | <b>581</b>                       | <b>197,635</b>                         | <b>28,710</b>                           | <b>-</b>      | <b>1,011,169</b> | <b>982,542</b> |
| <b>Annual Surplus (Deficit)</b>  | <b>514,976</b>                    | <b>(124,354)</b>       | <b>(183,884)</b>           | <b>25,591</b>             | <b>(653)</b>       | <b>(413)</b>                     | <b>(98,431)</b>                        | <b>(15,762)</b>                         | <b>35,242</b> | <b>152,312</b>   | <b>293,642</b> |

## 17. Budget Data

Budget data presented in these consolidated financial statements are based on the 2022 operating and capital budgets as approved by Council on December 8, 2021. Adjustments to budgeted values were required to provide comparative budget values based on the full accrual basis of accounting. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

| Revenues  | Budget Amount    |
|---|------------------|
| <b>Approved operating revenue and tax levy</b>      | <b>1,056,279</b> |
| <b>Adjustments:</b>                                 |                  |
| In-year budget adjustments                          | 854              |
| Final assessment growth                             | 2,284            |
| Contributions from reserves and reserve funds       | (74,633)         |
| Obligatory reserve fund revenue applied             | 160,060          |
| Business Improvement Areas (BIAs) budgeted revenues | 2,270            |
| BIA contributions from reserves and reserve funds   | (327)            |
| Enersource net income                               | 25,000           |
| Enersource dividend                                 | (17,577)         |
| Tax adjustments reclassified from expense           | (4,208)          |
| <b>Adjusted Operating Budget</b>                    | <b>1,150,002</b> |
| <b>Approved Capital Budget</b>                      | <b>524,100</b>   |
| Transfers from reserve funds and debt proceeds      | (524,100)        |
| Capital project revenue & recoveries                | 114,082          |
| <b>Adjusted Capital Budget</b>                      | <b>114,082</b>   |
| Discretionary reserve fund investment income        | 12,100           |
| <b>Adjusted Budget</b>                              | <b>1,276,184</b> |
| <b>Expenses</b>                                     |                  |
| <b>Approved operating expense budget</b>            | <b>1,056,279</b> |
| <b>Adjustments:</b>                                 |                  |
| In-year budget adjustments                          | 3,138            |
| Contributions to reserves and reserve funds         | (197,492)        |
| BIA budgeted expenses                               | 2,114            |
| BIA amortization of tangible capital assets         | 157              |
| Amortization of tangible capital assets             | 155,703          |
| Debt principal repayments                           | (40,940)         |
| Changes in employee benefits and other liabilities  | 7,791            |
| Tax adjustments reclassified from expense           | (4,208)          |
| <b>Adjusted Operating Budget</b>                    | <b>982,542</b>   |
| <b>Approved Capital Budget</b>                      | <b>524,100</b>   |
| <b>Adjustments:</b>                                 |                  |
| Eliminate capital expense budget                    | (524,100)        |
| <b>Adjusted Budget</b>                              | <b>982,542</b>   |
| <b>Annual Surplus</b>                               | <b>293,642</b>   |

## 18. Expenses by Object

The Consolidated Statement of Operations represents the expenses by function; the following classifies those same expenses by object:

|  | 2022<br>Budget | 2022<br>Actual   | 2021<br>Actual |
|--|----------------|------------------|----------------|
| Salaries, wages and employee benefits              | 599,156        | 574,880          | 555,219        |
| Long-term debt interest and fees                   | 5,332          | 5,676            | 4,677          |
| Materials and supplies                             | 73,990         | 83,429           | 55,147         |
| Contracted services                                | 67,677         | 104,241          | 100,035        |
| Rents and financial expenses                       | 74,583         | 78,151           | 77,859         |
| External transfers to others                       | 5,944          | 14,880           | 4,783          |
| (Gain)/loss on disposal of tangible capital assets | -              | (40)             | 849            |
| Amortization of tangible capital assets            | 155,860        | 149,952          | 150,343        |
| <b>Total</b>                                       | <b>982,542</b> | <b>1,011,169</b> | <b>948,912</b> |

## 19. Provincial Offences Administration

The Ministry of the Attorney General in the Province of Ontario requires all municipal partners with Provincial Offences Administration operations to disclose in the year end audited financial statements the gross and net provincial offence revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding between the City and the Ontario Ministry of the Attorney General.

|                           | 2022         | 2021         |
|---------------------------|--------------|--------------|
| <b>Revenues</b>           |              |              |
| Gross revenues            | 7,607        | 4,990        |
| <b>Expenses</b>           |              |              |
| Provincial charges        | 532          | 508          |
| City's operating expenses | 4,967        | 3,860        |
| <b>Total Expenses</b>     | <b>5,499</b> | <b>4,368</b> |
| <b>Net Contribution</b>   | <b>2,108</b> | <b>622</b>   |

The Provincial Offences Administration financial summary is reported on a gross basis. Revenues are included within user charges in the Consolidated Statement of Operations and expenses are primarily included within the Protection Services segment.

## 20. Funding Transfers from Other Governments

|                                   | Federal Grants | Provincial Grants | Other Grants | 2022          | 2021          |
|-----------------------------------|----------------|-------------------|--------------|---------------|---------------|
| General government services       | 45             | 297               | -            | 342           | 36,719        |
| Protection services               | -              | -                 | -            | -             | 211           |
| Transportation services           | 21             | 31,434            | 4            | 31,459        | 38,967        |
| Environmental services            | 12             | -                 | -            | 12            | 240           |
| Social and family services        | -              | 59                | -            | 59            | 66            |
| Recreation and cultural services  | 993            | 3,274             | 80           | 4,347         | 3,456         |
| Planning and development services | 15             | 822               | 11           | 848           | 1,201         |
| <b>Total</b>                      | <b>1,086</b>   | <b>35,886</b>     | <b>95</b>    | <b>37,067</b> | <b>80,860</b> |

During the current year, the City received total funding of \$12,128 (2021 \$85,930) from the provincial government as part of the Safe Restart and the COVID-19 Recovery for Municipalities agreements to address COVID-19-related operating pressures. The City recognized combined revenues of \$31,434 (2021 \$68,521) as Safe Restart funding transfer from other governments revenue comprising of \$19,306 (2021 \$48,261) recognized from Deferred Revenue - Obligatory Reserve Funds (**Note 6**), and \$12,128 (2021 \$20,260) which was recognized directly in the funding transfers from other government revenue. Interest applied to the respective Deferred Revenue - Obligatory Reserve Funds was \$1,078 (2021 \$819).

## 21. Contractual Rights

The City is involved with various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenues in the future.

The City has a number of federal and provincial funding agreements, revenues from incoming lease agreements for City-owned properties, and a number of third party contracts to provide shared services with estimated future funding/recoveries as follows:

|                               | 2023           | 2024           | 2025          | 2026          | 2027           | Total          |
|-------------------------------|----------------|----------------|---------------|---------------|----------------|----------------|
| Development Charge Agreements | 2,513          | 2,513          | 3,538         | 3,859         | 8,220          | 20,643         |
| Provincial Agreements         | 44,972         | 105,844        | 45,130        | 30,934        | 120,649        | 347,529        |
| Federal Agreements            | 74,216         | 99,113         | 30,435        | 32,225        | 145,198        | 381,187        |
| Incoming Lease Payments       | 2,605          | 2,229          | 1,762         | 1,745         | 1,651          | 9,992          |
| Third Party Contracts         | 5,459          | 1,623          | 2,024         | 1,610         | 8,381          | 19,097         |
| <b>Total</b>                  | <b>129,765</b> | <b>211,322</b> | <b>82,889</b> | <b>70,373</b> | <b>284,099</b> | <b>778,448</b> |

A transfer payment agreement with the Ministry of Transportation to support public transit infrastructure has been formally committed and officially communicated to the City and was signed/executed in April 2022. The City is expecting to receive

\$386,577 with the initial agreement and an additional \$224,613 which has been approved but not included in the original agreement.

## 22. Commitments

The City has entered into various operating leases for premises and vehicles. Anticipated payments under such leases during the next five years are as follows:

| Year         | Amount       |
|--------------|--------------|
| 2023         | 2,305        |
| 2024         | 1,166        |
| 2025         | 1,070        |
| 2026         | 1,111        |
| 2027         | 645          |
| <b>Total</b> | <b>6,297</b> |

The City has entered into an agreement with a third party to construct an Avro Arrow sculpture to be displayed in Malton for a remaining cost of up to \$2.2 million.

## 23. Contingent Assets

In the ordinary course of business, various claims and lawsuits are brought by the City. It is the opinion of management that the settlement of these actions will result in the City's favour and that the settlement amounts will be available for the City's use. These contingent assets are not recorded in these consolidated financial statements.

## 24. Recognition of Natural Assets (Unaudited)

The City has a variety of natural assets that provide ecosystem benefits and services and reduce some needs for engineered infrastructures. These natural assets include approximately 268,000 trees that moderate urban temperature, lower atmospheric carbon dioxide (CO<sub>2</sub>), reduce building energy use, mitigate rainfall run-off and flooding, moderate noise levels and improve air quality. Trees owned by Region of Peel, utility organizations and conservation authorities were not included in the City's tree inventory. The only exception to this methodology was newly planted trees that are included in the City's inventory, but do not require City maintenance because those trees are under supplier warranty for a period of time.

Canadian public sector accounting standards do not provide guidance for financial statement valuation and recording of natural assets or their related services; consequently, they are not reported in these consolidated financial statements. The City must continue to maintain its existing natural assets in order to deliver an expected level of service to its taxpayers.

In 2022, the City increased its investment in its natural assets by planting 50,000 new trees and surpassing the halfway milestone in its One Million Trees Program commitment. The City also completed two aerial spray applications for defoliating



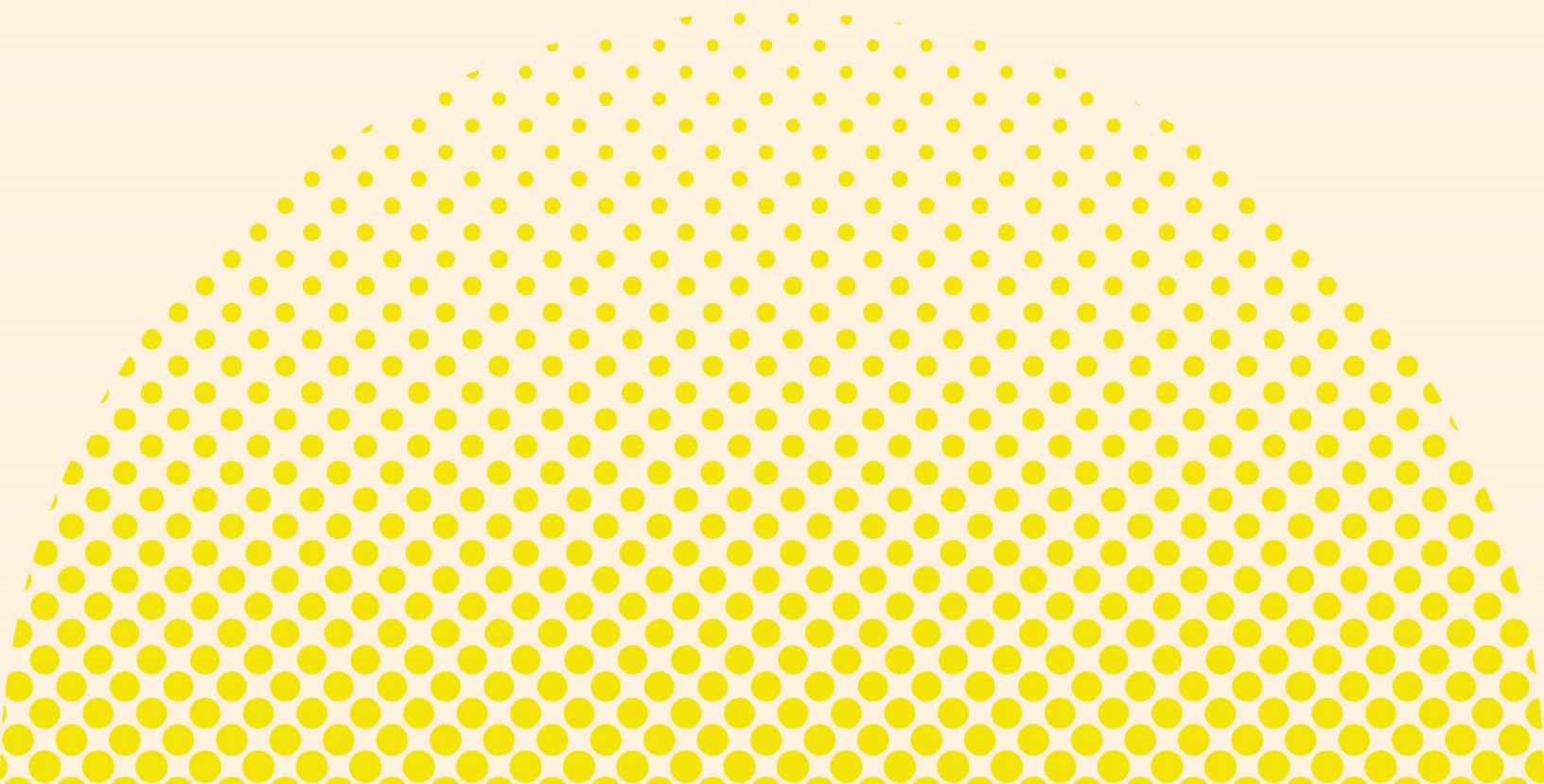
insect control, covering approximately 2,100 hectares of private and public land. The City's 2022 tree inventory is a 3.67 per cent increase over the 2021 inventory.

## **25. Comparative Figures**

Certain comparative information has been reclassified to the consolidated financial statement presentation adopted in the current year.

# **2022 Audited Trust Funds Financial Statements**

For the year ended December 31, 2022



## Management's Responsibility for Financial Reporting

For the year ended December 31, 2022

The accompanying financial statements of City of Mississauga Trust Funds ("Trust Funds") are the responsibility of the City of Mississauga's (the "City") management and have been prepared in accordance with Canadian Generally Accepted Accounting Principles 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, and 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 Trust Funds financial statements provide information on the cost of all the Trust Fund activities, how they were financed, investing activities and the assets and liabilities. The financial statements are reviewed and approved by the Director of Finance and Treasurer.

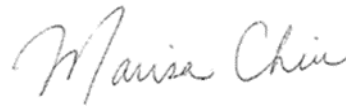
The City maintains a system of internal and financial controls designed to ensure that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation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

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

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.



Shari Lichterman  
City Manager and Chief Administrative  
Officer



Marisa Chiu  
Director of Finance and Treasurer



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

## **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, 2022
- 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, 2022, 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



## ***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.
- 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, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants  
Vaughan, Canada  
April 14, 2023



## City of Mississauga – Trust Funds Statement of Financial Position

As at December 31, 2022 with comparatives for 2021  
All dollar amounts are in \$000s

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

|   | Perpetual<br>Care | Election<br>Surplus | 2022<br>Total | 2021<br>Total |
|---|-------------------|---------------------|---------------|---------------|
| <b>Financial Assets</b>                             |                   |                     |               |               |
| Cash  | 166               | -                   | 166           | 226           |
| Accounts receivable                                 | 9                 | -                   | 9             | 7             |
| Due from City of Mississauga (Note 2)               | -                 | -                   |               | 46            |
| Investments (Note 3)                                | 942               | -                   | 942           | 804           |
| <b>Total Financial Assets</b>                       | <b>1,117</b>      | <b>-</b>            | <b>1,117</b>  | <b>1,083</b>  |
| <b>Financial Liabilities</b>                        |                   |                     |               |               |
| Due to City of Mississauga (Note 2)                 | 17                | -                   | 17            | -             |
| <b>Total Financial Liabilities</b>                  | <b>17</b>         | <b>-</b>            | <b>17</b>     | <b>-</b>      |
| <b>Net Financial Assets and Accumulated Surplus</b> | <b>1,100</b>      | <b>-</b>            | <b>1,100</b>  | <b>1,083</b>  |

## City of Mississauga – Trust Funds Statement of Operations

For the year ended December 31, 2022 with comparatives for 2021  
All dollar amounts are in \$000s

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

|  | Perpetual<br>Care | Election<br>Surplus | 2022<br>Total | 2021<br>Total |
|--|-------------------|---------------------|---------------|---------------|
| <b>Revenues</b>                                |                   |                     |               |               |
| Interest                                       | 33                | -                   | 33            | 28            |
| Burial receipts                                | 17                | -                   | 17            | 97            |
| <b>Total Revenues</b>                          | <b>50</b>         | <b>-</b>            | <b>50</b>     | <b>125</b>    |
| <b>Expenses</b>                                |                   |                     |               |               |
| Election surplus forfeited to City<br>(Note 5) | -                 | -                   | -             | -             |
| Cemetery maintenance                           | 33                | -                   | 33            | 28            |
| <b>Total Expenses</b>                          | <b>33</b>         | <b>-</b>            | <b>33</b>     | <b>28</b>     |
| <b>Annual Surplus/(Deficit)</b>                | <b>17</b>         | <b>-</b>            | <b>17</b>     | <b>97</b>     |
| Accumulated surplus, beginning of<br>year      | 1,083             | -                   | 1,083         | 986           |
| <b>Accumulated Surplus, end of year</b>        | <b>1,100</b>      | <b>-</b>            | <b>1,100</b>  | <b>1,083</b>  |

## City of Mississauga – Trust Funds

### Notes to the Financial Statements

For the year ended December 31, 2022  
(All dollar amounts are in \$000s)

#### 1. Significant Accounting Policies

The financial statements of the City of Mississauga Trust Funds are prepared by management in accordance with general accepted accounting principles (GAAP) for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

##### a) Basis of accounting

Perpetual Care revenue is reported on receipt and interest income is reported on the accrual basis of accounting. Expenditures are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and 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, 2022, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements:

(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. This standard is effective for fiscal years beginning on or after April 1, 2022 and applies when PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation are adopted (the City's December 31, 2023 year end).

(ii) PS 3450 – Financial Instruments establishes the standards on accounting for and reporting all types of financial instruments including derivatives. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year end).

(iii) PS 2601 – Foreign Currency Translation establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.

(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. This standard is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year end).

(v) 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, 2022 (the City's December 31, 2023 year end).

(vi) 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 City's December 31, 2024 year end).

(vii) 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 City's December 31, 2024 year end).

## **2. Due to/from the City of Mississauga**

This 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, 2022. The balance due to/from the City of Mississauga is non-interest bearing and due on demand.

## **3. Investments**

The total investments by the Trust Funds of \$942 (2021 - \$804) reported on the statement of financial position at cost, have a market value of \$801 (2021 - \$862) at the end of the year.

## **4. 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 therefrom are used to perform perpetual care maintenance to the municipality's cemeteries. The operations and investments of the Funds are undertaken by the City in accordance with the regulations of the *Funeral, Burial and Cremations Services Act, 2002*.

## 5. Election Trust Fund

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

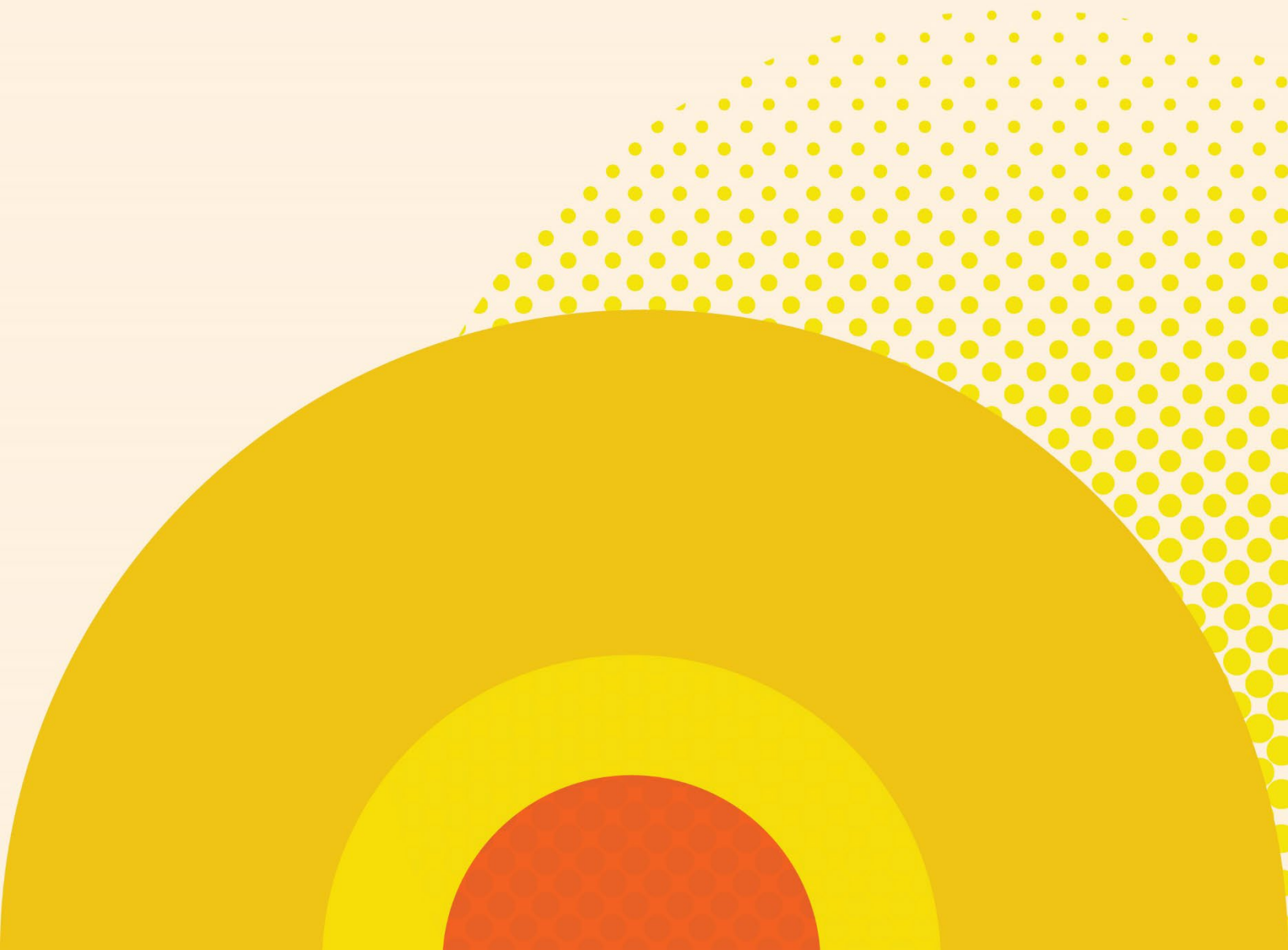
1. The election campaign period has ended under paragraph 2, 3 or 4 of subsection 88.24 (1).
2. It is no longer possible to recommence the campaign period under paragraph 5 of subsection 88.24 (1).
3. No recount, proceeding under section 83 (controverted elections) or compliance audit has been commenced.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

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:

1. The campaign period has ended under paragraph 2 or 3 of section 88.28.
2. It is no longer possible to recommence the campaign period under paragraph 4 of section 88.28.
3. No compliance audit has been commenced.
4. 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.

# Statistical Section





## Five-year Statistics Review

The Five-year Statistics Review section is unaudited.

### Mississauga

|                            | 2022    | 2021    | 2020    | 2019    | 2018    |
|----------------------------|---------|---------|---------|---------|---------|
| Population*                | 804,000 | 798,000 | 783,000 | 779,100 | 775,000 |
| Area in acres              | 72,200  | 72,200  | 72,200  | 72,200  | 72,200  |
| Households                 | 254,500 | 247,010 | 254,000 | 251,900 | 250,000 |
| City employees             |         |         |         |         |         |
| Full-time                  | 4,786   | 4,995   | 5,083   | 2,008   | 4,299   |
| Full-time per 1,000 people | 6.0     | 6.3     | 6.5     | 6.4     | 5.5     |
| Part-time and seasonal     | 2,336   | 2,204   | 2,375   | 2,574   | 2,725   |

\*Source: Regional Growth Forecast

### Mississauga Economic Indicators

|  | 2022      | 2021      | 2020      | 2019      | 2018      |
|--|-----------|-----------|-----------|-----------|-----------|
| Value of Construction Activity (\$000s)  | 2,541,917 | 2,093,849 | 1,448,143 | 1,792,546 | 1,850,388 |
| Unemployment Rate  | 7.0%      | 10.9%     | 12.4%     | 6.0%      | 6.0%      |
| Inflation estimate based on Annual Consumer Price Index, annual average, not seasonally adjusted | 6.5%      | 2.9%      | 0.3%      | 2.0%      | 2.5%      |

### Top Employers (1,000+ Employees)

|  |                                   |
|--|-----------------------------------|
| Air Canada                                   | Hewlett-Packard (Canada)          |
| Alectra Utilities                            | Maple Leaf Consumer Foods         |
| Bank of Montreal                             | McDonald's                        |
| Bell Canada                                  | Peel District School Board        |
| Blackberry                                   | Point Click Care                  |
| Canada Post                                  | Region of Peel                    |
| Canada Revenue Agency                        | Royal Bank of Canada              |
| Canadian Imperial Bank of Commerce           | SNC Lavalin Nuclear/Candu Energy  |
| Citi Canada                                  | Sobeys National                   |
| City of Mississauga                          | TJX Canada                        |
| Dufferin-Peel Catholic District School Board | TD Bank Financial Group           |
| Erie Meat Products                           | Tim Hortons                       |
| Federal Express Canada                       | Trillium Health Partners          |
| GlaxoSmithKline                              | Tyco Integrated Fire & Security   |
| Golden Life Financial Solutions              | University of Toronto Mississauga |
| Greater Toronto Airports Authority           | Walmart Canada                    |

## Property Tax & Assessment

### Tax Assessment Information

| Taxable assessment on which the year's rates of taxation were set (\$)    | 2022               | 2021               | 2020               | 2019               | 2018               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Residential, farm, multi-residential                                      | 133,300,602        | 132,033,516        | 131,212,505        | 123,260,608        | 115,124,305        |
| Commercial, industrial, other   | 37,914,805         | 37,957,167         | 38,235,907         | 36,390,271         | 34,989,192         |
| <b>Total Taxable Assessment</b>   | <b>171,215,407</b> | <b>169,990,683</b> | <b>169,448,412</b> | <b>159,650,879</b> | <b>150,113,497</b> |
| Commercial, industrial and business as a percentage of taxable assessment | 22.1%              | 22.3%              | 22.6%              | 22.9%              | 23.3%              |

### Tax Rate Information

| Residential and Farm  | 2022             | 2021             | 2020             | 2019             | 2018             |
|-----------------------|------------------|------------------|------------------|------------------|------------------|
| For City purposes     | 0.302366%        | 0.289455%        | 0.281356%        | 0.283393%        | 0.286885%        |
| For Region purposes   | 0.374372%        | 0.360608%        | 0.351606%        | 0.357050%        | 0.366591%        |
| For School purposes   | 0.153000%        | 0.153000%        | 0.153000%        | 0.161000%        | 0.170000%        |
| <b>Total Tax Rate</b> | <b>0.829738%</b> | <b>0.803063%</b> | <b>0.785963%</b> | <b>0.801443%</b> | <b>0.823476%</b> |

| Commercial            | 2022             | 2021             | 2020             | 2019             | 2018             |
|-----------------------|------------------|------------------|------------------|------------------|------------------|
| For City purposes     | 0.458683%        | 0.439096%        | 0.426811%        | 0.425301%        | 0.423786%        |
| For Region purposes   | 0.567914%        | 0.547034%        | 0.533379%        | 0.535841%        | 0.541529%        |
| For School purposes   | 0.880000%        | 0.880000%        | 0.944727%        | 0.981594%        | 1.018727%        |
| <b>Total Tax Rate</b> | <b>1.906597%</b> | <b>1.866130%</b> | <b>1.904916%</b> | <b>1.942736%</b> | <b>1.984042%</b> |

| Industrial            | 2022             | 2021             | 2020             | 2019             | 2018             |
|-----------------------|------------------|------------------|------------------|------------------|------------------|
| For City purposes     | 0.488328%        | 0.467476%        | 0.454396%        | 0.460970%        | 0.462102%        |
| For Region purposes   | 0.604619%        | 0.582389%        | 0.567851%        | 0.580781%        | 0.590490%        |
| For School purposes   | 0.888000%        | 0.880000%        | 1.066032%        | 1.117296%        | 1.171562%        |
| <b>Total Tax Rate</b> | <b>1.980947%</b> | <b>1.929865%</b> | <b>2.088279%</b> | <b>2.159047%</b> | <b>2.224154%</b> |

## Property Tax Information

|  | 2022             | 2021             | 2020             | 2019             | 2018             |
|--|------------------|------------------|------------------|------------------|------------------|
| Tax levies (\$000s):                   |                  |                  |                  |                  |                  |
| City portion                           | 583,386          | 555,050          | 539,535          | 512,768          | 486,875          |
| Region portion                         | 722,314          | 691,491          | 671,755          | 643,697          | 619,985          |
| School board portion                   | 536,018          | 534,476          | 565,192          | 560,207          | 552,368          |
| <b>Total Tax Levies</b>                | <b>1,841,718</b> | <b>1,781,017</b> | <b>1,776,482</b> | <b>1,716,672</b> | <b>1,659,228</b> |
| Taxes collected (\$000s):              |                  |                  |                  |                  |                  |
| City collection                        | 574,249          | 581,929          | 503,153          | 510,738          | 475,286          |
| Taxes transferred to the Region        | 722,314          | 691,491          | 671,755          | 673,697          | 619,985          |
| Taxes transferred to the school boards | 536,018          | 534,476          | 565,192          | 560,207          | 552,368          |
| <b>Total Taxes Collected</b>           | <b>1,832,581</b> | <b>1,807,896</b> | <b>1,740,100</b> | <b>1,744,642</b> | <b>1,647,639</b> |
| Tax arrears:                           |                  |                  |                  |                  |                  |
| Taxes receivable (\$000s)              | 66,237           | 57,100           | 83,979           | 47,597           | 45,567           |
| Taxes receivable per capita (\$)       | 82               | 72               | 107              | 61               | 59               |
| Percentage of current levy             | 3.6%             | 3.2%             | 4.7%             | 2.8%             | 2.7%             |

## 10 Largest Corporate Property Taxpayers

| Owner                               | Assessment Value (\$) |
|-------------------------------------|-----------------------|
| Orlando Corporation                 | 2,680,021,000         |
| OMERS Realty Management Corporation | 1,394,571,900         |
| The Canada Life Assurance Company   | 626,592,000           |
| OPB (EMTC)                          | 433,524,000           |
| Chiefton Investments Limited        | 405,307,000           |
| Canadian Property Holdings          | 321,461,000           |
| Airway Centre                       | 304,640,000           |
| Select Properties                   | 229,989,000           |
| Meadowvale Holdings Limited         | 214,458,000           |
| Hoopp Realty                        | 189,022,900           |
| <b>Top Ten Assessment Total</b>     | <b>6,799,586,800</b>  |

## Five-year Financial Review

### Consolidated Revenue (\$'000s)

|  | 2022             | 2021             | 2020             | 2019             | 2018             |
|--|------------------|------------------|------------------|------------------|------------------|
| Property taxation  | 582,214          | 552,436          | 537,830          | 520,504          | 494,118          |
| Taxation from other governments  | 17,494           | 38,762           | 34,994           | 30,479           | 31,664           |
| Municipal Accommodation Tax (Note 4)   | 12,279           | 5,907            | 3,799            | 12,152           | 8,990            |
| User charges   | 232,734          | 184,236          | 168,587          | 263,215          | 258,215          |
| Recoveries from third parties  | 34,696           | 16,699           | 19,415           | 29,117           | 12,991           |
| Funding transfers from other governments   | 37,067           | 80,860           | 65,597           | 14,086           | 34,964           |
| Development and other contributions applied  | 100,368          | 154,415          | 150,930          | 90,407           | 76,548           |
| Investment income  | 36,374           | 32,711           | 32,049           | 43,607           | 35,305           |
| Penalties and interest on taxes  | 14,825           | 14,592           | 5,334            | 10,806           | 9,805            |
| Contributed and assumed assets   | 75,591           | 35,899           | 27,197           | 62,392           | 49,581           |
| Other  | 3,949            | 2,698            | 10,128           | 5,604            | 20,158           |
| City's share of net income in Enersource Corporation   | 15,890           | 28,712           | 17,467           | 10,758           | 30,268           |
| Gain on acquisition of Living Arts Centre  | -                | -                | -                | 1,455            | -                |
| City's Share of dilution gain recognized on Alectra's amalgamation with Guelph Hydro Electric Systems Inc. (GHESI) | -                | -                | -                | 1,324            | -                |
| <b>Total Revenue</b>   | <b>1,163,481</b> | <b>1,147,927</b> | <b>1,073,327</b> | <b>1,095,906</b> | <b>1,062,607</b> |
| Revenue per capita   | 1,447            | 1,439            | 1,371            | 1,407            | 1,371            |

### Consolidated Expenses by Function (\$'000s)

|  | 2022             | 2021           | 2020           | 2019           | 2018           |
|--|------------------|----------------|----------------|----------------|----------------|
| General government services                        | 228,713          | 219,344        | 219,367        | 258,714        | 196,251        |
| Protection services                                | 156,353          | 151,117        | 140,545        | 35,446         | 133,209        |
| Transportation services                            | 377,116          | 354,347        | 345,802        | 345,613        | 341,197        |
| Environmental services                             | 20,995           | 21,082         | 19,650         | 18,121         | 22,998         |
| Health services                                    | 791              | 740            | 566            | 560            | 557            |
| Social and family services                         | 581              | 481            | 487            | 638            | 648            |
| Recreation and cultural services                   | 197,959          | 174,762        | 157,353        | 174,978        | 170,252        |
| Planning and development services                  | 28,701           | 27,039         | 22,665         | 22,841         | 23,406         |
| Loss/(gain) on disposal of tangible capital assets | (40)             | 849            | 2,372          | 2,504          | 49,994         |
| <b>Total Consolidated Expenses by Function</b>     | <b>1,011,169</b> | <b>949,761</b> | <b>908,807</b> | <b>959,415</b> | <b>938,512</b> |
| <b>Annual Surplus/(Deficit)</b>                    | <b>152,312</b>   | <b>198,166</b> | <b>164,520</b> | <b>136,491</b> | <b>124,095</b> |
| <b>Net Financial Assets</b>                        | <b>953,113</b>   | <b>935,220</b> | <b>834,335</b> | <b>788,191</b> | <b>718,292</b> |

## Consolidated Expenses by Object (\$000s)

|  | 2022             | 2021           | 2020           | 2019           | 2018           |
|--|------------------|----------------|----------------|----------------|----------------|
| Salary, wages and employee benefits                | 574,880          | 555,219        | 529,475        | 533,044        | 513,720        |
| Long-term debt interest and fees                   | 5,676            | 4,677          | 4,821          | 4,507          | 4,467          |
| Materials and supplies                             | 83,429           | 55,147         | 61,737         | 65,049         | 64,613         |
| Contracted services                                | 104,241          | 100,035        | 86,812         | 138,702        | 85,157         |
| Rents and financial expenses                       | 78,151           | 77,859         | 71,844         | 68,770         | 72,899         |
| External transfers to others                       | 14,880           | 4,783          | 7,091          | 6,741          | 7,194          |
| Loss/(gain) on disposal of tangible capital assets | (40)             | 849            | 2,372          | 2,504          | 49,994         |
| Amortization                                       | 149,952          | 150,343        | 144,655        | 140,098        | 140,468        |
| <b>Total Consolidated Expenses by Object</b>       | <b>1,011,169</b> | <b>948,912</b> | <b>908,807</b> | <b>959,415</b> | <b>938,512</b> |

## Debt (\$000s)

|   | 2022    | 2021    | 2020    | 2019    | 2018    |
|---|---------|---------|---------|---------|---------|
| Long-Term Liabilities:  |         |         |         |         |         |
| General municipal activities                                    | 249,095 | 237,322 | 176,434 | 205,193 | 181,491 |
| Per capita  | 310     | 297     | 225     | 263     | 234     |
| Interest Charges for Long-Term Liabilities:                     |         |         |         |         |         |
| General municipal activities                                    | 5,676   | 4,677   | 4,821   | 4,507   | 4,467   |
| Per capita  | 7.06    | 5.86    | 6.16    | 5.78    | 5.76    |
| Debt Repayment Limit (as determined by the Province of Ontario) | 165,320 | 190,048 | 184,064 | 176,282 | 172,748 |

## Tangible Capital Assets (\$000s)

|  | 2022      | 2021      | 2020      | 2019      | 2018      |
|--|-----------|-----------|-----------|-----------|-----------|
| Net book value                                   | 8,584,034 | 8,457,200 | 8,363,128 | 8,245,855 | 8,180,906 |
| Amortization                                     | 149,952   | 150,343   | 144,655   | 140,098   | 140,468   |
| Operating fund transfers to capital reserve fund | 121,710   | 121,098   | 102,364   | 92,405    | 88,545    |

## Accumulated Surplus (\$000s)

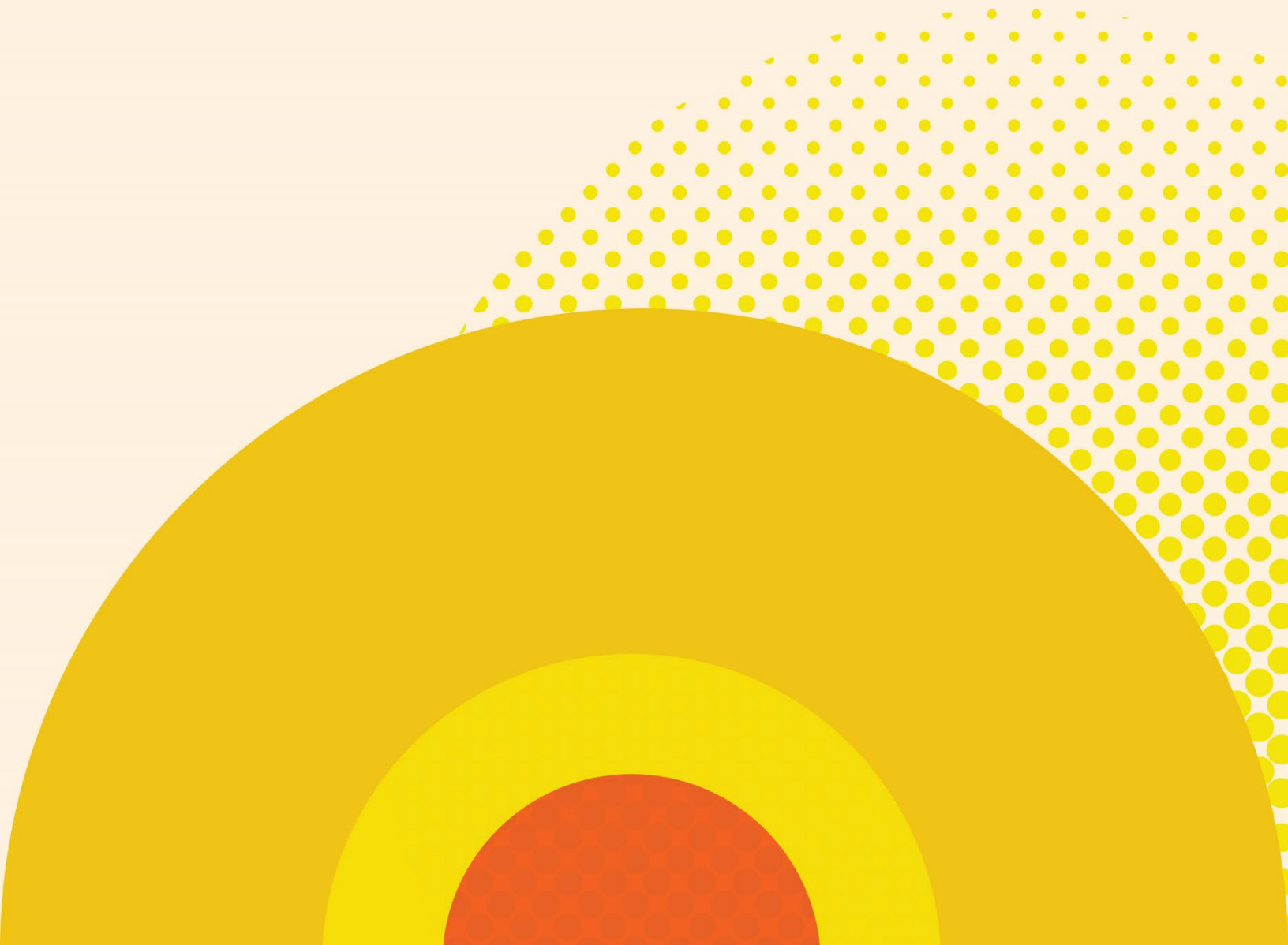
|                                       | 2022             | 2021             | 2020             | 2019             | 2018             |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Investment in tangible capital assets | 8,584,034        | 8,457,200        | 8,363,128        | 8,245,855        | 8,180,906        |
| Operating surplus                     | -                | -                | 119              | -                | -                |
| Unexpended capital                    | -                | -                | 164,357          | 204,257          | 145,032          |
| Long-term debt                        | (249,095)        | (237,322)        | (176,434)        | (205,193)        | (181,491)        |
| Enersource Corporation                | 505,416          | 510,531          | 498,520          | 498,783          | 502,361          |
| Living Arts Centre                    | -                | -                | -                | 120              | -                |
| Unfunded employee benefits            | (240,740)        | (231,246)        | (220,439)        | (207,034)        | (209,650)        |
| Reserves                              | 129,503          | 125,341          | 115,321          | 90,750           | 80,870           |
| Reserve funds                         | 827,715          | 780,017          | 466,013          | 418,527          | 391,546          |
| <b>Total Accumulated Surplus</b>      | <b>9,556,833</b> | <b>9,404,521</b> | <b>9,210,585</b> | <b>9,046,065</b> | <b>8,909,574</b> |

## Trust Funds

|       | 2022  | 2021  | 2020 | 2019 | 2018 |
|-------|-------|-------|------|------|------|
| Total | 1,100 | 1,083 | 986  | 919  | 900  |



# Sustainability Section



## Sustainability Reporting

There are many evolving industry frameworks on sustainability accounting and reporting. The City of Mississauga's commitment to sustainability reporting began with the [2020 Annual Financial and Sustainability Report](#). For the 2022 annual report, information is included about the City's current sustainability-related initiatives. These are organized under the [Integrated Reporting](#) framework capitals (human, financial, manufactured, intellectual, social and relationship, and natural) with connections noted to the [United Nations' Sustainable Development Goals](#). Climate change-related initiatives are reported using recommendations made by the international [Task Force on Climate-related Financial Disclosures](#).

Sustainability is not new to the City of Mississauga. The City's commitment to sustainability is guided by notable plans, strategies, processes, and frameworks, including:

- [The Living Green Master Plan](#) (2012)
- [The Sustainable Procurement Policy](#) (2018)
- [The Climate Change Action Plan](#) (2019)

The City's [Strategic Plan](#) is Mississauga's highest-level policy document, created to shape and direct strategic decision-making for our city. All other City documents align with the Strategic Plan's five pillars: move, belong, connect, prosper and green.

While not all global reporting standards apply to municipal government operations, linkages between the City's pillars to the United Nations' Sustainable Development Goals are noted below.

### MOVE

Develop a transit-oriented city.



### BELONG

Ensuring youth, older adults and new immigrants thrive



## CONNECT

Completing our neighbourhoods



## PROSPER

Cultivating creative and innovative businesses



## GREEN

Living green



## Human Capital

Human capital represents the stock of competencies, experience, motivational level, knowledge, social and personality attributes embodied in an organization's ability to perform work to produce or create value. Organizations rely on human capital to achieve goals and remain innovative. Human, intellectual, and social and relationship capital are related concepts.

Employees play a key role in the City's performance and future success. An experienced and trained workforce makes it possible for an organization to operate. Poor work standards can be damaging to human capital and be detrimental to the organization's ability to meet its objectives. Human capital is considered a core asset for the City. Labour and benefits represented approximately 54 per cent of operating expenditures in 2022. By ensuring that employees are equipped with the knowledge, skills and motivation to be successful, the City will continue to be a place where employees want to work. The City of Mississauga was named a best place to work in Canada by both [Forbes](#) and Glassdoor for 2022.

### Trends, Risks and Challenges

There are a number of trends, risks and challenges related to supporting and developing human capital within the Corporation of the City of Mississauga. Some of the trends, risks and challenges are similar to those faced by other municipalities across Canada. They include:

- High demand for qualified skills on the labour market and pressure to flex and individualize compensation (including salary, benefits, recognition, and perks)
- A strong emphasis on diversity and inclusion
- Remote working and employees' preference for hybrid workplace catered to individual work-life responsibilities
- Labour market shortages particularly in niche and technical jobs
- A shift from traditional talent acquisition methods to a new focus on social media and professional networks
- Challenges arising from a common talent pool being pursued by other municipalities and the broader public sector
- A continued focus on the importance of mental health and providing flexibility for employees while balancing work and personal life

### Opportunities for the Future

- Implementing the 2019-2023 People Strategy
- Continuing to focus on equity, diversity and inclusion, including implementing recommendations from the Workforce Diversity & Inclusion Strategy, and developing the next installment of the Strategy
- Implementing the Workplace Psychological Health and Safety Strategy to promote workers' psychological well-being

- Using new talent acquisition methods to address labour market skills shortages in niche and technical jobs
- Continuing to enhance the new HR Service Delivery model by introducing technology for employees, leaders and HR Service Hub including standardization, automation and modernization of technology for HR programs and processes
- Continuing to introduce and explore flexible and innovative compensation offerings including benefits, recognition and employee perks
- Ensuring internal equity and legislative compliance through the modernized job evaluation program

### Metrics and Statistics

| City of Mississauga Workforce         | 2022  | 2021  |
|---------------------------------------|-------|-------|
| Number of Employees as of December 31 | 6,737 | 6,652 |
| Full-time                             | 4,654 | 4,679 |
| Part-time and seasonal                | 2,083 | 1,973 |
| Number of new hires                   | 1,363 | 879   |
| Number of jobs posted                 | 642   | 484   |
| Retirement rate                       | 3.83% | 3.36% |
| Employee turnover                     | 5.50% | 4.29% |

## Financial Capital

Financial capital represents the stock of monetized assets, including cash and cash equivalents, reserve funds, reserves and investments that can be used by an organization to produce goods or to provide services to create value.

The City's financial capital includes its monetary resources, which are obtained primarily through taxation, user fees, debt, and funding from other levels of government. Funding mechanisms such as provincial and federal funding, third-party funding and recoveries, the use of reserves and reserve funds, debt, cash and investments are the main sources of our financial capital. Financial capital supports the programs and services that residents, businesses and visitors use and enjoy.

The City is committed to delivering services economically and efficiently. Some of the measures used to monitor financial management performance include:

- A municipality's **credit rating** demonstrates its financial strength and viability, and affects its ability to secure lower borrowing costs. "AAA" is the highest rating an organization can receive from a bond rating agency. The City received its first credit rating (AAA) from Standard & Poor's Global Ratings agency in 2004 and has continued to maintain the AAA credit rating for 19 years through prudent financial management and investment practices
- The **investment yield in excess of benchmark** measure provides a true picture of investment success. The measure is achieved by comparing the City's return on investments to industry-standard benchmark returns. The City has a goal to exceed the benchmark by at least one-half of one per cent per year
- The City strives to maintain adequate reserves and reserve funds to assist with long-term financial stability and financial planning. Reserves also affect the City's credit rating. The **reserves against target** measure shows the extent to which targeted reserve levels are achieved across the six different reserves benchmarked, with a goal of achieving a target average of at least 100 per cent. The Financial Statement Section of this report provides a more in-depth discussion and analysis of the City's financial capital

While the City continues to face new and recurring problems, the goal is to find and implement new, efficient and sustainable financial strategies to support City programs, services and infrastructure.

## Trends, Risks and Challenges

- Reducing the City's infrastructure gap
- Managing and maximizing investments and investment earnings in an unstable economy
- Identifying opportunities for efficiencies and improvements that can lead to financial savings or cost avoidance within the organization
- Transforming the financial side of the business with better technology
- Lobbying for ongoing, sustainable upper-level government funding



- Adapting to new and changing legislative requirements
- Balancing limited financial resources for ongoing asset management requirements
- Prioritizing City services, programs and capital investments based on available funding
- Preparing for future financial impacts resulting from climate-related events

### Opportunities for the Future

- Developing and administering policies and processes that enhance financial reporting, manage assets and facilitate compliance with legislation and accounting standards
- Continuing to develop the City's Asset Management Plan
- Upgrading financial systems
- Incorporating Lean practices to standardize, simplify and automate work processes
- Integrating sustainability factors into reporting and accounting activities
- Leveraging unused debt capacity and lower borrowing rates
- Lobbying upper levels of government for sustained and reliable sources of funding

### Metrics and Statistics

| City Investments                            | 2022                          | 2021                           | 2020          |
|---|-------------------------------|--------------------------------|---------------|
| Average Balance (Book Value \$)             | 1,646,352,502                 | 1,447,504,465                  | 1,275,724,302 |
| Income (Gross \$)                           | 47,059,186                    | 43,586,903                     | 41,546,859    |
| Yield (Gross %)                             | 2.86%                         | 3.01%                          | 2.99%         |
| Yield (Net %)                               | 2.83%                         | 2.99%                          | 3.23%         |
| Reserve or Reserve Fund                     | 2022 Year End Target (\$000s) | 2022 Year End Balance (\$000s) | % to Target   |
| Fiscal Stability Reserve                    | 71,838                        | 50,829                         | 71%           |
| Tax Capital Reserve Fund                    | 133,000                       | 160,796                        | 121%          |
| Canada Community-Building Fund Reserve Fund | 41,900                        | 61,644                         | 147%          |
| Provincial Gas Tax Reserve Fund             | 18,000                        | 35,449                         | 197%          |

## Manufactured Capital

Manufactured capital represents the physical infrastructure that supports the City's workforce to help produce services for our residents, businesses and visitors.

Manufactured capital should be flexible, innovative, efficient and sustainable and be used to decrease resource usage and increase efficiency within the organization. The City's manufactured capital includes brick and mortar City facilities, IT infrastructure such as servers and computer equipment, and linear infrastructure.

Building and maintaining infrastructure is a key strategic goal in the City's Strategic Plan and one of the four corporate priorities for business planning. The City applies effective asset management practices, which include taking inventory of what the City owns, conducting regular inspections, prioritizing work needs, preparing appropriate asset renewal projections and programs while monitoring and reporting on projected asset conditions.

Every year, the City prepares a 10-year capital budget. The forecasted capital budget provides funding to maintain the City's existing infrastructure in a state of good repair and for the development of new infrastructure required to advance on the Strategic Plan and master plans.

## Trends, Risks and Challenges

- Infrastructure continues to be one of the most expensive costs for municipalities. The City's 2022 budget identified \$1.5 billion in unfunded capital projects in the 2022-2031 capital program
- Future Directions master plans are currently being updated for Culture; Fire & Emergency Services; Mississauga Library; Parks, Forestry & Environment; and Recreation. The actions identified in these master plans cannot move forward without funding from either the operating or capital budgets
- As Mississauga continues to mature as a city, the City's infrastructure is aging and maintenance costs are increasing
- The City needs additional annual funding of approximately \$52 million to address the Infrastructure Gap and maintain City assets in a state of good repair (excluding Stormwater)
- Changes in legislation often impact municipalities. In 2017, the Government of Ontario introduced and enacted Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure. This regulation required all municipalities to prepare and publish an enhanced asset management plan for core infrastructure (which includes roads, bridges and stormwater) by July 1, 2022. Council approved its Corporate Asset Management Plan for core infrastructure in 2021

## Opportunities for the Future

- To assist in the decision-making process for allocating limited capital funds, applying a prioritization methodology ensures that a balance of lifecycle projects, enhancements and high-priority new services are included in the capital program

- The City continues to advocate for ongoing sustainable infrastructure funding from other levels of government, acknowledging those commitments made to date by the provincial and federal governments to help sustain City infrastructure
- The City continues to enhance the City's asset management strategies and reporting to align with Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure
- A key component for mobility within Mississauga is ensuring the appropriate investments are made in Higher Order Transit (HOT) initiatives such as the Dundas Bus Rapid Transit (BRT), Lakeshore HOT Corridor, Downtown Mississauga Terminal and the Transitway Connection

## Metrics and Statistics

### Mississauga's Infrastructure

Each year, the City produces [a document](#) that provides information on the estimated replacement cost for currently-owned infrastructure. In 2022, this estimated cost was \$14.2 billion. This infrastructure includes:

| Asset Category          | 2022 Estimated Replacement Cost | Examples of Assets  |
|-------------------------|---------------------------------|---|
| Walking & Cycling       | \$584 million                   | 390 km of multi-use trails, bike lanes & signed bike routes;<br>2,420 km of sidewalks |
| Street & Traffic Lights | \$606 million                   | 570 signalized intersections;<br>47,280 street lights                                 |
| Parks & Open Spaces     | \$466 million                   | 266 playgrounds;<br>18 pools;<br>375 sports fields                                    |

### 2022 Financial Impact of Climate-related Events

- 35 enhanced monitoring events
- The Emergency Operations Centre and the Works Incident Management Team were partially activated twice due to an ice jam on the Credit River and a severe winter storm
- No full activations
- The extraordinary costs to the City related to these emergency events were absorbed within the City's operating budget

## Intellectual Capital

Intellectual capital represents the stock of organizational knowledge and competence that is used to create value. It includes areas like the City's brand and reputation, organizational and information assets, technology systems, policies, procedures and communication. The City relies upon these internal business processes and systems to deliver its services and provide systems of control and security over the organization.

Employee expertise, technology and strategic communications work in tandem to build the foundation for the City's intellectual capital. They collectively enhance efficiency, boost productivity, fortify resilience, strengthen security measures, and enable effective control mechanisms. Furthermore, they empower the organization to navigate and overcome various obstacles and uncertainties, demonstrating their value in tackling complex challenges and ensuring continuity in times of disruption.

There are two key service areas that contribute to the City's intellectual capital:

- Information Technology focuses on innovative, reliable, responsive and secure information technology planning, management, service delivery, support, and maintenance to enable City services and drive efficiencies. This includes all systems, applications, computers, networks, data, Internet access, security and policies critical to the delivery of City services seven days a week, 365 days a year
- General Government supports diligent business planning and reporting, and keeps the organization safely, fairly and inclusively staffed and supplied; properly financed and accounted for; legally compliant and transparent; connected and communicating with stakeholders; and innovating and performing at a high standard of efficiency

The City will continue to invest in intellectual capital to build a stronger, more efficient, more informed and a more secure city for the future.

## Trends, Risks and Challenges

- Cybersecurity and data security
- Business continuity and disaster preparedness
- Increased resident expectations for more online self-service options
- Introduction of virtual reality and artificial intelligence
- Continued provision of free Wi-Fi
- Expanded data analytics and data governance
- Unplanned situations or crises requiring immediate responses
- Government advocacy in a crowded media and stakeholder environment
- Fostering and strengthening trust in government in an increasingly polarized world
- Dispelling and combating misinformation in a fragmented media landscape
- Newer or emerging technologies (i.e., 5G mobility)

- Cloud computing
- Incorporation of WSSD Sustainability principles into City process
- Support a Smart City by leveraging innovation and new models to ensure and maintain a well-run City

### Opportunities for the Future

- Reprioritizing work to ensure business continuity and disaster preparedness
- Continuing investment in cybersecurity
- Maintaining IT infrastructure in a state of good repair
- Supporting a mobile workforce
- Enhancing open data
- Enhancing citizen engagement using virtual tools for committees and public events
- Embedding the values of equity, diversity and inclusion into communication strategies and tactics to ensure messages reaches all audiences within the city
- Combining advocacy with communications to make a stronger case for the city's priorities
- Expanding and strengthening government relations and advocacy to ensure Mississauga's voice is heard on issues that are critical to the city's future growth, prosperity and quality of life
- Communicating and promoting the City's vision for the future as the City and its services transition from a two-tier municipal structure to a single upper-tier municipal government
- Celebrating and sharing the successes achieved over the past five decades as Mississauga approaches its 50<sup>th</sup> anniversary as a city

### Metrics and Statistics

| Resident Inquiries Received by Channel | 2022           | 2021           |
|--|----------------|----------------|
| Telephone                              | 229,387        | 269,309        |
| Online/Web                             | 79,095         | 68,653         |
| Email                                  | 12,804         | 11,538         |
| Mobile/Pingstreet App                  | 7,682          | 5,565          |
| Welcome Desk (City Hall)               | 6,208          | N/A*           |
| Social Media                           | 598            | 778            |
| <b>Total Inquiries</b>                 | <b>335,775</b> | <b>355,843</b> |

\*In-person Welcome Desk at City Hall was launched in July 2022

| <b>Top Five Resident Inquiries Received by Type</b> | <b>2022</b> |
|---|-------------|
| Parking Enforcement                                 | 110,127     |
| Revenue   | 63,754      |
| General Inquiries                                   | 33,993      |
| Transportation & Works                              | 27,135      |
| Planning & Building                                 | 20,279      |

| <b>IT Metrics</b>           | <b>2022</b> | <b>2021</b> |
|-----------------------------|-------------|-------------|
| City website unique visits  | 16.0 M      | 12.5 M      |
| Self-serve web applications | 81          | 79          |



## Social and Relationship Capital

Social and relationship capital represents the relationships between the City and its communities (residents and businesses), visitors, groups of stakeholders like interest groups, governments, suppliers, business partners and other networks that the City relies on and contributes to, through activities.

Social and relationship capital enables the sharing of information, resources or services to enhance individual and collective well-being. The City's relationships with customers, visitors, stakeholders, suppliers and other levels of government are based on ethics and transparency. This applies in particular to digital transformation, an essential part of our strategic progress to enhance the customer experience, among other goals.

Social and relationship capital also recognizes that social networks lead to increased productivity in individuals, teams, organizations and a vibrant community.

All City service areas contribute to social and relationship capital in different ways, through programs, services and communications. Culture, Mississauga Library, Recreation, and Planning & Building are a few of the many key City contributors to this capital.

## Trends, Risks and Challenges

- Keeping pace with demographic shifts, including an aging population
- Maintaining sufficient spaces for youth to promote healthy and active lifestyles
- Promoting access and inclusion to ensure all populations are engaged
- Increasing support for the creative economy through film and television permits, and growing the music industry
- Increasing attendance and participation in City-funded festivals, events and initiatives
- Addressing the need for more dedicated cultural and economic spaces – increasing and improving spaces at Meadowvale Theatre, Living Arts Centre and Culture Hubs, and Mississauga's Business and Entrepreneur Centre
- Providing more digital resources as well as mobile devices to bridge the digital divide
- Implementing virtual programs to connect with residents beyond traditional recreational spaces
- Creating multi-use spaces in libraries including digital hubs and makerspaces, quiet spaces and physical collections access for personal use or social gatherings

## Opportunities for the Future

- Updating Future Directions Master Plans for Culture, Mississauga Library, and Recreation to reflect the City's rapidly changing trends, infrastructure and service delivery needs

- Strategically increasing service delivery for youth and older adults using plans like the Older Adult Plan for Recreation (2019) and Youth Plan for Recreation (2020) as guidance
- Advancing Reconciliation and increasing Indigeneity through Indigenous-led collaboration
- Housing is a top priority for Mississauga and also for the Province of Ontario, which has set a goal of delivering 1.5 million homes over the next decade. The provincial government has issued municipal housing targets to cities across Ontario. Mississauga's housing target is 120,000 new units. Mississauga City Council endorsed [Growing Mississauga: An Action Plan for New Housing](#) on March 1, 2023 to help get more homes built, streamline building approvals and make homes more affordable
- Building an arts-friendly city
- Enhancing and improving cultural spaces and places, aiming to make them inspiring, welcoming and creative
- Expanding and growing leadership in the cultural sector
- Supporting an authentic cultural identity that is welcoming, inspiring and enriching
- Providing diverse programming that meets the needs of the community
- Recognizing the Library as a key learning institution
- Advancing strategic initiatives and priority development opportunities that will support the City's growth and prosperity
- Attracting business investment in key sectors and supporting entrepreneurship, innovation and talent development

## Metrics and Statistics

| Older Adult Groups                              | 2022        | 2021        |
|---|-------------|-------------|
| Registered older adult groups                   | 34          | 34          |
| Registered members of older adult groups        | 9,248       | 10,286      |
| Activities/events offered to older adult groups | 8,031       | 6,264       |
| Attendance in older adult group programs        | 128,496     | 106,416     |
| <b>Library Circulation</b>                      | <b>2022</b> | <b>2021</b> |
| Collection size                                 | 1,012,319   | 892,664     |
| Physical circulation                            | 3,824,503   | 2,456,945   |
| Digital circulation                             | 2,015,246   | 2,287,476   |

## Natural Capital

Natural capital refers to the planet's stocks of water, land, air, and renewable and non-renewable resources (such as plant and animal species, forests, and minerals). The term natural capital implies an extension of the economic notion of capital. Just as all forms of capital are capable of providing a flow of goods and services, components of natural capital interact to provide humans and other species with goods and services that are wide-ranging and diverse. The collective benefits provided by the resources and processes supplied by natural capital are known as ecosystem goods and services, or simply ecosystem services. These services are imperative for survival and well-being. They are also the basis for all economic activity. The services that nature provides for free are often not accounted for and, therefore, not properly valued by decision-makers. (Source: David Suzuki Foundation website)

The City of Mississauga is working to change that reality by demonstrating its commitment to natural capital through natural asset identification, quantification, valuation and correlation to ecosystem services. The City currently identifies forests, wetlands and cultural assets as priority natural assets. It identifies three types of priority natural asset management services: regulating services for water and air quality, supporting services for habitat diversity and biodiversity, and cultural and socio-economic services such as recreational opportunities. As the financial reporting of natural assets and their service contributions becomes more widely accepted by standards boards and regulators, the City plans to transition detailed natural capital disclosures into its financial statements.

## Trends, Risks and Challenges

- Intensification is occurring throughout the city in established neighbourhood corridors, along transit corridors, the downtown, aging shopping malls and brownfield sites along the waterfront
- Future developments and intensification add pressure to properly plan for and deliver upgrades to the stormwater drainage system (i.e., watercourse network)
- Infill development is occurring in established neighbourhoods including low-density residential developments such as single detached and semi-detached dwellings, in concert with provincial policy directions that will put additional pressures on aging infrastructure and increase the need for additional infrastructure and services
- Aging infrastructure and new asset management regulations increase the need to develop and implement asset management plans that integrate natural assets
- The changing climate, including increased temperature, precipitation and the frequency and intensity of extreme weather events can damage natural assets and compromise their ability to provide social and ecosystem services. This creates a greater imperative to maintain, protect and enhance existing natural assets (e.g., shoreline, trees, watercourses) and to invest in new and more resilient natural assets going forward

- Sustainable and accessible development are public priorities that drive a need to meet new accessibility and sustainability standards in construction and design

### Opportunities for the Future

- Continuing to integrate natural assets, capital and services into asset management planning
- Protecting and expanding parkland, trees and natural areas to support biodiversity, natural heritage, and recreational amenities for a growing population
- Delivering and improving watercourse and other natural stormwater asset programming
- Designing connected, vibrant outdoor public spaces and amenities
- Supporting active transpiration and connected communities through a connected and enhanced trail system within the City's parks and natural areas
- Maintaining safe, clean and accessible parks and open spaces
- Updating the Green Development Standards to enhance privately owned green spaces that provide recreational amenities and ecosystem services such as flood mitigation
- Increasing public awareness to promote stewardship, foster environmental awareness and engage community groups
- Continuing waterfront development activities including the City's West Village and Lakeview projects to create complete communities that support a live, work and play environment while fostering and respecting the surrounding natural environments

### Metrics and Statistics

#### City Trees

Within the City's boundaries, trees can be:

- Privately-owned
- Naturally occurring in woodlots
- Planted and maintained by the City on public lands such as boulevards and parks
- Planted and maintained by other organizations such as Ontario Hydro, Metrolinx, or the Region of Peel within their property

In 2021, the City completed an initiative to identify, quantify and value the ecosystem services provided by City trees.

| Ward         | Tree Valuation       | Value/ha |
|--------------|----------------------|----------|
| 1            | \$109,102,473        | \$24,524 |
| 2            | \$109,896,522        | \$20,227 |
| 3            | \$48,009,915         | \$15,190 |
| 4            | \$36,173,801         | \$15,650 |
| 5            | \$63,542,130         | \$3,879  |
| 6            | \$52,074,396         | \$13,128 |
| 7            | \$52,903,895         | \$17,162 |
| 8            | \$83,416,264         | \$15,885 |
| 9            | \$47,325,310         | \$11,761 |
| 10           | \$33,376,450         | \$11,746 |
| 11           | \$51,295,347         | \$10,586 |
| <b>Total</b> | <b>\$687,116,503</b> | <b>-</b> |

The International Society of Arboriculture Guide for Plant Appraisal (10<sup>th</sup> Edition) was used in December 2021 to calculate a replacement value of \$687,116,503 for the 299,352 trees that were inventoried.

### Preliminary Natural Assets Inventory

In 2021, the City worked with the Municipal Natural Assets Initiative to complete a preliminary natural asset inventory. An [online dashboard](#) was also created to house the results of this project. A total of 8,364 natural assets were identified and included in the inventory which represents nearly 5,400 hectares of land.

### Summary of Natural Assets by Type

| Natural Asset Type | Number of Assets | Total Area (ha) |
|--------------------|------------------|-----------------|
| Agriculture        | 256              | 627             |
| Beach              | 20               | 2               |
| Built-up Pervious  | 563              | 1,545           |
| Forest             | 4,000            | 1,864           |
| Grassland          | 265              | 574             |
| Shrub land         | 220              | 240             |
| Water              | 1,979            | 281             |
| Wetland            | 1,331            | 265             |
| <b>Total</b>       | <b>8,634</b>     | <b>5,399</b>    |

A high-level condition assessment was also completed and identified that about 237 hectares (or four per cent) of natural assets in Mississauga were assessed as being in very good condition, 1,165 hectares (or 22 per cent) of the natural assets were

assessed as being in good condition and 2,479 hectares (or 46 per cent) were assessed as being in fair condition.

#### Summary of Natural Asset Condition Ratings

| Condition Rating | Number of Assets | Total Area (ha) | Average Condition Score |
|------------------|------------------|-----------------|-------------------------|
| Very Good        | 187              | 237             | 35                      |
| Good             | 2,003            | 1,165           | 29                      |
| Fair             | 5,049            | 2,479           | 19                      |
| Poor             | 1,118            | 1,112           | 14                      |
| Very Poor        | 277              | 406             | 7                       |
| <b>Total</b>     | <b>8,634</b>     | <b>5,399</b>    | <b>21</b>               |

The City is continuing its work to integrate natural asset management into corporation-wide asset management practices and understands the need to continue to standardize systems and approaches to asset investment planning across the organization.

## Task Force on Climate-related Financial Disclosures

The City adopted the Taskforce on Climate-related Financial Disclosures (TCFD) framework in 2020 to communicate climate-related financial disclosures on an annual basis. The following is the City's TCFD report for 2022:

| TCFD Recommendation Theme | TCFD Recommendation  |
|---------------------------|--|
| Governance                | G1: Describe Mayor and Council's oversight of climate-related risks and opportunities. |

**2022 Disclosure:** In June 2019, the City of Mississauga joined cities across the world in declaring a climate emergency, signalling the severity of the climate crisis. Later that year, Council approved the City's first comprehensive Climate Change Action Plan (CCAP). The CCAP includes 89 mitigation and adaptation actions, grouped into five main categories (Buildings & Clean Energy, Resilient & Green Infrastructure, Accelerating Discovery & Innovation, Low Emissions Mobility, and Engagement & Partnerships). The actions include both community and corporate actions.

The City is committed to reporting on its progress on the CCAP annually. In 2022, the City launched a new online reporting platform to track progress on the Climate Change Action Plan – visit [www.mississauga.ca/climatechange](http://www.mississauga.ca/climatechange) and click on Progress Reporting. The City has also been a member of the Global Covenant of Mayors since 2017 and, as such, reports progress on climate action annually through the Carbon Disclosure Project.

In March 2023, Council members endorsed a motion to reaffirm and strengthen the City's commitment to climate action. The City will examine new science-based interim 2030 targets to help reach net zero by or before 2050. These ambitious new targets along with identified actions will help limit the effects of climate change in Mississauga and in this way contribute to keeping global warming within the global 1.5 degree Celsius goal.

| TCFD Recommendation Theme | TCFD Recommendation   |
|---------------------------|---|
| Governance                | G2: Describe management's role in assessing and managing climate-related risks and opportunities. |

**2022 Disclosure:** Each action within the CCAP has been assigned to a division within the City that is responsible for leading its implementation. Management within each division is responsible for determining the best approach for implementation, and for reporting progress on implementation annually through the CCAP progress report.

Of the 89 actions in the CCAP, over 70 per cent are either completed or underway.



| TCFD Recommendation Theme | TCFD Recommendation |
|---------------------------|---------------------|
|---------------------------|---------------------|

|          |   |
|----------|---|
| Strategy | S1: Describe the climate-related risks and opportunities the City has identified over the short-, medium-, and long-term. |
|----------|---|

**2022 Disclosure:** As part of developing the CCAP, the City completed a Climate Change Risk Assessment (CCRA), in order to identify and prioritize the climate-related hazards that pose the greatest risk to the city. The CCRA identified the ten highest-priority risks for the community as follows:

- Changes in precipitation will cause more frequent and severe rainfall, leading to community-level flooding
- Increased quantity of rain may cause flooding of electrical infrastructure leading to blackouts
- Increased intensity of rainfall in the summer may damage personal property
- Decreased overall summer precipitation will increase the probability of summer drought, leading to increasingly higher tree mortality, affecting urban forest cover
- Increased winter precipitation leads to ice storms that cause power failures
- High winds (tornadoes, microbursts, etc.), ice storms, and lightning, leading to infrastructure and property damage
- More extreme heat days leading to stress on urban flora and fauna
- Increased extreme weather leading to urban forestry damages
- Changes in river/creek temperature, affecting water quality
- Changes in seasonal temperature will lead to shifting eco-regions for flora and fauna communities and can lead to increased spread of invasive species, as well as local extinctions

These were taken into account as the CCAP was developed in 2019.

| TCFD Recommendation Theme | TCFD Recommendation |
|---------------------------|---------------------|
|---------------------------|---------------------|

|          |   |
|----------|---|
| Strategy | S2: Describe the impact of climate-related risks and opportunities on the strategy and financial planning of the city's businesses. |
|----------|---|

**2022 Disclosure:** Many City divisions take into account climate risks in their day-to-day operations and planning.

From an asset management perspective, divisions that operate and manage core assets have integrated climate-related risks into their Future Demand plans in order to deliver effective and timely services to the community in the short-, medium-, and long-term. The City's [2021 Corporate Asset Management Plan](#) for core assets identifies climate-related risks, the City's current position as it relates to the management of these risks, projections of how these risks may change over time,

and how these risks could affect services. The Corporate Asset Management Plan is being updated to include all non-core assets. New additions to the plan include non-core assets from such areas as facilities, corporate fleet, and transit fleet. The updated plan is scheduled to be completed in 2024.

In 2023, the City is conducting a climate-related risk and vulnerability assessment of its municipally owned assets to inform the development of the pending Corporate Asset Management Plan update. The assessment will focus on City-owned and operated assets from Roads, Stormwater, Facilities & Property Management, and Parks, Forestry & Environment and will characterize and rank potential climate vulnerabilities and risks in three identified neighbourhoods (Port Credit, Cooksville, and Meadowvale). The assessment is intended to yield a characterization and ranking of the potential climate-related risks to public infrastructure and recommended adaptation measures specific to significant asset classes or types that can be used to inform the development and implementation of Mississauga’s various asset management plans and capital planning strategies. It is also intended that study results will serve as a risk proxy for other neighbourhoods within the City.

| TCFD Recommendation Theme | TCFD Recommendation   |
|---------------------------|---|
| Strategy                  | S3: Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. |

**2022 Disclosure:** In 2016, the Region of Peel undertook climate change projection modelling of local weather changes out to the year 2080, which included the City of Mississauga<sup>1</sup>. The projections included two Representative Concentration Pathways (RCP), which represent projected, future releases of greenhouse gases, aerosols, and other pollutants into the atmosphere – namely, a moderate emissions scenario (RCP 4.5) and a high emissions scenario (RCP 8.5). This information informed the results of the CCAP’s corporate risk assessment process.

| TCFD Recommendation Theme | TCFD Recommendation  |
|---------------------------|--|
| Risk Management           | R1: Describe the City’s processes for identifying and assessing climate-related risks. |

**2022 Disclosure:** A detailed methodology for the Climate Change Risk Assessment was set out in Appendix B of the CCAP. Both a corporate and a community risk assessment have been completed.

In regard to the corporation, a risk assessment was completed for each division within the City, beginning with an identification of applicable climate drivers and the

<sup>1</sup> Auld, H., Switzman, H., Comer, N., Eng, S., Hazen, S., and Milner, G. 2016. Climate Trends and Future Projections in the Region of Peel. Ontario Climate Consortium: Toronto, ON

impacts to divisional assets and services, followed by a series of workshops with staff from each division to identify potential consequences. Risk calculations were based on the formula: Risk = Likelihood x Consequence.

In regard to the community risk assessment, there were three main steps: (1) identifying climate change impacts and generating impact statements; (2) a risk assessment workshop, to assign likelihood and consequence levels for each impact, and generating an initial risk level; and (3) validating the workshop output and risk calculation with technical experts.

Note that the City plans to update these risk assessments (CCAP Action 9-2 provides that the City will update and expand climate-related risk and vulnerability assessments for the community and the corporation, with a specific focus on vulnerable populations).

| TCFD Recommendation Theme | TCFD Recommendation   |
|---------------------------|---|
| Risk Management           | R2: Describe the City’s processes for managing climate-related risks. |

**2022 Disclosure:** The CCAP identifies 89 actions that are being led and supported by divisions across the City. These actions support the CCAP goals to reduce greenhouse gas emissions and to make our city more resilient.

With regard to climate-related risks and asset management, the City accounted for climate change risks to core assets through the lens of ‘demand drivers’ – recognizing that climate change may impact future service delivery and, as such, require a demand management plan for various assets. This information currently exists for core assets in the 2021 Corporate Asset Management Plan and will be completed for non-core assets by 2024.

In 2022, the City developed a corporate Risk Impact Matrix which provides corporation-wide risk assessment criteria and facilitates a consistent language for risk analysis that can be used by city staff to assess a wide variety of risks. Going forward, all climate-related risk assessments will be aligned with this framework.

| TCFD Recommendation Theme | TCFD Recommendation  |
|---------------------------|--|
| Metrics & Targets         | M&T1: Disclose the metrics used by the City to assess climate-related risks and opportunities in line with its strategy and risk-management process. |

**2022 Disclosure:** Currently, divisions identify their own metrics for assessing climate-related risks and opportunities, where appropriate.

| TCFD Recommendation Theme | TCFD Recommendation   |
|---------------------------|---|
| Metrics & Targets         | M&T2: Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks. |

**2022 Disclosure:** The City completes a GHG inventory for both the corporation and the community annually (the dataset typically has a two-year lag, i.e., the most complete and up-to-date data year available for the 2022 inventory would be 2020).

The latest corporate inventory (2022) reports on 2020 data, where the Scope 1, 2, and 3 emissions were as follows (note that only some Scope 3 emissions are tracked):

Scope 1 (Total: 65,989 tCO<sub>2</sub>e)\*

- Natural gas from municipal buildings: 14,446 tCO<sub>2</sub>e
- Gasoline (corporate, transit, fire fleets): 2,570 tCO<sub>2</sub>e
- Diesel, Biodiesel (corporate, transit, fire fleets): 48,973 tCO<sub>2</sub>e

Scope 2 (Total: 1,905 tCO<sub>2</sub>e)

- Electricity (municipal buildings, street lights): 1,905 tCO<sub>2</sub>e

Scope 3 (Total: 1,574 tCO<sub>2</sub>e)

- Solid waste disposal: 1,372 tCO<sub>2</sub>e
- Incineration: 167 tCO<sub>2</sub>e
- Biological Treatment: 35 tCO<sub>2</sub>e

The latest community inventory (2022) reports on 2020 data, where the Scope 1, 2, and 3 emissions were as follows (note that only some Scope 3 emissions are tracked):

Scope 1 (Total: 5,923,844 tCO<sub>2</sub>e)

- Natural gas and natural gas liquids (Residential): 1,015,631 tCO<sub>2</sub>e
- Gasoline (Residential): 26,077 tCO<sub>2</sub>e
- Kerosene, diesel, light & heavy fuel oil (Residential): 104,348 tCO<sub>2</sub>e
- Natural gas and natural gas liquids (Commercial): 722,046 tCO<sub>2</sub>e
- Gasoline (Commercial): N/A
- Kerosene, diesel, light & heavy fuel oil (Commercial): 133,978 tCO<sub>2</sub>e
- Natural gas and natural gas liquids (Industrial): 647,737 tCO<sub>2</sub>e
- Coal, coke, coke oven gas, petroleum coke (Industrial): 662,462 tCO<sub>2</sub>e
- Gasoline (Industrial): 12,983 tCO<sub>2</sub>e
- Kerosene, diesel, light & heavy (Industrial): 180,153 tCO<sub>2</sub>e
- Natural gas (Fugitive): 39,503 tCO<sub>2</sub>e
- Gasoline (on-road transportation): 1,648,834 tCO<sub>2</sub>e
- Diesel (on-road transportation): 186,421 tCO<sub>2</sub>e

- Cement Industry processing emission: 536,162 tCO<sub>2</sub>e
- Waste water treatment: 7,509 tCO<sub>2</sub>e

Scope 2 (Total: 181,449 tCO<sub>2</sub>e)

- Electricity (Residential, commercial, industrial & streetlight): 181,443 tCO<sub>2</sub>e
- Electricity (Grid supplied): 6 tCO<sub>2</sub>e

Scope 3 (Total: 795,282 tCO<sub>2</sub>e)

- Waste disposal (Residential, commercial, industrial): 323,737 tCO<sub>2</sub>e
- Waste incineration (Residential, commercial, industrial): 3,511 tCO<sub>2</sub>e
- Waste biological treatment: 7,980 tCO<sub>2</sub>e
- Airplane movements: 460,054 tCO<sub>2</sub>e

\*Note that wastewater calculations for municipal buildings are not available. These are captured within the community inventory.

Future emissions will depend on a number of factors, including demand, carbon intensity of the electricity grid, change in provincial policy or funding, and success of the City's climate initiatives.

| TCFD Recommendation Theme | TCFD Recommendation  |
|---------------------------|--|
| Metrics & Targets         | M&T3: Describe the targets used by the City to manage climate-related risks and opportunities and performance against targets. |

**2022 Disclosure:** The City of Mississauga's greenhouse gas reduction targets, for the corporation and the community are based on 1990 levels and are as follows:

- 40 per cent reduction by 2030
- 80 per cent reduction by 2050

City staff are currently examining new interim 2030 targets to help reach net zero by or before 2050.

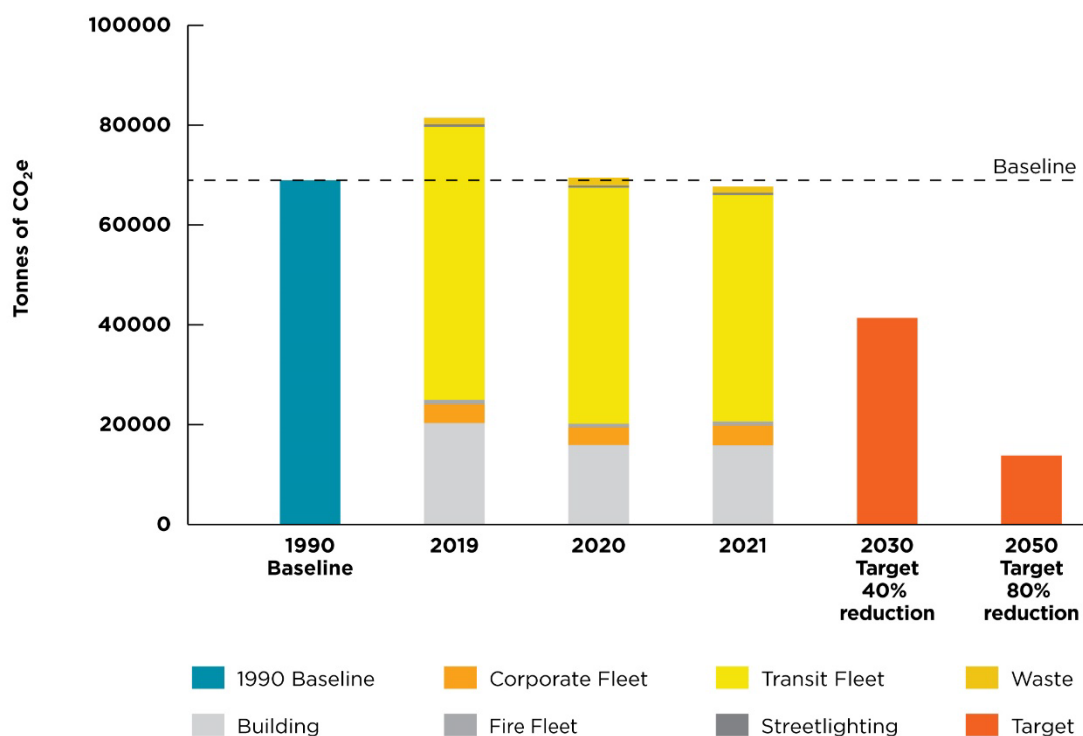
The City also has an adaptation target to "increase resilience and the capacity of the city to withstand and respond to current and future climate events."

In 2020, corporate emissions decreased by approximately 12,000 tonnes compared to 2019 levels. This decrease can largely be attributed to the impacts of COVID-19, as the pandemic changed the way we worked, travelled, and used energy. Despite these exceptional circumstances, total corporate emissions in 2020 were still higher than the 1990 baseline (up by one per cent), signalling that efforts to reduce emissions need to increase, especially from the City's transit operations and municipal buildings, in order to meet the City's GHG reduction targets.

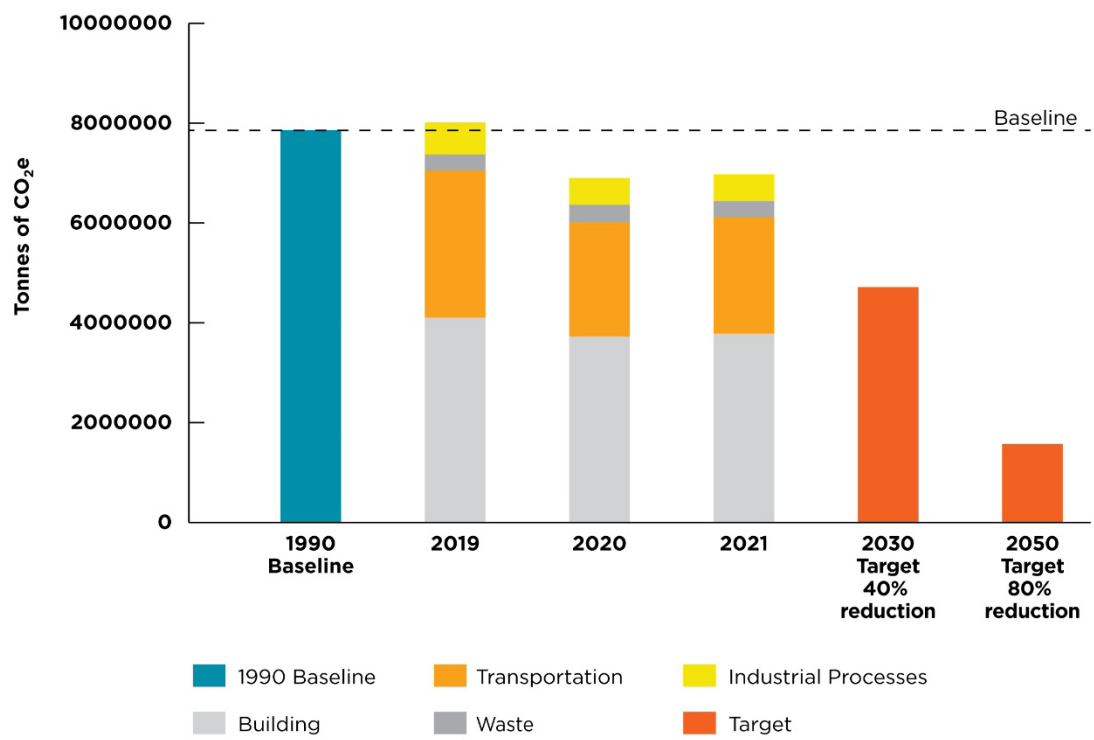
In 2020, community emissions decreased approximately 10 per cent relative to 1990. While this decrease is positive, it is important to acknowledge that, in the years leading up to 2020, emissions were increasing.

It is also worthwhile to note that Ontario's electricity grid has gotten dirtier over the past few years, meaning that there are more GHG emissions today than there were a few years ago for consuming the same amount of electricity. Going forward, if the City is to meet its targets under the CCAP the Ontario electricity grid must remain low carbon.

## Corporate Greenhouse Gas Emissions



Community Greenhouse Gas Emissions





## Office of Emergency Management

Most emergencies in Mississauga are handled by first responders like police, the fire service and paramedics. The City's [Office of Emergency Management](#) (OEM) helps manage the emergency response efforts for larger-scale emergencies requiring enhanced co-ordination amongst various City departments and external partners. The OEM continuously monitors for potential situations that may require an emergency response in Mississauga.

### Regular and Enhanced Monitoring

When a situation could potentially impact Mississauga, an enhanced monitoring operation is activated. In 2022, the OEM had 35 enhanced monitoring operations to ensure that appropriate situational awareness was maintained during emerging events that had the potential to escalate. These events included: fires, floods, thunderstorms, winter storms, wind storms, gas leaks, and other types of hazardous events.



### Site Deployments

During several emergency events in 2022, OEM staff were deployed to provide direct assistance to residents. These events included:

- A gas leak in January that required the evacuation of several homes
- An apartment fire in June that resulted in the evacuation of 36 units
- A gas leak in July that resulted in the evacuation of approximately a dozen homes





### Special Events

The OEM provides support for various special and planned events that occur within the city. In 2022, the OEM assisted in the planning of the Ontario Parasport Games, the Ontario Summer Games, and the 2022 Municipal Elections through the development of emergency plans and exercises, and situational awareness support leading up to and during the events.

## Hazard Identification & Risk Assessment

The foundation of the City's Emergency Management Program is the Hazard Identification & Risk Assessment (HIRA). Each year, the OEM assesses the top hazards and risks that have the potential to impact the city by consulting with internal and external partners, reviewing current research and analyzing current data and statistics. Assessing the city's top hazards allows the OEM to prioritize program goals and objectives, including plan development, training, exercises, and public education programming. This ensures that the City and its residents are prepared for the most likely hazards with the most significant potential impacts.

## Emergency Plans

The City of Mississauga maintains an all-hazards [Emergency Plan](#), ensuring the City is prepared to respond to any type of emergency. The City's Emergency Plan is reviewed annually and updated regularly to reflect emerging industry best practices, organizational changes, and lessons learned from emergencies and emergency exercises.

Additionally, the OEM develops and maintains emergency support functions and various risk-based plans and other documents that can assist the City in preparation for, or response to, an emergency. These plans and documents are developed in consultation with internal and external partners, and are based on needs and gaps identified through the City's HIRA, as well as lessons learned from past emergencies and exercises. Several risk-based plans are climate-related and are updated annually (as appropriate), including the City's Severe Weather Response Plan.

For alignment purposes, the OEM also engages external emergency response partners operating within the municipality to review the City's emergency plans and provide feedback where required.

## Training

OEM's training program exceeds provincial requirements. In 2022, OEM offered a mix of both virtual and in-person emergency management training opportunities for both City employees and community partners. This hybrid training approach was convenient for participants, and ensured that lesson outcomes and training goals were achieved.

Annual compliance training that is required by the *Emergency Management and Civil Protection Act* and Ontario Regulation 380/04 was completed online to allow participants maximum flexibility. In 2022, the OEM delivered eight different Incident Management System courses to over 120 City employees and community partners.

## Exercises

The City of Mississauga is required by legislation to conduct a simulated emergency exercise every year. It is also important that the City of Mississauga participate in additional emergency exercises with both the City's Incident Management Team and external partners.



In 2022, representatives from the OEM participated in several different emergency exercises including the Greater Toronto Airports Authority's table-top and full-scale exercises, and in a major incident response exercise with Peel Regional Police, Peel Regional Paramedic Services, and both Mississauga Fire & Emergency Services and Brampton Fire & Emergency Services. Additionally, the City's Policy Group participated in an internal, multi-hazard, virtual table-top exercise intended to better clarify the roles and responsibilities of this group during an emergency.

## Community Engagement

OEM staff engaged with City residents throughout 2022 during various in-person and virtual events, workshops, and community consultations. Many of these events were attended in partnership with different City departments and community-based organizations.



In total, the OEM participated in 24 different community events, engaging with just under 3,000 residents. This included four information sessions which were specifically intended for older adults, as well as engagement with approximately 675 new Canadians and 830 students.

The OEM also engaged with various external emergency management partners across various industries and sectors in 2022. Throughout the year, the OEM conducted site tours, reviewed emergency plans, attended consultation meetings, and participated in emergency exercises with several local partners.

## Awards

In 2022, the OEM was recognized with two prestigious awards for outstanding efforts made in fostering resilience and preventing, preparing for, responding to, and recovering from emergencies:

- 2022 Prepared Community Award, presented by the International Association of Emergency Managers (IAEM) – Canadian Chapter
- Emergency Management Exemplary Service Award – Resilient Communities, presented by Public Safety Canada and the Senior Officers Responsible for Emergency Management (SOREM)