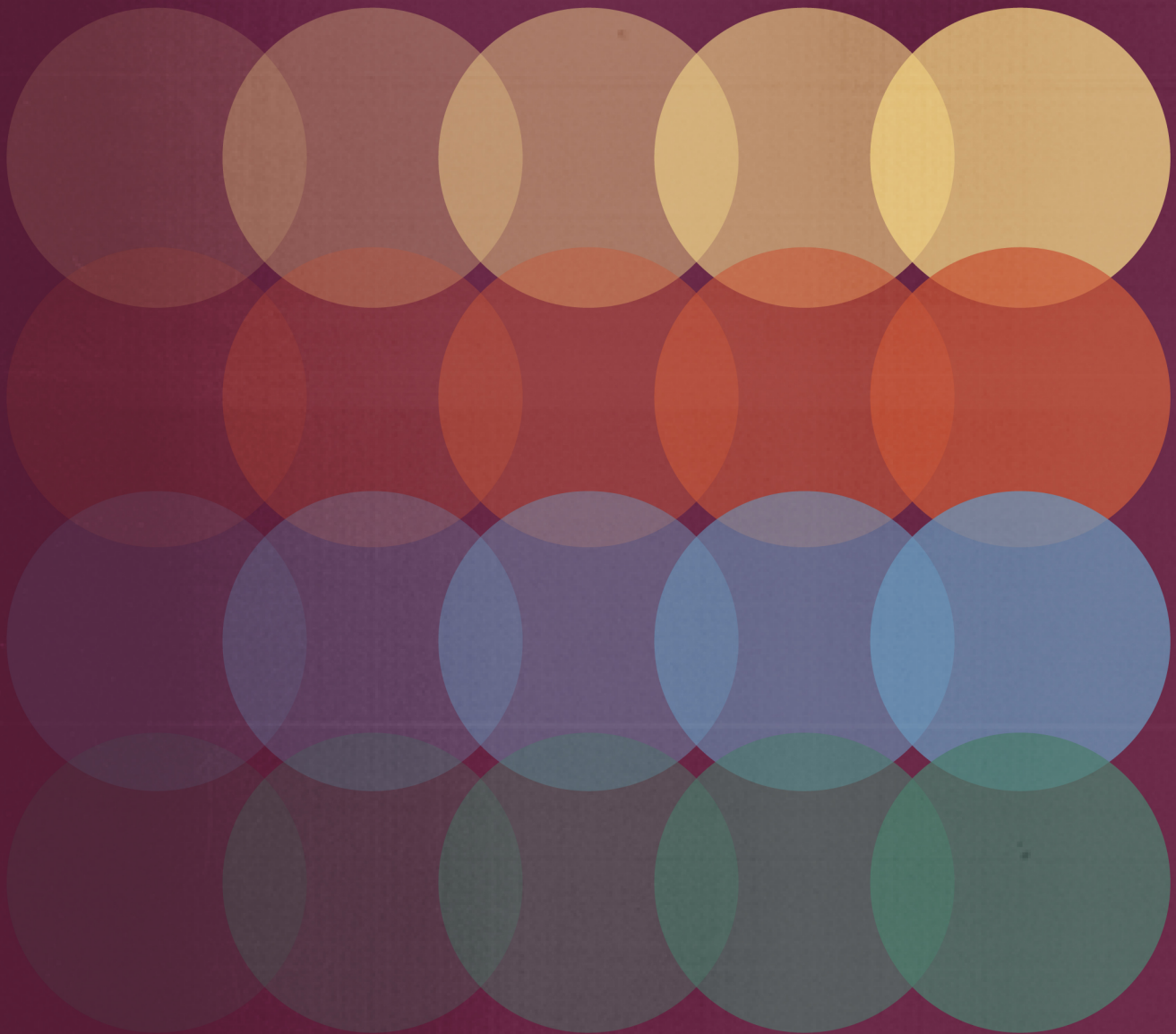


2023 Audited Consolidated Financial Statements



For the year ended December 31, 2023

Prepared by: Finance Division
City of Mississauga



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Management's Responsibility for Financial Reporting

For the year ended December 31, 2023

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 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. The statements and notes include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis to ensure that the 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 City activities, how they were financed, investing activities, assets, and liabilities. The consolidated financial statements are reviewed and approved by the Director of Finance and Treasurer.

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

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 consolidated financial statements.

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.



Shari Lichterman
City Manager and Chief Administrative Officer



Marisa Chiu
Director of Finance and Treasurer

Mississauga, Ontario
April 19, 2024



KPMG LLP

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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 City), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus 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 City as at December 31, 2023, 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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Emphasis of Matter - Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated as a result of the modified retroactive adoption of the asset retirement obligation standard.

Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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.



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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.



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- 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 19, 2024

The Corporation of the City of Mississauga
Consolidated Statement of Financial Position
as at December 31, 2023 with comparatives for 2022
(All dollar amounts are in \$000s)

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

	2023	2022 Restated (Note 2)
Financial Assets		
Cash and cash equivalents	273,785	303,166
Property taxes receivable (Note 3)	89,186	66,237
Accounts receivable (Note 3)	200,339	121,857
Loans and other receivables	250	300
Inventories for resale	97	97
Investments (Note 4)	1,509,569	1,518,329
Investment in Enersource Corporation (Note 6)	522,683	505,416
Total Financial Assets	2,595,909	2,515,402
Financial Liabilities		
Accounts payable and accrued liabilities	274,046	265,955
Deferred revenue - general (Note 7)	36,280	21,813
Deferred revenue - obligatory reserve funds (Note 8)	859,129	784,686
Employee benefits and other liabilities (Note 9)	258,608	240,740
Asset retirement obligation (Notes 2 and 11)	14,975	13,344
Long-term debt (Note 12)	208,040	249,095
Total Financial Liabilities	1,651,078	1,575,633
Net Financial Assets	944,831	939,769
Non-Financial Assets		
Tangible capital assets (Note 13)	8,888,802	8,587,543
Inventories of supplies	12,280	10,929
Prepaid expenses	7,902	8,758
Total Non-Financial Assets	8,908,984	8,607,230
	9,853,815	9,546,999
Accumulated Surplus (Note 14)	9,854,107	9,546,999
Accumulated remeasurement gain/(loss)	(292)	-
	9,853,815	9,546,999
Contingent liabilities and guarantee (Note 17)		
Contractual rights (Note 25)		
Commitments (Note 26)		
Contingent assets (Note 27)		

The Corporation of the City of Mississauga
Consolidated Statement of Operations

for the year ended December 31, 2023 with comparatives for 2022
(All dollar amounts are in \$000s)

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

	2023 Budget (Note 21)	2023 Actual	2022 Actual Restated (Note 2)
Revenue (Notes 18, 19 and 20)			
Property taxes (Note 15)	638,400	639,813	584,150
Payment in lieu of taxes	37,061	15,295	15,558
Municipal Accommodation Tax	9,800	16,195	12,279
User charges (Note 23)	284,570	260,313	232,734
Recoveries from third parties	105,191	161,883	34,696
Funding transfers from other governments (Note 24)	2,011	3,868	37,067
Development and other contributions applied	201,958	138,026	100,368
Investment income	26,587	39,755	36,374
Penalties and interest on taxes	10,110	17,152	14,825
Contributed and assumed assets (Note 13)	-	60,379	75,591
Other	(595)	1,011	3,949
City's share of net income in Enersource Corporation (Note 6)	25,000	36,153	15,890
Total Revenue	1,340,093	1,389,843	1,163,481
Expenses (Notes 18, 19 and 20)			
General government services	186,440	202,606	230,532
Protection services (Note 23)	165,450	164,383	156,187
Transportation services	406,020	421,694	376,517
Environmental services	22,500	24,983	20,995
Health services	863	833	791
Social and family services	986	359	645
Recreation and cultural services	205,598	219,601	198,051
Planning and development services	43,683	48,276	28,716
Total Expenses (Note 22)	1,031,540	1,082,735	1,012,434
Annual surplus	308,553	307,108	151,047
Accumulated surplus, beginning of year	9,546,999	9,546,999	9,404,521
Adjustment on adoption of the asset retirement obligation standard (Note 2, b)	-	-	(8,569)
Accumulated surplus, beginning of year, as restated	9,546,999	9,546,999	9,395,952
Accumulated Surplus, end of year (Note 14)	9,855,552	9,854,107	9,546,999

The Corporation of the City of Mississauga
Consolidated Statement of Change in Net Financial Assets
for the year ended December 31, 2023 with comparatives for 2022
(All dollar amounts are in \$000s)

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

	2023 Budget (Note 21)	2023 Actual	2022 Actual Restated (Note 2)
Annual surplus	308,553	307,108	151,047
Acquisition of tangible capital assets	-	(481,185)	(277,920)
Amortization of tangible capital assets (Note 13)	161,961	165,679	150,173
(Gain)/loss on disposal of tangible capital assets (Note 13)	-	10,723	(40)
Proceeds of disposition of tangible capital assets (Note 13)	-	3,490	1,175
Loss on disposal of asset retirement obligation	-	34	260
	470,514	5,849	24,695
Acquisition of inventories of supplies	-	(12,280)	(10,929)
Prepaid expenses, current year	-	(7,902)	(8,758)
Inventories of supplies	-	10,929	8,191
Prepaid expenses, prior year	-	8,758	3,910
	470,514	5,354	17,109
Change in Net Financial Assets before the under-noted	470,514	5,354	17,109
Net financial assets, beginning of year	939,769	939,769	935,220
Adjustment on adoption of the asset retirement obligation standard (Note 2)	-	-	(12,560)
Accumulated remeasurement gain/(loss)	-	(292)	-
	939,769	939,477	922,660
Net financial assets, beginning of year, as restated	939,769	939,477	922,660
Net Financial Assets, end of year	1,410,283	944,831	939,769

The Corporation of the City of Mississauga

Consolidated Statement of Cash Flows

for the year ended December 31, 2023 with comparatives for 2022

(All dollar amounts are in \$000s)

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

	2023	2022 Restated (Note 2)
Cash provided by (used in):		
Operating activities		
Annual surplus	307,108	151,047
Items not involving cash		
Amortization of tangible capital assets	165,679	150,173
(Gain)/loss on disposal of tangible capital assets	10,723	(40)
Contributed and assumed assets	(60,379)	(75,591)
Change in employee benefits and other liabilities	17,868	9,494
Accretion expense	417	366
Loss on disposal of asset retirement obligation	34	260
City's share of net income in Enersource Corporation	(36,153)	(15,890)
Change in non-cash assets and liabilities		
Property taxes receivable	(22,949)	(9,137)
Accounts receivable	(78,482)	4,101
Inventories for resale	-	(17)
Accounts payable and accrued liabilities	8,091	42,721
Deferred revenue - general	14,467	6,787
Deferred revenue - obligatory reserve funds	74,443	116,327
Inventories of supplies	(1,351)	(2,738)
Prepaid expenses	856	(4,848)
Asset retirement obligations	1,214	418
Net change in cash from operating activities	401,586	373,433
Capital activities		
Tangible capital asset additions	(420,806)	(202,329)
Proceeds of disposition of tangible capital assets	3,490	1,175
Net change in cash from capital activities	(417,316)	(201,154)
Investing activities		
Increase in investments	8,760	(186,643)
Decrease in loans and other receivables	50	50
Dividends from Enersource Corporation	18,594	21,005
Net change in cash from investing activities	27,404	(165,588)
Financing activities		
Proceeds from issuance of long-term debt	-	50,000
Repayment of long-term debt	(41,055)	(38,227)
Net change in cash from financing activities	(41,055)	11,773
Net change in cash and cash equivalents	(29,381)	18,464
Cash and cash equivalents, beginning of year	303,166	284,702
Cash and Cash Equivalents, end of year	273,785	303,166

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023
(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, 1992*, *Provincial Offences Act* and other related legislation.

Accounting standards specify how transactions and other events are to be recognized, measured, presented, and disclosed in a public sector entity's financial statements. These statements have been prepared in accordance with the accounting standards of the Public Sector Accounting Board (PSAB). These standards are numbered and are referenced throughout these notes beginning with the letters "PS".

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

The entities and organizations included in the reporting entity are:

- 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
- Enersource Corporation

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.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023
(All dollar amounts are in \$000s)

(iii) Accounting for Region and school board transactions

Revenue (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.

(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 which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

c) Government transfers

Government transfers are recognized in the Consolidated Financial Statements as revenue 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) Property taxes

Property taxes and property taxes receivable are recognized as revenue when they meet the definition of an asset, the tax is authorized, and the taxable event has occurred. Additional property tax 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 the 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.

e) Payment in lieu of taxes

Payments in lieu of taxes (PILTs) are payments received from other government entities for properties owned within the city that are exempt from property taxes. The federal *Payments in Lieu of Taxes Act* stipulates payment may be made, therefore there is no guarantee that the City will receive the amount of PILTs billed. Payments are also specific to a calendar year.

The PILT for the majority of government entities is based on their assessment value, as determined by MPAC, and the applicable PILT rate established annually by City Council ("Council"). PILTs for airport authorities are based on a per-passenger rate as determined through Section 45.1 of O. Reg. 282/98. PILTs for hospitals, colleges, universities and penitentiaries are based on a prescribed rate of \$75 per full-time student, provincially rated bed, or resident place (commonly known as "heads and beds") as per O. Reg. 384/98. PILTs for railway rights-of-way and utility transmission corridors are based on a per-acreage rate as per O. Reg. 387/98 and the acreage as received from MPAC.

Similar to taxable properties, there can be in-year changes for PILTs through the issuance of supplementary assessment rolls and PILT adjustments resulting from assessment appeals.

The City does not collect penalty and interest for PILTs.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023
(All dollar amounts are in \$000s)

f) Municipal Accommodation Tax revenue

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

g) User charges

User charges are paid by anyone using fee-based programs and services offered by the City, regardless of their status as a taxpayer. User fees are generally charged when services offered by the City benefit specific individuals instead of the community as a whole. User fees include transit fares, attendance at recreation programs, dog licenses, and building permits. User charges are recognized when earned and measurable.

h) Deferred revenue - general

Deferred revenue - general is licence, permit and other fees which have been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. Deferred revenue - general also includes the balance of the reserve funds used to fund the City's long-term disability benefit program. The balance comprises premiums paid by employees and the City, less claims paid during the year.

i) Deferred revenue - obligatory reserve funds

The City receives various types of payments that must be used for specific purposes. These include transfer payments from other levels of government for specific programs (e.g., Canada Community-Building Fund), as well as things like cash in lieu of parkland and community benefits charges. The City also receives development charge payments under the authority of provincial legislation and City by-laws. These funds, by their nature, are restricted in their use, and until applied to applicable operating or capital costs, are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal year they are expended.

j) Development and other contributions applied

There are two different components to development and other contributions applied.

The City receives funding from external parties or other levels of government with no contractual or legislated requirements. Funding is recognized as revenue once it is received by the City.

The City also receives funding from external parties or other levels of government with specific contractual or legislated requirements. These funds must be set aside as deferred revenue and applied as revenue against operating and capital expenditures as they occur.

k) 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. Receipts are then recognized as obligatory reserve fund revenue when the actual operating or capital expenditures are incurred.

l) 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 amortized cost.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023
(All dollar amounts are in \$000s)

m) 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.

n) Inventories for resale

Inventories for resale are valued at the lower of cost and net realizable value.

o) Land held for sale

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

p) 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 something other than a temporary decline in value, the respective investment is written down to recognize the loss in the consolidated statement of operations.

q) Measurement of financial instruments

The City's financial assets and liabilities are measured as follows:

- (i) Cash at amortized cost
- (ii) Investments at amortized cost (with fair market value disclosed in the notes to the Consolidated Financial Statements)
- (iii) Taxes receivable, accounts receivable, loans and other receivables at amortized cost
- (iv) Accounts payable and accrued liabilities at amortized cost
- (v) Long-term debt at amortized cost

At the end of 2023, there are no financial instruments recognized at fair value.

All financial assets are performing as expected and are tested annually for impairment. The nature of the City's investment policies and practices reduce the risk of asset impairment. If financial assets are impaired, these realized losses are recorded in the Consolidated Statement of Operations.

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

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

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023
(All dollar amounts are in \$000s)

r) 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 Act, 1997*, long-term disability, life insurance, and extended health and dental benefits for early retirees.

These 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) pension plan which is accounted for as a defined contribution plan, are the employer's contributions to the plan in the year.

s) Asset retirement obligation

The City has legal obligations associated with the retirement from service of buildings, equipment, and lease agreements. The City recognizes obligations to retiring tangible capital assets from service in the period in which the obligation arises, which is typically upon acquisition or development of the asset, or when a reasonable estimate of the obligation can be made.

Asset retirement obligations are measured based on the best estimate of directly attributable expenditures required to settle the obligation. The amount of the obligation is added to the carrying amount of the associated asset and amortized on a straight-line basis over the estimated remaining useful life of the asset. If an obligation exists and does not have a corresponding asset, the amount of the obligation is recognized as a liability and an expense in the year of acquisition.

Asset retirement obligations are reviewed at each statement of financial reporting date and adjusted based on the facts and circumstances available at that time. Changes to the estimated timing or amount of future asset retirement obligation costs are recognized in the Statement of Financial Position. Once the related tangible capital asset is no longer in productive use or remediated, the estimate of the liability for asset retirement obligations is removed from the Statement of Financial Position and any additional cost that arises in respect of the asset's disposal or remediation is recognized as an expense.

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset
- (ii) The past transaction or event giving rise to the liability that has occurred
- (iii) It is expected that future economic benefits will be given up, and
- (iv) A reasonable estimate of the amount can be made.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2023
(All dollar amounts are in \$000s)

Asset retirement obligation liabilities are recognized in the City's financial statements for the following:

- (i) Removal of asbestos in buildings owned by the City
- (ii) Remediation and/or restoration of leased real property and facility space
- (iii) Remediation of fuel tank and ammonia systems in City facilities

The liability is discounted using a present value calculation and adjusted annually for accretion expense. The recognition of a liability results in a corresponding increase to the respective tangible capital asset. The increase to the tangible capital assets is amortized in accordance with the depreciation accounting policies outlined in Note 1, m.

t) 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.

u) 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
- (v) A reasonable estimate of the liability can be made

v) 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. The category includes amounts that are directly attributed to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets (excluding land), 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	15 - 20
Buildings	5 - 50
Equipment, books and other	4 - 40
Linear - storm drainage	25 - 100
Linear - transportation	15 - 100
Vehicles	5 - 15

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. Amortization expense is not recorded in land because it has an unlimited useful life.

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(ii) Contributed and assumed assets

Tangible capital assets received as contributions are recorded at their fair market value on the date of receipt. The contributions are recorded as contributed and assumed assets in the Consolidated Statement of Operations.

(iii) Works of art and cultural and historic assets

The City owns 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. Typically, these assets are deemed worthy of preservation because of the social (rather than financial) benefits they provide to the community. The historic cost of art and treasures is not determinable and a reasonable estimate of their future benefits cannot be made; hence a valuation is not assigned to these assets and they are not recorded as assets in these Consolidated Financial Statements. These assets are non-operational and are not amortized.

(iv) Leased assets

Leases are classified as either operating or capital leases. Lease agreements which substantially transfer all of the risks and rewards of ownership to the City are accounted for as a capital lease. All other leases are considered operating leases and the related payments are expensed as incurred.

(v) Inventories of supplies

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

w) Contingent assets

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.

x) 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 revenue in the future. Note 25 provides disclosure regarding the nature, extent and timing of contractual rights.

y) 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, 2023.

z) 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, 2023.

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aa) 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, disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements, and the reported amounts of revenue and expenses during the year. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, estimated useful life of tangible capital assets, estimated costs, timing, and applicability of asset retirement obligations, provisions for accrued liabilities, and obligations related to employee benefits.

Actual results could differ from estimates.

ab) 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. For the year ended December 31, 2023, all material assets have been disclosed and reported within this definition.

ac) Adoption of budgets

The 2023 operating and capital budgets were approved by Council on Wednesday, February 1, 2023.

ad) Future accounting pronouncements

The following standards were not yet effective for the year ended December 31, 2023, 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 3400 - Revenue establishes a single framework to categorize revenue 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 first effective year for the City being the year ending December 31, 2024).

(ii) 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 first effective year for the City being the year ending December 31, 2024).

(iii) PS 1202 - Financial Statement Presentation was approved in March 2023. This standard supersedes PS 1201 and covers a new conceptual framework and reporting model. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026 (the first effective year for the City being the year ending December 31, 2027).

(iv) 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, 2023 (the first effective year for the City being the year ending December 31, 2024).

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2. Change in Accounting Policies

a) PS 3450 - Financial Instruments, PS 2601 - Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments

On January 1, 2023, the City adopted PS 3450 – Financial Instruments, PS 2601 – Foreign Currency Translation, PS 1201 Financial Statement Preparation, and PS 3041 Portfolio Investments. These standards are effective for year ended December 31, 2023 and required to be implemented concurrently. These standards were adopted prospectively from the date of adoption with no significant impact. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the Statement of Financial Position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the organization’s accounting policy choices (see Note 1).

In accordance with the provisions of this new standard, all items have been recorded at amortized cost; therefore, no adjustments were recorded in 2023.

b) PS 3280 - Asset Retirement Obligations

On January 1, 2022, the City adopted Public Accounting Standard PS 3280 – Asset Retirement Obligations (ARO) using the modified retroactive method. As a result of applying the new accounting standard, adjustments were recorded to opening accumulated surplus of \$8,569 and asset retirement obligation of \$12,560 in the Consolidated Statement of Financial Position as of January 1, 2022. These obligations represent the estimated legal obligations associated with the retirement and remediation of City-owned buildings, fuel tank and ammonia systems, and leased real property and facility space.

	2022		
	Previously Reported	Adjustments	Restated
Consolidated Statement of Financial Position			
Asset retirement obligation	-	13,344	13,344
Tangible capital assets	8,584,033	3,510	8,587,543
Accumulated surplus	9,556,833	(9,834)	9,546,999
Accumulated surplus, beginning of year	9,404,521	(8,569)	9,395,952
Consolidated Statement of Operations			
General government services	229,838	694	230,532
Protection services	156,161	26	156,187
Transportation services	376,458	59	376,517
Social and family services	581	64	645
Recreation and cultural services	197,635	416	198,051
Planning and development services	28,710	6	28,716
Annual Surplus	152,312	(1,265)	151,047
Accumulated surplus, beginning of year	9,404,521	(8,569)	9,395,952
Accumulated surplus, end of year	9,556,833	(9,834)	9,546,999
Consolidated Statement of Change in Net Financial Assets			
Annual surplus	152,312	(1,265)	151,047
Amortization of tangible capital assets	149,952	221	150,173

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	2022		
	Previously Reported	Adjustments	Restated
Consolidated Statement of Cash Flows			
Annual surplus	152,312	(1,265)	151,047
Amortization of tangible capital assets	149,952	221	150,173
Accretion of asset retirement obligations	-	366	366
Loss on disposal of asset retirement obligation	-	260	260
Asset retirement obligation	-	418	418

3. Property Taxes Receivable and Accounts Receivable

Property taxes receivable are reported net of valuation allowances of \$274 (2022 \$193). Accounts receivable are reported net of a valuation allowance of \$609 (2022 \$545) and comprises the following:

Accounts Receivable

	2023	2022
Government of Canada	75,617	15,361
Government of Ontario	74,842	41,136
Other municipalities	22,796	27,595
School boards	4,139	10,840
Other	23,554	27,470
Less: valuation allowance	609	545
Total Accounts Receivable	200,339	121,857

4. Investments

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

	2023		2022	
	Cost	Market Value	Cost	Market Value
Government and government guaranteed bonds	1,246,175	1,096,491	1,250,901	1,057,054
Municipal bonds	263,394	231,445	267,428	224,747
Total	1,509,569	1,327,936	1,518,329	1,281,801

As at December 31, 2023, 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.

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5. Financial Instruments

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

a) Credit risk

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

The City is exposed to credit risk in the event of non-payment by external parties. The City's credit risk is primarily attributable to its receivables. The amounts disclosed in the Consolidated Statement of Financial Position are net of an allowance for doubtful accounts, estimated by City management based on collection expectation, and their assessment of the current economic environment. The City does not have any significant past due accounts that are not provided for.

b) Liquidity risk

Liquidity risk is the risk that the City will encounter difficulty in meeting its financial obligations associated with its financial liabilities. The City mitigates its exposure to liquidity risk through the monitoring of cash flows relative to operational needs. The City's levels of cash, expected cash, and short-term investments provide liquidity for its operations. The City further mitigates liquidity risk through access to an operational line of credit \$250,000 (2022 \$250,000).

c) Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument (asset or liability) will fluctuate because of changes in market interest rates. The City is exposed to interest rate risk on its short and long-term investments and long-term debt, all of which are regularly monitored. The City has only issued serial debt with fixed interest rate terms to help mitigate risk. The City does not have outstanding debt subject to variable interest rates. The City has access to an operational line of credit with a variable interest rate. The balance drawn from this line of credit is \$nil as of December 31, 2023 (2022 \$nil).

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The City is exposed to currency risk through maintaining cash balances of foreign currency used in its operations. The City mitigates this risk through cash flow monitoring of operational needs, and purchasing foreign currency only as needed to settle financial liabilities. The City holds its foreign currency balances only as needed in chartered bank accounts, and reflects the balances in Canadian dollars in the Consolidated Financial Statements.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The City mitigates price risk through fixed pricing procurement contracts. The City also mitigates price risk by maintaining low-risk bearing investment portfolio holdings that are assigned high credit ratings by national credit rating agencies.

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6. 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 is a company whose principal business activities are to hold the shareholders' equity interest in Alectra, receive dividends from Alectra, service its debt and distribute dividends to its shareholders annually. The City is a 90 per cent shareholder in Enersource. 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, 2023, Enersource's interest in Alectra was 29.57 per cent (2022 29.57 per cent).

Enersource's Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards.

The following table provides condensed financial information for Enersource Corporation for its 2023 fiscal year, together with comparative figures for 2022:

Financial Position	2023	2022
Assets		
Current	6,184	8,577
Investment in Alectra	617,397	598,113
Other	344	548
Total Assets	623,925	607,238
Liabilities		
Current	2,541	2,540
Non-current	40,625	43,125
Total Liabilities	43,166	45,665
Shareholders' Equity		
Share capital	175,691	175,691
Accumulated other comprehensive income/(loss)	1,847	2,172
Retained earnings	403,221	383,710
Total Shareholders' Equity	580,759	561,573
Total Liabilities and Shareholders' Equity	623,925	607,238
Results of Operations and Non-Operations		
Revenue	42,560	19,155
Expenses (including income tax provision)	2,389	1,500
Net Income	40,171	17,655
Other comprehensive income	(325)	-
Total comprehensive income	39,846	17,655
City's share of net income in Enersource Corporation	36,153	15,890

During the year, the City received a dividend of \$18,594 (2022 \$21,005) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in the following table for its 2023 fiscal year, together with comparative figures for 2022.

Investment in Enersource Corporation	2023	2022
Opening balance, beginning of year	505,416	510,531
City's share of net income in Enersource Corporation	36,153	15,890
City's share of other comprehensive income	(292)	-
Dividend received	(18,594)	(21,005)
Closing Balance, end of year	522,683	505,416

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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.

7. Deferred Revenue - General

Deferred revenue - general is licence, permit and other fees which have been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed. Deferred revenue - general also includes the balance of the reserve funds used to fund the City's long-term disability benefit program. The balance comprises premiums paid by employees and the City, less claims paid during the year.

Deferred revenue - general is comprised of the following:

	2023	2022
Deferred advance sales	22,744	16,966
Deferred grants	2,019	4,153
Deferred other contributions	1,214	694
Long-term disability contributions	10,303	-
Total Deferred Revenue - General	36,280	21,813

8. Deferred Revenue - Obligatory Reserve Funds

Revenue received that has been set aside for specific purposes by provincial legislation, City by-laws, or third-party agreements and is included in Deferred revenue - Obligatory Reserve Funds and reported on the Consolidated Statement of Financial Position. In the schedule below, \$23,065 of investment earnings (2022 \$16,203) are included in the interest applied balances.

	2023	2022
Development Charges	413,797	357,884
Cash-in-lieu (CIL) Parkland	170,073	171,977
CIL Parking	7,169	3,195
Community Benefit Charges	25,385	18,004
Provincial Gas Tax	40,159	35,515
Canada Community-Building Fund	160,577	183,932
Provincial Public Transit Funds	8,040	8,069
Federal Public Transit Funds	5,503	6,110
Housing Accelerator Fund	28,426	-
Total Deferred Revenue - Obligatory Reserve Funds	859,129	784,686

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Deferred Revenue - Obligatory Reserve Funds Continuity Schedule

Source	Opening Balance	Receipts Applied	Interest Applied	Recognized as Revenue	Closing Balance
Development Charges	357,884	80,065	8,860	33,012	413,797
CIL Parkland	171,977	17,464	6,928	26,296	170,073
CIL Parking	3,195	3,760	256	42	7,169
Community Benefit Charges	18,004	6,929	1,375	923	25,385
Provincial Gas Tax	35,515	19,658	3,486	18,500	40,159
Canada Community-Building Fund	183,932	43,749	1,962	69,066	160,577
Provincial Public Transit Funds	8,069	-	17	46	8,040
Federal Public Transit Funds	6,110	-	5	612	5,503
Housing Accelerator Fund	-	28,250	176	-	28,426
Total	784,686	199,875	23,065	148,497	859,129

Deferred revenue - obligatory reserve fund balances are broken down between committed and uncommitted funds to help identify available funds for future projects. The committed balances represent approved planned spending through the City's capital budget that will be recognized as revenue in the Statement of Operations and Accumulated Surplus as expenses are incurred.

Name	Committed Funds	Uncommitted Funds	Total
Development Charges	182,288	231,509	413,797
CIL Parkland	29,597	140,476	170,073
CIL Parking	2,723	4,446	7,169
Community Benefit Charges	3,685	21,700	25,385
Provincial Gas Tax	66	40,093	40,159
Canada Community-Building Fund	133,692	26,885	160,577
Provincial Public Transit Funds	7,697	343	8,040
Federal Public Transit Funds	5,438	65	5,503
Housing Accelerator Fund	-	28,426	28,426
	365,186	493,943	859,129

9. Employee Benefits and Other Liabilities

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

	2023	2022
Workplace Safety and Insurance Board (WSIB)	49,689	44,110
Sick leave benefits	22,363	20,696
Early retirement benefits	45,712	43,495
Post-employment benefits	14,294	12,665
Long-term disability benefits	8,440	-
Vacation pay	34,317	32,833
Developer charges credits	41,140	47,335
Contaminated sites	5,484	2,529
Other liabilities	37,169	37,077
Total	258,608	240,740

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Information about liabilities for defined benefit plans is as follows:

	WSIB	Sick Leave	Early Retirement	Post- Employment	Long- Term Disability	2023 Total	2022 Total
Accrued Benefit Liability, beginning of year	44,110	20,696	43,495	12,665	-	120,966	113,190
Service cost	5,832	2,099	2,284	2,549	-	12,764	12,314
Interest cost	1,815	902	1,581	441	-	4,739	4,534
Amortization of actuarial (gain)/loss	1,355	1,015	(383)	(336)	-	1,651	1,801
Benefit payments	(5,367)	(2,349)	(2,496)	(1,025)	-	(11,237)	(10,873)
Increase due to survivor claims/plan amendments	1,944	-	1,231	-	8,440	11,615	-
Accrued Benefit Liability, end of year	49,689	22,363	45,712	14,294	8,440	140,498	120,966
Unamortized actuarial (gain)/loss	6,163	3,174	(1,376)	(4,930)	-	3,031	14,673
Actuarial Valuation Update, end of year	55,852	25,537	44,336	9,364	8,440	143,529	135,639
Expected average remaining service life	11 yrs	3 yrs	13 yrs	8 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	Long-Term Disability
Expected inflation rate	2.00 %	2.00 %	2.00 %	2.00 %	1.75 %	2.00 %
Expected level of salary increases	N/A	3.00 %	3.00 %	3.00 %	2.75 %	3.00 %
Interest discount rate	4.75 %	4.75 %	4.75 %	4.75 %	3.25 %	5.00 %
Expected health care increases	4.00 %	N/A	5.67 %	6.00 %	N/A	N/A

a) The City has elected to be a Schedule 2 employer under the provisions of the WSIB, and remits payments to WSIB only as required to fund disability payments. An independent actuarial valuation of this obligation was completed in December 2023, in accordance with the accounting standards 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 independent actuarial valuation completed in December 2023, in accordance with the accounting standards 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 independent actuarial valuation completed in December 2023, in accordance with the accounting standards established by PSAB.

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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 independent actuarial valuation completed in December 2023, in accordance with the accounting standards established by PSAB.

e) In January 2023, the City adopted a self-insured arrangement for its long-term disability benefit program. Under this arrangement, the City funds its own claims through segregated reserve funds and contracts with an insurance carrier to adjudicate and administer all claims on an administrative services only basis. An independent actuarial valuation dated December 2023 estimates the liability for the claims incurred to be \$8,440 (2022 \$nil) as at December 31, 2023 which is reported in the Consolidated Statement of Financial Position.

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

g) Developer charges credits are liabilities and obligations that arise through the *Development Charges Act, 1997*. For the year ended December 31, 2023, the developer charge credit liability is \$41,140 (2022 \$47,335).

h) 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, 2023, the amount of estimated recoveries is \$nil (2022 \$nil).

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

10. OMERS

The City makes contributions to OMERS, a multi-employer plan, on behalf of 5,466 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 \$66,600 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 \$66,600 at a rate of 15.8 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2023 was \$45,287 (2022 \$43,233) for current service and is included as an expense on the Consolidated Statement of Operations. Employees' contributions to OMERS in 2023 totalled \$45,445 (2022 \$43,241).

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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 2023 decreased to \$4.2 billion (2022 \$6.7 billion).

OMERS has held contributions for both employees and employers in 2023 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.

11. Asset Retirement Obligation

The City's asset retirement obligation consists of several obligations as follows:

a) Buildings

The City owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the City recognized an obligation relating to the removal of the asbestos in these building as estimated at January 1, 2022. Estimated costs of \$7,362 have been discounted to the present value using a rate of 2.83 per cent per annum based on the assets' estimated useful life of 40 years.

b) Lease agreements

The City leases real property and facility space with requirements to return the property to the original condition, which represents a legal obligation to remediate or restore at the end of the lease term. Following the adoption of PS 3280 – Asset Retirement Obligations, the City recognized an obligation relating to the restoration and remediation of leased space as estimated at January 1, 2022. The remaining lease terms vary and estimated costs of \$3,045 have been discounted to the present value using a discount rate of 2.83 per cent per annum.

c) Fuel tank and ammonia systems

The City owns and operates fuel tanks and ammonia systems which have regulated lifecycle activities, including removal and replacement. The regulated activities represent an obligation to remove the fuel tanks and ammonia systems at the end of their useful life. Following the adoption of PS 3280 - Asset Retirement Obligations, the City recognized an obligation relating to the remediation of the fuel tank and ammonia systems as estimated at January 1, 2022. Estimated costs of \$2,680 have been discounted to the present value using a rate of 2.83 per cent per annum based on the in-service date of the assets.

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Changes to the asset retirement obligation in 2023 are as follows:

Asset Retirement Obligation	Buildings	Lease agreements	Fuel tank and ammonia systems	Total
Opening balance, January 1, 2022 as previously reported	-	-	-	-
Adjustment on adoption of the standard PS 3280 - Asset Retirement Obligations (Note 2)	6,970	3,252	2,338	12,560
Obligation incurred in year	400	244	342	986
Obligation settled in year	(568)	-	-	(568)
Accretion of asset retirement obligation	192	98	76	366
Closing balance, December 31, 2022, as restated	6,994	3,594	2,756	13,344
Obligation incurred in year	1,417	-	-	1,417
Obligation settled in year	(64)	(139)	-	(203)
Accretion of asset retirement obligation	292	97	28	417
Closing balance, December 31, 2023	8,639	3,552	2,784	14,975

12. Long-Term Debt

All of the City's long-term debt is acquired through the Region of Peel. In 2023, the City acquired new debt of \$nil (2022 \$50,000), changing the debt balance to \$208,040 (2022 \$249,095) on the Consolidated Statement of Financial Position. 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	
				2023	2022
2013	1.30%-3.30%	June 20, 2023	50,000	-	4,000
2014	1.20%-3.30%	June 10, 2024	36,607	3,000	6,000
2015	0.95%-2.40%	August 20, 2025	40,000	8,000	12,000
2016	1.15%-2.50%	June 1, 2026	37,584	12,000	15,500
2017	1.70%-3.00%	September 28, 2027	38,853	15,500	19,000
2018	1.80%-3.05%	March 27, 2028	46,270	21,140	26,395
2019	1.90%-2.25%	October 15, 2029	48,150	30,000	34,500
2021-1	0.25%-1.50%	February 17, 2031	43,000	34,400	38,700
2021-2	0.08%-2.30%	November 8, 2031	47,000	39,000	43,000
2022	1.45%-2.75%	March 7, 2032	50,000	45,000	50,000
Total				208,040	249,095

There was no debt issued in 2020 or 2023.

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

	2023	2022
Interest expense on debt	4,827	5,453
Debt issuance costs	207	223
Total	5,034	5,676

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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 and interest payments are repayable annually, as follows:

	Principal Contributions	Interest	Total
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
2028	23,774	1,480	25,254
Thereafter	51,900	2,054	53,954
Total	208,040	16,138	224,178

13. Tangible Capital Assets

a) Assets under construction

Assets under construction having a value of \$155,970 (2022 \$139,315) 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 gross value of contributed and assumed assets received during the year is \$60,557 (2022 \$65,049) comprising infrastructure in the amount of \$15,368 (2022 \$3,469), equipment in the amount of \$453 (2022 \$nil), land in the amount of \$31,266 (2022 \$61,548), and buildings in the amount of \$13,470 (2022 \$32). Contributed assets of \$60,379 (2022 \$75,591) includes a net adjustment decrease of \$178 (2022 increase of \$10,542) 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 the 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 \$94 (2022 \$nil), mainly due to replacing tangible capital assets that were near the end of their useful lives. The value of write-down on tangible capital assets is recorded within disposal of tangible capital assets, which totals \$230,234.

e) Disposal of tangible capital assets

The costs of assets under construction of \$112,643 (2022 \$51,403) are excluded in calculating the gain/loss on disposal of tangible capital assets. Write-down value of tangible capital assets \$94 (2022 \$nil) is included in the total disposal of tangible capital assets. Asset purchase costs of \$134,246 (2022 \$36,523) include land \$219; buildings \$41,446; land improvements \$1,287; equipment \$31,565; linear transportation \$1,228 and vehicles \$56,691, less the accumulated amortization of \$119,999 (2022 \$35,388) and proceeds of \$3,490 (2022 \$1,175) resulted in a loss on disposal of \$10,723 (2022 gain on disposal of \$40).

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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.

Tangible Capital Assets Cost	December 31, 2022 previously reported	PS 3280 ARO adoption	December 31, 2022 restated	Additions	Disposals	December 31, 2023
Land	5,486,797	-	5,486,797	36,999	219	5,523,577
Land improvements	274,011	-	274,011	13,952	1,287	286,676
Buildings	1,243,976	4,908	1,248,884	132,064	41,446	1,339,502
Equipment, books and other	375,848	-	375,848	47,019	31,565	391,302
Linear - storm drainage	950,928	-	950,928	20,523	1,810	969,641
Linear - transportation	2,407,850	-	2,407,850	47,539	1,228	2,454,161
Vehicles	323,961	-	323,961	166,434	56,691	433,704
Assets under construction	139,315	-	139,315	112,643	95,988	155,970
Total	11,202,686	4,908	11,207,594	577,173	230,234	11,554,533

Included in the additions of \$577,173 (2022 \$354,835) are contributed assets of \$60,379 (2022 \$75,591).

Tangible Capital Assets Accumulated Amortization	December 31, 2022 previously reported	PS 3280 ARO adoption	December 31, 2022 restated	Amortization Expense	Disposals	December 31, 2023
Land improvements	141,575	-	141,575	10,927	1,196	151,306
Buildings	527,670	1,398	529,068	37,062	28,016	538,114
Equipment, books and other	261,661	-	261,661	29,571	31,565	259,667
Linear - storm drainage	283,108	-	283,108	9,401	1,810	290,699
Linear - transportation	1,186,944	-	1,186,944	52,306	895	1,238,355
Vehicles	217,695	-	217,695	26,412	56,517	187,590
Total	2,618,653	1,398	2,620,051	165,679	119,999	2,665,731

Tangible Capital Assets Net Book Value	December 31, 2022 previously reported	PS 3280 ARO adoption	December 31, 2022 restated	December 31, 2023	
Land	5,486,797	-	5,486,797		5,523,577
Land improvements	132,436	-	132,436		135,370
Buildings	716,306	3,510	719,816		801,388
Equipment, books and other	114,187	-	114,187		131,635
Linear - storm drainage	667,820	-	667,820		678,942
Linear - transportation	1,220,906	-	1,220,906		1,215,806
Vehicles	106,266	-	106,266		246,114
Assets under construction	139,315	-	139,315		155,970
Total	8,584,033	3,510	8,587,543		8,888,802

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14. Accumulated Surplus

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

	2023	2022 Restated (Note 2)
Surplus		
Tangible capital assets	8,888,802	8,587,544
Employee benefits and other liabilities	(258,608)	(240,740)
Long-term debt	(208,040)	(249,095)
Investment in Enersource	522,683	505,416
Asset retirement obligation	(14,975)	(13,344)
Total Surplus	8,929,862	8,589,781
Discretionary Reserves		
Fiscal Stability Reserve	45,570	53,307
Operating Reserves	70,909	70,101
Stormwater Fiscal Stability Reserve	6,007	5,546
BIA Reserves	571	549
Total Discretionary Reserves	123,057	129,503
Discretionary Reserve Funds		
Tax Reserve Funds	427,976	466,485
Stormwater Reserve Funds	170,047	144,764
Lot Levy Reserve Funds	52,907	71,557
Insurance Reserve Funds	39,610	40,998
Employee Benefits Reserve Funds	26,189	30,405
Developer Contributions Reserve Funds	36,946	35,937
Other Reserve Funds	47,221	37,569
Total Discretionary Reserve Funds	800,896	827,715
	9,853,815	9,546,999
Accumulated Surplus	9,854,107	9,546,999
Accumulated remeasurement gain/(loss)	(292)	-
	9,853,815	9,546,999

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The following reserve and 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.

Discretionary Reserves	Committed Funds	Uncommitted Funds	Total
Fiscal Stability Reserve	2,343	43,227	45,570
Operating Reserves	1,507	69,402	70,909
Stormwater Fiscal Stability Reserve	-	6,007	6,007
BIA Reserves	-	571	571
Total	3,850	119,207	123,057

Discretionary Reserve Funds	Committed Funds	Uncommitted Funds	Total
Tax Reserve Funds	248,120	179,856	427,976
Stormwater Reserve Funds	105,526	64,521	170,047
Lot Levy Reserve Funds	-	52,907	52,907
Insurance Reserve Funds	-	39,610	39,610
Employee Benefits Reserve Funds	-	26,189	26,189
Developer Contributions Reserve Funds	3,966	32,980	36,946
Other Reserve Funds	1,783	45,438	47,221
Total	359,395	441,501	800,896

15. Property Taxes

Property tax revenue is recorded at the time tax billings are issued. Additional property tax revenue 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 that 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. Property tax revenue, reported on the Consolidated Statement of Operations, is made up of the following:

	2023	2022
City, Region, and school boards taxation	1,969,876	1,853,470
Payments to the Region and school boards	(1,330,063)	(1,269,320)
Net Property Taxes Available for Municipal Purposes	639,813	584,150

16. Trust Funds

Trust funds administered by the City amounting to \$1,112 (2022 \$1,100) have not been included in the Consolidated Statement of Financial Position, nor have their operations been included in the Consolidated Statement of Operations. The 'Trust Funds' category comprises cemetery perpetual care of \$1,112 (2022 \$1,100) and election trust funds of \$nil (2022 \$nil).

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17. Contingent Liabilities and Guarantee

As at December 31, 2023, 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 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, 2023 is \$43,125 (2022 \$45,625). Enersource Corporation's obligations are in good standing and no loss has been recognized by the City.

18. 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. Functional areas are determined by the Financial Information Return, a standardized reporting requirement of a municipality's financial activities in the previous fiscal year under the *Municipal Act, 2001*.

Certain allocation methodologies are employed in the preparation of segmented financial information. User charges and other revenue has been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based on the purpose for which the transfer was made.

Property taxes are reflected under General Government Services and not segmented based upon functional lines of service provided by the City. Property taxes are allocated to the City's services based on the 2023 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.

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: administering by-laws and policies; levying taxes; keeping the organization safely, fairly, and inclusively staffed; acquiring, managing, and maintaining City assets; connecting and communicating with people; supporting technology; ensuring effective financial management, planning and budgeting; monitoring financial and operating performance; ensuring that high quality City service standards are met; and serving Mississauga residents and taxpayers.

b) Protection Services

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

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c) Transportation Services

The Transportation Services segment comprises the following: road services including road maintenance, public works, street cleaning, traffic operations, planning, engineering and development, winter maintenance control, 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 consists of the maintenance and operation of City-owned cemeteries.

f) Social and Family Services

The Social and Family Services segment comprises primarily assistance to older adults. While Social and Family Services is 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: parks, forestry and environment, recreation programs and 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 areas: planning and 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.

i) Other

Revenue recognized from reserve funds, including direct contributions and interest income.

The segmented information is provided in accordance with the financial reporting guidelines established by PS 2700 - Segment Disclosures. For additional information, see the table below.

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Segmented by Financial Information Return

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services	Other	2023 Total	2022 Total Restated (Note 2)
Revenue											
Property taxes	637,972	-	-	-	-	-	-	1,841	-	639,813	584,150
Payment in lieu of taxes	15,295	-	-	-	-	-	-	-	-	15,295	15,558
Municipal Accommodation Tax	8,146	-	-	-	-	-	8,049	-	-	16,195	12,279
User charges	5,430	28,528	121,787	47,184	116	103	53,790	3,375	-	260,313	232,734
Recoveries from third parties	3,963	812	144,696	3	39	-	12,067	303	-	161,883	34,696
Funding transfers from other governments	703	65	-	-	-	51	2,576	473	-	3,868	37,067
Development and other contributions applied	26,870	954	53,190	349	-	-	56,317	346	-	138,026	100,368
Investment income	14,472	-	-	-	-	-	7	50	25,226	39,755	36,374
Penalties and interest on taxes	17,152	-	-	-	-	-	-	-	-	17,152	14,825
Contributed and assumed assets	60,379	-	-	-	-	-	-	-	-	60,379	75,591
Other	486	48	51	-	-	23	383	20	-	1,011	3,949
City's share of net income in Enersource Corporation	36,153	-	-	-	-	-	-	-	-	36,153	15,890
Total Revenue	827,021	30,407	319,724	47,536	155	177	133,189	6,408	25,226	1,389,843	1,163,481

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	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services	Other	2023 Total	2022 Total Restated (Note 2)
Expenses											
Salaries, wages and employee benefits	130,200	146,094	195,983	7,797	675	134	116,933	24,208	-	622,024	574,880
Long-term debt interest and fees	4,981	-	-	53	-	-	-	-	-	5,034	5,676
Materials and supplies	3,265	4,695	54,857	315	44	9	10,538	2,628	-	76,351	83,429
Contracted services	12,701	2,210	67,334	4,056	16	1	17,165	5,534	-	109,017	104,659
Rents and financial expenses	28,486	5,419	21,126	2,197	43	6	28,387	1,920	-	87,584	78,151
External transfers to others	-	-	-	1,157	-	32	4,613	70	-	5,872	14,880
(Gain)/loss on disposal of tangible capital assets	(872)	(75)	(1,326)	-	-	-	12,996	-	-	10,723	(40)
Amortization of tangible capital assets	23,806	6,039	83,660	9,408	55	128	28,752	13,831	-	165,679	150,173
Accretion of asset retirement obligations	6	1	60	-	-	49	216	85	-	417	366
Loss on disposal of asset retirement obligation	33	-	-	-	-	-	1	-	-	34	260
Total Expenses	202,606	164,383	421,694	24,983	833	359	219,601	48,276	-	1,082,735	1,012,434
Annual Surplus/(Deficit)	624,415	(133,976)	(101,970)	22,553	(678)	(182)	(86,412)	(41,868)	25,226	307,108	151,047

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19. 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 and Budget document. City services are provided by departments and their activities are reported by service areas. These service areas are not presented in the Consolidated Statement of Operations. Rather, they are reported as an additional note to relate back to the 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

Corporate Transactions 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; Citywide sources of revenue; and the Capital Infrastructure and Debt Repayment Levy.

b) 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.

c) Fire & Emergency Services

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

d) General Government

General Government comprises eight business areas: Corporate Business Services, Finance, Human Resources, Internal Audit, Legal Services, Legislative Services, the Office of Emergency Management, and Strategic Communications & 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, transparent and accountable; connected and communicating with people; and innovating and performing at a high standard of efficiency.

e) Information Technology

Information Technology (IT) oversees the strategic planning, continuous development, maintenance, and comprehensive management of the City's technology infrastructure, business solutions and digital public services. IT ensures uninterrupted access to crucial systems, applications, computers, networks, data, internet connectivity supported by the security measures and policies essential for delivering City services, every day of the year, around the clock.

f) 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.

g) Mississauga Library

Mississauga Library operates 18 libraries of various 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

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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.

h) Parks, Forestry & Environment

Parks, Forestry & Environment conserves and protects the natural environment and the City's heritage properties and artifact collection, and plans, develops and operates great outdoor public spaces to make healthy and happy communities. The service area is responsible for public art, leads the City's Indigenous relations, and aims to meet the open space and outdoor recreational needs of the community while also driving environmental sustainability and climate action.

i) 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.

j) Recreation & Culture

the purpose of Recreation & Culture is to keep Mississauga residents healthy, active, creative and connected in partnership with the community. The service mix is balanced to be responsive to the diverse needs of residents within all Mississauga communities, and includes registration and drop-in programs; facility operations and facility space rentals; banquet and food services; golf course operations and programming; growing Mississauga's creative sector; community partnerships, grants and affiliations; major events; and local community event support.

k) 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.

l) 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.

m) 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.

n) Transit

The purpose of Transit 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.

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o) Revenue by Service Area

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.

Segmented by Service Area

	Property Tax, PILT 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	2023 Total	2023 Budget	2022 Total Restated (Note 2)
Corporate Transactions	661,413	3	2,102	-	(10,471)	39,698	17,025	60,379	465	36,153	806,767	188,393	761,523
Facilities & Property Management	-	155	360	-	18,809	-	-	-	-	-	19,324	33,858	6,467
Fire & Emergency Services	-	2,263	431	65	954	-	-	-	-	-	3,713	143,151	2,463
General Government Information	-	13,681	322	646	32	-	127	-	20	-	14,828	70,488	13,297
Technology	-	59	1,179	58	-	-	-	-	-	-	1,296	35,891	1,753
Mayor & Members of Council	-	-	-	-	-	-	-	-	-	-	-	5,286	-
Mississauga Library	-	767	299	783	13,480	-	-	-	32	-	15,361	40,304	10,648
Parks, Forestry & Environment	-	5,701	4,288	218	23,170	-	-	-	(119)	-	33,258	116,373	23,716
Planning & Building	1,842	15,709	11	472	346	50	-	-	19	-	18,449	31,648	29,204
Recreation & Culture	8,048	48,478	8,520	1,626	19,816	7	-	-	494	-	86,989	114,781	68,049
Regulatory Services	-	18,113	620	-	-	-	-	-	49	-	18,782	20,561	15,958
Roads	-	9,321	7,192	-	48,101	-	-	-	(6)	-	64,608	175,384	60,485
Stormwater	-	47,041	12	-	349	-	-	-	-	-	47,402	48,061	46,472
Transit	-	99,022	136,547	-	23,440	-	-	-	57	-	259,066	315,914	123,446
Total Revenue	671,303	260,313	161,883	3,868	138,026	39,755	17,152	60,379	1,011	36,153	1,389,843	1,340,093	1,163,481

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For the Year Ended December 31, 2023
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p) Expenses by Service Area

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.

	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	Accretion of asset retirement obligations	Loss on disposal of asset retirement obligation	2023 Total	2023 Budget	2022 Total Restated (Note 2)
Corporate Transactions	33,571	4,981	1,894	474	9,408	707	(871)	-	-	33	50,197	37,241	93,102
Facilities & Property													
Management	16,827	-	321	2,157	6,694	-	-	-	-	-	25,999	27,021	23,719
Fire & Emergency Services	122,945	-	3,919	707	4,338	-	(75)	5,931	1	-	137,766	139,147	131,357
General Government	57,947	-	771	10,871	3,953	32	(2)	23,805	6	-	97,383	94,624	87,605
Information Technology	25,809	-	79	40	9,033	-	-	-	-	-	34,961	35,891	32,469
Mayor & Members of Council	4,649	-	386	-	224	-	-	-	-	-	5,259	5,241	5,153
Mississauga Library	22,909	-	1,922	524	2,470	-	13,243	6,706	13	1	47,788	41,411	31,532
Parks, Forestry &													
Environment	35,094	-	5,275	13,041	7,047	33	-	13,826	78	-	74,394	60,479	61,379
Planning & Building	27,139	-	2,013	752	1,797	71	-	382	7	-	32,161	30,965	28,571
Recreation & Culture	61,941	-	4,075	8,336	19,050	4,580	(246)	21,852	252	-	119,840	122,028	111,441
Regulatory Services	17,878	-	1,018	748	1,420	-	-	109	-	-	21,173	20,465	18,278
Roads	38,263	-	13,782	59,242	(2,548)	-	(680)	50,177	27	-	158,263	151,501	148,047
Stormwater	5,631	53	347	4,990	2,173	449	-	9,408	-	-	23,051	20,619	13,935
Transit	151,421	-	40,549	7,135	22,525	-	(646)	33,483	33	-	254,500	244,907	225,846
Total Expenses	622,024	5,034	76,351	109,017	87,584	5,872	10,723	165,679	417	34	1,082,735	1,031,540	1,012,434

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20. 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	2023 Total	2023 Budget
Revenue											
Corporate Transactions	792,013	-	-	-	-	-	-	-	14,755	806,768	188,393
Facilities & Property Management	19,324	-	-	-	-	-	-	-	-	19,324	33,858
Fire & Emergency Services	3,713	-	-	-	-	-	-	-	-	3,713	143,151
General Government	6,318	7,536	-	-	-	-	-	973	-	14,827	70,488
Information Technology	1,296	-	-	-	-	-	-	-	-	1,296	35,891
Mayor & Members of Council	-	-	-	-	-	-	-	-	-	-	5,286
Mississauga Library	-	-	-	-	-	-	15,361	-	-	15,361	40,304
Parks, Forestry & Environment	-	-	291	-	155	-	32,082	730	-	33,258	116,373
Planning & Building	-	13,930	-	-	-	-	-	4,519	-	18,449	31,648
Recreation & Culture	43	273	567	-	-	178	85,743	185	-	86,989	114,781
Regulatory Services	-	4,956	13,826	-	-	-	-	-	-	18,782	20,561
Roads	-	-	64,464	144	-	-	-	-	-	64,608	175,384
Stormwater	-	-	10	47,392	-	-	-	-	-	47,402	48,061
Transit	18,500	-	240,566	-	-	-	-	-	-	259,066	315,914
Total Revenue	841,207	26,695	319,724	47,536	155	178	133,186	6,407	14,755	1,389,843	1,340,093

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	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services	Other	2023 Total	2023 Budget
Expenses											
Corporate Transactions	48,130	947	389	708	-	-	23	-	-	50,197	37,241
Facilities & Property Management	24,415	-	224	-	-	-	1,360	-	-	25,999	27,021
Fire & Emergency Services	1,113	136,653	-	-	-	-	-	-	-	137,766	139,147
General Government	90,953	3,576	-	-	-	32	2,287	535	-	97,383	94,624
Information Technology	32,280	-	1,439	-	-	-	1,242	-	-	34,961	35,891
Mayor & Members of Council	5,259	-	-	-	-	-	-	-	-	5,259	5,241
Mississauga Library	-	-	-	-	-	-	47,788	-	-	47,788	41,411
Parks, Forestry & Environment	-	-	-	-	833	-	48,141	25,420	-	74,394	60,479
Planning & Building	-	9,875	-	-	-	-	-	22,286	-	32,161	30,965
Recreation & Culture	456	262	-	-	-	327	118,760	35	-	119,840	122,028
Regulatory Services	-	13,070	8,103	-	-	-	-	-	-	21,173	20,465
Roads	-	-	155,946	2,317	-	-	-	-	-	158,263	151,501
Stormwater	-	-	1,093	21,958	-	-	-	-	-	23,051	20,619
Transit	-	-	254,500	-	-	-	-	-	-	254,500	244,907
Total Expenses	202,606	164,383	421,694	24,983	833	359	219,601	48,276	-	1,082,735	1,031,540
Annual Surplus/(Deficit)	638,601	(137,688)	(101,970)	22,553	(678)	(181)	(86,415)	(41,869)	14,755	307,108	308,553

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21. Budget Data

Budget data presented in these Consolidated Financial Statements are based on the 2023 Operating and Capital Budgets as approved by Council on February 01, 2023. 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
Approved operating revenue and tax levy	1,126,563
Adjustments:	
In-year budget adjustments	1,952
Final assessment growth	1,189
Contributions from reserves & reserve funds	(78,494)
Obligatory reserve fund revenue applied	183,308
Business Improvement Areas (BIAs) budgeted revenue	2,394
BIA contributions from reserves and reserve funds	(235)
Enersource net income	25,000
Enersource dividend	(17,577)
Tax adjustments reclassified from expense	(5,958)
Adjusted Operating Budget	1,238,142
Approved Capital Budget	480,813
Transfers from reserves & reserve funds and debt proceeds	(480,813)
Capital project revenue and recoveries	89,851
Adjusted Capital Budget	89,851
Discretionary reserve fund investment income	12,100
Adjusted Budget	1,340,093
Expenses	
Approved operating expense budget	1,125,874
Adjustments:	
In-year budget adjustments	3,830
Contributions to reserves & reserve funds	(219,603)
BIA budgeted expenses	2,299
BIA contributions to reserves and reserve funds	(15)
BIA amortization of tangible capital assets	95
Amortization of tangible capital assets	161,866
Debt principal repayments	(44,639)
Changes in employee benefits and other liabilities	7,791
Tax adjustments reclassified from expense	(5,958)
Adjusted Operating Budget	1,031,540
Approved Capital Budget	480,813
Adjustments:	
Eliminate capital expense budget	(480,813)
Adjusted Budget	1,031,540
Annual Surplus	308,553

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22. Expenses by Object

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

	2023 Budget	2023 Actual	2022 Actual Restated (Note 2)
Salaries, wages and employee benefits	616,499	622,024	574,880
Long-term debt interest and fees	7,316	5,034	5,676
Materials and supplies	82,502	76,351	83,429
Contracted services	75,158	109,017	104,659
Rents and financial expenses	82,280	87,584	78,151
External transfers to others	5,824	5,872	14,880
(Gain)/loss on disposal of tangible capital assets	-	10,723	(40)
Amortization of tangible capital assets	161,961	165,679	150,173
Accretion of asset retirement obligations	-	417	366
Loss on disposal of asset retirement obligation	-	34	260
Total	1,031,540	1,082,735	1,012,434

23. 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 revenue 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.

	2023	2022
Revenue		
Gross revenue	9,875	7,607
Expenses		
Provincial charges	734	532
City's operating expenses	4,867	4,967
Total Expenses	5,601	5,499
Net Contribution	4,274	2,108

The POA financial summary is reported on a gross basis. Revenue is included within user charges in the Consolidated Statement of Operations and expenses are primarily included within the 'Protection Services' segment.

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24. Funding Transfers from Other Governments

The City recognizes the transfer of government funding as revenue in the year that the events giving rise to the transfer occurred. The government transfers reported on the Consolidated Statement of Operations are:

	Federal Grants	Provincial Grants	Other Grants	BIA Grants	2023	2022
General government services	-	703	-	-	703	342
Protection services	-	65	-	-	65	-
Transportation services	-	-	-	-	-	31,459
Environmental services	-	-	-	-	-	12
Social and family services	-	51	-	-	51	59
Recreation and cultural services	637	1,672	266	-	2,575	4,347
Planning and development services	-	382	13	79	474	848
Total	637	2,873	279	79	3,868	37,067

25. Contractual Rights

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

The City has a number of federal and provincial funding agreements, revenue 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	2024	2025	2026	2027	2028	Thereafter	Total
Development Charge Agreements	2,513	4,076	4,398	4,397	1,884	7,860	25,128
Provincial Agreements	54,996	71,385	56,918	28,368	21,005	20,672	253,344
Federal Agreements	104,475	93,636	77,004	32,034	24,536	24,362	356,047
Incoming Lease Payments	2,684	2,239	2,230	2,049	1,492	-	10,694
Third Party Contracts	2,736	2,960	3,035	3,036	1,685	9,390	22,842
Total	167,404	174,296	143,585	69,884	50,602	62,284	668,055

A transfer payment agreement with the Ministry of Transportation to support public transit infrastructure was executed in April 2022. The City is expecting to receive \$386,577 from the initial agreement and an additional \$224,613, which has been approved but not included in the original agreement.

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26. 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	Lease Commitment
2024	1,705
2025	1,101
2026	1,131
2027	683
2028	439
Total	5,059

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. As of year end, the City has contributed \$754 (2022 \$534).

27. 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.

28. Recognition of Natural Assets (Unaudited)

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.

The City has a variety of natural assets that provide ecosystem benefits and services and reduce some needs for engineered infrastructure. These natural assets include approximately 302,000 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 other entities including the Region of Peel, utility organizations and conservation authorities were not included in the City's tree inventory. In 2023, the City increased its investment in its natural assets by planting approximately 50,000 new trees with its partners. The City's 2023 tree inventory has increased by 1.12 per cent over the 2022 inventory.

The City oversees the management and maintenance of approximately 244 hectares of boulevard grass areas, 309 horticultural features amounting to approximately four hectares of area, and 137 amended boulevard treatment areas, including enhanced boulevard conditions such as soil cells. Additionally, the City owns and manages approximately 1,700 hectares of natural areas including woodlands, wetlands, grasslands and more.

29. Comparative Figures

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