

2022 Audited Consolidated Financial Statements



For the year ended December 31, 2022

Prepared by: Finance Division
Corporate Services Department
City of Mississauga



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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 Audit Committee of the City 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
Acting City Manager and Chief Administrative Officer, and
Commissioner of Corporate Services and Chief Financial Officer

Marisa Chiu
Director of Finance and Treasurer

Mississauga, Ontario
April 14, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Mississauga

Opinion

We have audited the 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.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 14, 2023

The Corporation of the City of Mississauga

Consolidated Statement of Financial Position

as at December 31, 2022 with comparatives for 2021
(All dollar amounts are in \$000)

	2022 \$	2021 \$
Financial Assets		
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
Total Financial Assets	2,515,402	2,310,407
Financial Liabilities		
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
Total Financial Liabilities	1,562,289	1,375,187
Net Financial Assets	953,113	935,220
Non-Financial Assets		
Tangible capital assets (Note 9)	8,584,033	8,457,200
Inventories of supplies	10,929	8,191
Prepaid expenses	8,758	3,910
Total Non-Financial Assets	8,603,720	8,469,301
Accumulated Surplus (Note 10)	9,556,833	9,404,521

Contingent liabilities and guarantee (Note 13)

Contractual rights (Note 21)

Commitments (Note 22)

Contingent assets (Note 24)

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

The Corporation of the City of Mississauga

Consolidated Statement of Operations

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

	Budget 2022 \$ (Note 17)	Actual 2022 \$	Actual 2021 \$
Revenues (Notes 14, 15 and 16)			
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
Total Revenues	1,276,184	1,163,481	1,142,848
Expenses (Notes 14, 15 and 16)			
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
Total Expenses (Note 18)	982,542	1,011,169	948,912
Annual Surplus	293,642	152,312	193,936
Accumulated surplus, beginning of year	9,404,521	9,404,521	9,210,585
Accumulated Surplus, end of year (Note 10)	9,698,163	9,556,833	9,404,521

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

The Corporation of the 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 \$000)

	Budget 2022 \$ (Note 17)	Actual 2022 \$	Actual 2021 \$
Annual Surplus	293,642	152,312	193,936
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
	449,502	25,479	99,864
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
Change in Net Financial Assets	449,502	17,893	100,885
Net Financial Assets, beginning of year	935,220	935,220	834,335
Net Financial Assets, end of year	1,384,722	953,113	935,220

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

The Corporation of the City of Mississauga

Consolidated Statement of Cash Flows

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

	2022 \$	2021 \$
Cash Provided By (Used In):		
Operating Activities		
Annual surplus	152,312	193,936
Items Not Involving Cash		
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)
Change in Non-Cash Assets and Liabilities		
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
Net Change in Cash from Operating Activities	373,433	429,856
Capital Activities		
Tangible capital asset additions	(202,329)	(210,458)
Proceeds of disposition of tangible capital assets	1,175	1,093
Net Change in Cash from Capital Activities	(201,154)	(209,365)
Investing Activities		
Increase in investments	(186,643)	(232,741)
Decrease in loans and other receivables	50	50
Dividends from Enersource Corporation	21,005	16,701
Net Change in Cash from Investing Activities	(165,588)	(215,990)
Financing Activities		
Proceeds from issuance of long-term debt	50,000	90,000
Repayment of long-term debt	(38,227)	(29,112)
Net Change in Cash from Financing Activities	11,773	60,888
Net Change in Cash	18,464	65,389
Cash, beginning of year	284,702	219,313
Cash, end of year	303,166	284,702

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

The Corporation of the City of Mississauga

Notes to 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*, *Planning Act*, *Building Code 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 ("the Region") and the school boards are not reflected in these consolidated financial statements.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

1. Significant Accounting Policies

a) Basis of consolidation

(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 revenues 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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

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

1. Significant Accounting Policies

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

(i) 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 Board (“WSIB”) 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* 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.

(ii) 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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

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

1. Significant Accounting Policies

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) 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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

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

1. Significant Accounting Policies

q) Non-financial assets

(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 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 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 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 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

The assets standard 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. For the year ended December 31, 2022, all material assets have been disclosed and reported within this definition.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

1. Significant Accounting Policies

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 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 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 ("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).

(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).

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

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
	\$	\$
Accounts Receivable		
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
Sub-Total	122,402	126,577
Less: Valuation Allowance	545	619
Total Accounts Receivable	121,857	125,958

3. Investments

Investments reported on the consolidated statement of financial position have cost and market values as follows:

	2022		2021	
	Cost	Market	Cost	Market
	\$	Value	\$	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
Total	1,518,329	1,281,801	1,331,686	1,360,897

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 Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

4. Investment in Enersource Corporation

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

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

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
	\$	\$
Investment in Enersource Corporation		
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)
Closing Balance, End of Year	505,416	510,531

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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

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
Total Deferred Revenue General	21,813	15,026

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
Total Deferred Revenue - Obligatory Reserve Funds	784,686	668,359

Deferred Revenue - Obligatory Reserve Funds Continuity Schedule

Source	Opening Balance	Receipts Applied	Interest Applied	Recognized as Revenue	Closing 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	-
Total	668,359	219,798	16,203	119,674	784,686

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

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

6. Deferred Revenue - Obligatory Reserve Funds

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.

Name	Committed Funds	Uncommitted 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
	396,537	388,149	784,686

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
Total	240,740	231,246

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 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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

7. Employee benefits and other liabilities

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 Leave \$	Early Retirement \$	Post Employment \$	2022 Total \$	2021 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
Accrued Benefit Liability, End of Year	44,110	20,696	43,495	12,665	120,966	113,190
Unamortized actuarial (gain)/loss	7,518	5,219	1,781	155	14,673	16,475
Actuarial valuation update, end of year	51,628	25,915	45,276	12,820	135,639	129,665
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 Leave	Early Retirement	Post Employment - Health and Dental	Post Employment - Life 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).

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

7. Employee benefits and other liabilities

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 is 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	-
Total				249,095	237,322

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
Total	5,676	4,677

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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

8. Long-term debt

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
Total	249,095	21,131	270,226

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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

9. Tangible capital assets

Cost	December 31, 2021	Additions	Disposals	December 31, 2022
	\$	\$	\$	\$
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
Total	10,961,289	329,323	87,926	11,202,686

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

Accumulated Amortization	December 31, 2021	Amortization Expense	Disposals	December 31, 2022
	\$	\$	\$	\$
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
Total	2,504,089	149,952	35,388	2,618,653

Net Book Value	December 31, 2021	December 31, 2022
	\$	\$
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
Total	8,457,200	8,584,033

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

10. Accumulated surplus

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

	2022	2021
	\$	\$
Surplus:		
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
Total Surplus	8,599,615	8,499,163
Reserves Set Aside by Council:		
Fiscal Stability Reserve	53,307	59,188
Operating Reserves	70,101	60,488
Stormwater Reserve	5,546	5,371
BIA Reserves	549	294
Total Reserves	129,503	125,341
Reserve Funds Set Aside for Specific Purposes by Council:		
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
Total Reserve Funds	827,715	780,017
Total Accumulated Surplus	9,556,833	9,404,521

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

10. Accumulated surplus

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.

Name	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
	4,573	124,930	129,503

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.

Name	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
	378,063	449,652	827,715

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
Total Property Taxes Collected	1,869,028	1,824,098
Payments to the Region and school boards	(1,269,320)	(1,232,900)
Net Property Taxes and Payments in Lieu Available for Municipal Purposes	599,708	591,198

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

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

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 (POA).

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; MiWay Transit; and Street lighting.

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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

14. Segmented information

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 & 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. Planning and Development Services 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 PS2700). 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 revenue taxes 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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

14. Segmented information

	2022										
	General Government Services \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Recreation and Cultural Services \$	Planning and Development Services \$	Other \$	2022 Total \$	2021 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

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

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

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 budget book. City services are provided by departments and their activities are reported by 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 budget book 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 and Initiatives. Together these areas support diligent business planning and reporting, and keep the City 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 365 days a year.

g) Mayor & Members of Council:

Mississauga's elected governing Council consists of the 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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

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

15. Segmented information by service area

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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

15. Segmented information by service area

q) Revenues by Service Area

	Property Tax and MAT*	User charges	Recoveries from third parties	Funding transfers from other governments	Development and other contributions applied	Investment income	Penalties and interest on taxes	Contributed and assumed assets	Other	City's share of net income in Enersource Corporation	2022 Total	2022 Budget **	2021 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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
	611,987	232,734	34,696	37,067	100,368	36,374	14,825	75,591	3,949	15,890	1,163,481	1,276,184	1,142,848

* Municipal Accommodation Tax (MAT).

** The Service Area budget excludes the budgets for transfers between funds because they are eliminated in the financial statement consolidation.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

15. Segmented information by service area

r) Expenses by Service Area

	Salaries, wages and employee benefits \$	Long-term debt interest and fees \$	Materials and supplies \$	Contracted services \$	Rents and financial expenses \$	External transfers to others \$	(Gain)/loss on disposal of tangible capital assets \$	Amortization of tangible capital assets \$	2022 Total \$	2022 Budget * \$	2021 Total \$
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
	574,880	5,676	83,429	104,241	78,151	14,880	(40)	149,952	1,011,169	982,542	948,912

* The Service Area budget excludes the budgets 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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

16. Segmented Information Summary

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services	Other	2022 Total	2022 Budget
Revenues:											
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
Total Revenues	744,814	31,807	192,574	46,586	138	168	99,204	12,948	35,242	1,163,481	1,276,184
Expenses:											
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)	-
Total Expenses	229,838	156,161	376,458	20,995	791	581	197,635	28,710	-	1,011,169	982,542
Annual Surplus (Deficit)	514,976	(124,354)	(183,884)	25,591	(653)	(413)	(98,431)	(15,762)	35,242	152,312	293,642

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

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 08, 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.

Revenue	Budget Amount	\$
Approved operating revenue and tax levy	1,056,279	
Adjustments:		
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)	
Adjusted Operating Budget	1,150,002	
Approved Capital Budget	524,100	
Transfers from reserve funds and debt proceeds	(524,100)	
Capital project revenue & recoveries	114,082	
Adjusted Capital Budget	114,082	
Discretionary reserve fund investment income	12,100	
Adjusted Budget	1,276,184	
Expenses		
Approved operating expense budget	1,056,279	
Adjustments:		
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)	
Adjusted Operating Budget	982,542	
Approved Capital Budget	524,100	
Adjustments:		
Eliminate capital expense budget	(524,100)	
Adjusted Budget	982,542	
Annual Surplus	293,642	

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

18. Expenses by object

The consolidated statement of operations represents the expenses by function; the following classifies those same expenses by object:

	Budget	Actual	Actual
	2022	2022	2021
	\$	\$	\$
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
Total	982,542	1,011,169	948,912

19. Provincial offences administration

The Ministry of the Attorney General in the Province of Ontario requires all municipal partners with Provincial Offences Administration (POA) 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
	\$	\$
Revenues		
Gross revenues	7,607	4,990
Expenses		
Provincial charges	532	508
City's operating expenses	4,967	3,860
Total Expenses	5,499	4,368
Net Contribution	2,108	622

The POA 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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

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
Total	1,086	35,886	95	37,067	80,860

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:

Contractual Rights	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
Total	129,765	211,322	82,889	70,373	284,099	778,448

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.

The Corporation of the City of Mississauga

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2022

(All dollar amounts are in \$000s)

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:

	\$
2023	2,305
2024	1,166
2025	1,070
2026	1,111
2027	645
Total	6,297

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 City's natural assets include approximately 268,000 trees that moderate urban temperature, lower atmospheric carbon dioxide (CO₂), 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.