# 2025 Audited Consolidated Financial Statements

For the year ended December 31, 2025

Prepared by: Finance Division
City of Mississauga

MISSISSAUGA

The Corporation of the City of Mississauga
December 31, 2025

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# Management's Responsibility for Financial Reporting

**For the year ended December 31, 2025**

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 Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) 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 five required Consolidated Financial Statements: the Consolidated Statement of Financial Position, the Consolidated Statement of Operations, the Consolidated Statement of Change in Net Financial Assets, the Consolidated Statement of Cash Flows, and the Consolidated Statement of Remeasurement Gains/Losses. 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 Chief Financial Officer 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 City's Consolidated Financial Statements have been audited by Deloitte LLP, independent external auditors appointed by the City's Audit Committee. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City's Consolidated Financial Statements.

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

Geoff Wright
City Manager and
Chief Administrative Officer

Marisa Chiu
Commissioner of Corporate Services,
Chief Financial Officer and Treasurer

Mississauga, Ontario
March 31, 2026

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# Independent Auditor's Report

To the Members of Council 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, 2025, and the consolidated statements of operations, change in net financial assets, remeasurement gains/losses, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2025, and the results of its operations, changes in net financial assets, remeasurement gains/losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the City 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.

## Other Matter

The financial statements of the City for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on April 4, 2025.

## 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 City'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 City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City'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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 City'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 City'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 City 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the City as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 31, 2026

**The Corporation of the City of Mississauga**
**Consolidated Statement of Financial Position**
as at December 31, 2025 with comparatives for 2024
(All dollar amounts are in $000s)

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

| | 2025 | 2024 |
|---|---|---|
| **Financial Assets** | | |
| Cash | 226,681 | 272,070 |
| Property taxes receivable (Note 2) | 141,628 | 107,486 |
| Accounts receivable (Note 2) | 203,128 | 111,414 |
| Loans and other receivables | 150 | 200 |
| Inventories for resale | 111 | 97 |
| Investments (Note 3) | 1,683,254 | 1,760,072 |
| Investment in Enersource Corporation (Note 5) | 590,094 | 547,872 |
| **Total Financial Assets** | **2,845,046** | **2,799,211** |
| **Financial Liabilities** | | |
| Accounts payable and accrued liabilities | 327,199 | 293,451 |
| Deferred revenue – general (Note 6) | 32,433 | 63,750 |
| Deferred revenue – obligatory reserve funds (Note 7) | 753,071 | 864,389 |
| Employee benefits and other liabilities (Note 8) | 296,950 | 282,039 |
| Asset retirement obligation (Note 10) | 14,380 | 17,391 |
| Long-term debt (Note 11) | 365,538 | 260,745 |
| **Total Financial Liabilities** | **1,789,571** | **1,781,765** |
| **Net Financial Assets** | **1,055,475** | **1,017,446** |
| **Non-Financial Assets** | | |
| Tangible capital assets (Note 12) | 10,030,587 | 9,645,382 |
| Inventories of supplies | 12,964 | 11,758 |
| Prepaid expenses | 12,626 | 10,871 |
| **Total Non-Financial Assets** | **10,056,177** | **9,668,011** |
| | **11,111,652** | **10,685,457** |
| Accumulated surplus (Note 13) | 11,109,788 | 10,685,110 |
| Accumulated remeasurement gain | 1,864 | 347 |
| | **11,111,652** | **10,685,457** |

Contingent liabilities and guarantee (Note 16)
Contractual rights (Note 24)
Commitments (Note 25)
Contingent assets (Note 26)

**The Corporation of the City of Mississauga**
**Consolidated Statement of Operations**
for the year ended December 31, 2025 with comparatives for 2024
(All dollar amounts are in $000s)

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

| | 2025 Budget (Note 20) | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Revenue (Notes 17, 18 and 19)** | | | |
| Property taxes (Note 14) | 750,191 | 755,065 | 689,931 |
| Payment in lieu of taxes | 37,787 | 36,035 | 30,809 |
| Municipal Accommodation Tax | 20,000 | 23,854 | 23,163 |
| User charges (Note 22) | 308,840 | 301,200 | 285,610 |
| Recoveries from third parties | 83,569 | 132,097 | 45,093 |
| Funding transfers from other governments (Note 23) | 1,875 | 6,845 | 2,839 |
| Obligatory reserve fund revenue applied (Note 7) | 174,427 | 237,490 | 206,949 |
| Investment income | 29,317 | 45,284 | 40,660 |
| Penalties and interest on taxes | 12,610 | 25,512 | 18,687 |
| Contributed and assumed tangible capital assets (Note 12.b) | - | 33,956 | 584,165 |
| Other | 913 | 42,158 | 3,749 |
| City's share of net income in Enersource Corporation (Note 5) | 31,887 | 58,705 | 42,549 |
| **Total Revenue** | **1,451,416** | **1,698,201** | **1,974,204** |
| **Expenses (Notes 17, 18 and 19)** | | | |
| General government services | 208,086 | 246,945 | 226,940 |
| Protection services (Note 22) | 188,827 | 196,115 | 170,811 |
| Transportation services | 438,736 | 495,967 | 442,770 |
| Environmental services | 37,171 | 32,231 | 26,249 |
| Health services | 965 | 932 | 910 |
| Social and family services | 418 | 407 | 377 |
| Recreation and cultural services | 266,276 | 246,665 | 225,750 |
| Planning and development services | 48,961 | 54,261 | 49,394 |
| **Total Expenses (Note 21)** | **1,189,440** | **1,273,523** | **1,143,201** |
| **Annual surplus** | **261,976** | **424,678** | **831,003** |
| Accumulated surplus, beginning of year | 10,685,110 | 10,685,110 | 9,854,107 |
| **Accumulated Surplus, end of year (Note 13)** | **10,947,086** | **11,109,788** | **10,685,110** |

**The Corporation of the City of Mississauga**
**Consolidated Statement of Change in Net Financial Assets**
for the year ended December 31, 2025 with comparatives for 2024
(All dollar amounts are in $000s)

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

| | 2025 Budget (Note 20) | 2025 Actual | 2024 Actual |
|---|---|---|---|
| Annual surplus | 261,976 | 424,678 | 831,003 |
| Acquisition of tangible capital assets | - | (576,869) | (926,084) |
| Amortization of tangible capital assets (Note 12) | 182,004 | 184,894 | 169,006 |
| Gain on disposal of tangible capital assets (Note 12) | - | (187) | (871) |
| Proceeds of disposition of tangible capital assets (Note 12) | - | 4,751 | 1,223 |
| Loss on retirement of asset retirement obligation | - | 2,206 | 146 |
| | **443,980** | **39,473** | **74,423** |
| Acquisition of inventories of supplies | - | (12,964) | (11,758) |
| Acquisition of prepaid expenses | - | (12,626) | (10,871) |
| Use of inventories of supplies | - | 11,758 | 12,280 |
| Use of prepaid expenses | - | 10,871 | 7,902 |
| **Change in net financial assets before the under-noted** | **443,980** | **36,512** | **71,976** |
| Net financial assets, beginning of year | 1,017,446 | 1,017,446 | 944,831 |
| Remeasurement gain | - | 1,517 | 639 |
| **Net Financial Assets, end of year** | **1,461,426** | **1,055,475** | **1,017,446** |

**The Corporation of the City of Mississauga**
**Consolidated Statement of Cash Flows**
for the year ended December 31, 2025 with comparatives for 2024
(All dollar amounts are in $000s)

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

| | 2025 | 2024 |
|---|---|---|
| **Cash provided by (used in):** | | |
| **Operating activities** | | |
| Annual surplus | 424,678 | 831,003 |
| **Items not involving cash** | | |
| Amortization of tangible capital assets | 184,894 | 169,006 |
| Gain on disposal of tangible capital assets | (187) | (871) |
| Contributed and assumed tangible capital assets | (33,956) | (584,165) |
| Change in employee benefits and other liabilities | 14,911 | 23,431 |
| Accretion of asset retirement obligations | 398 | 447 |
| Loss on retirement of asset retirement obligation | 2,206 | 146 |
| City's share of net income in Enersource Corporation | (58,705) | (42,549) |
| **Change in non-cash assets and liabilities** | | |
| Property taxes receivable | (34,142) | (18,300) |
| Accounts receivable | (91,714) | 88,925 |
| Inventories for resale | (14) | - |
| Accounts payable and accrued liabilities | 33,748 | 19,405 |
| Deferred revenue - general | (31,317) | 27,470 |
| Deferred revenue - obligatory reserve funds | (111,318) | 5,260 |
| Asset retirement obligations | (3,409) | 1,969 |
| Inventories of supplies | (1,206) | 522 |
| Prepaid expenses | (1,755) | (2,969) |
| **Net change in cash from operating activities** | **293,112** | **518,730** |
| **Capital activities** | | |
| Tangible capital assets purchased | (542,913) | (341,920) |
| Proceeds of disposition of tangible capital assets | 4,751 | 1,223 |
| **Net change in cash from capital activities** | **(538,162)** | **(340,697)** |
| **Investing activities** | | |
| Decrease/(increase) in investments | 76,818 | (250,503) |
| Decrease in loans and other receivables | 50 | 50 |
| Dividends from Enersource Corporation | 18,000 | 18,000 |
| **Net change in cash from investing activities** | **94,868** | **(232,453)** |
| **Financing activities** | | |
| Proceeds from issuance of long-term debt | 144,156 | 90,000 |
| Repayment of long-term debt | (39,363) | (37,295) |
| **Net change in cash from financing activities** | **104,793** | **52,705** |
| **Net change in cash** | **(45,389)** | **(1,715)** |
| Cash, beginning of year | 272,070 | 273,785 |
| **Cash, end of year** | **226,681** | **272,070** |

**The Corporation of the City of Mississauga**
**Consolidated Statement of Remeasurement Gains/Losses**
for the year ended December 31, 2025 with comparatives for 2024
(All dollar amounts are in $000s)

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

| | 2025 | 2024 |
|---|---|---|
| **Accumulated Remeasurement Gain/(Loss), beginning of year** | 347 | (292) |
| **Other comprehensive income:** | | |
| City's share of other comprehensive income from Enersource Corporation | 1,517 | 639 |
| **Net change in remeasurement gain** | **1,517** | **639** |
| **Accumulated Remeasurement Gain, end of year** | **1,864** | **347** |

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.

The Consolidated Financial Statements of the City are prepared by management in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

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 standards are numbered and are referenced throughout these notes beginning with the letters "PS".

## 1. Significant Accounting Policies

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 PSAS as established 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. Any dividends that the City may receive from Enersource Corporation are reflected as reductions in the investment.

(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 within the Region 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 Care and Maintenance Fund and Election Surplus 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 recognized in the year in 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) 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.

d) 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.

e) Loans and other receivables

Loans and other receivables are valued at amortized 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.

f) Inventories for resale

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

g) 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.

h) 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 Note 3)

(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 2025, 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 amortized using the straight-line method over the life of the instrument.

The purchase and sale of 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.

i) 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.

j) 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 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 Consolidated 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 Consolidated 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, has occurred

(iii) It is expected that future economic benefits will be given up

(iv) A reasonable estimate of the amount can be made

Asset retirement obligation liabilities are recognized in the City's Consolidated 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 asset is amortized in accordance with the depreciation accounting policies outlined in Note 1.m.i.

k) 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.

l) 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

m) 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. This category includes amounts that are directly attributed to the acquisition, construction, development or betterment of the asset, and estimated costs for asset retirement obligations. 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 on land because it has an unlimited useful life.

(ii) Contributed and assumed tangible capital 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 tangible capital 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.

(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.

n) 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.

o) 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 24 provides disclosure regarding the nature, extent and timing of contractual rights.

p) 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, 2025.

q) 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, 2025.

r) 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.

s) 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, 2025, all material assets have been disclosed and reported within this definition.

t) Adoption of budgets

The 2025 operating and capital budgets were adopted on December 2, 2024.

u) Revenue

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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, recreation programs, dog licences, and building permits. User charges are recognized when earned and measurable.

(v) Recoveries from third parties

Recoveries from third parties are recognized in the Consolidated Financial Statements when the City expects to recover costs it has incurred from an external party. There are two types of recovery revenue: restricted and unrestricted. Restricted recovery revenue is recognized as revenue when the corresponding expense is incurred. Unrestricted recovery revenue is recognized when it is earned, measurable and in the period to which it relates.

(vi) Government transfers

Government transfers are recognized in the Consolidated Financial Statements as revenue in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(vii) 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.

(viii) Penalties and interest

Penalties and interest on taxes are authorized charges that are levied against specific tax payors on outstanding property tax balances. Penalties and interest are recognized as revenue when a charge is levied and added to the property tax receivable balance.

(ix) Obligatory reserve fund revenue applied

The City 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.

(x) Contributed and assumed tangible capital 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 tangible capital assets in the Consolidated Statement of Operations.

(xi) Other revenue

Other revenue that is restricted is recognized when the corresponding expenses are incurred. Other revenue that is not restricted is recognized when earned and in the period to which it relates.

v) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2025 and have therefore not been applied to these Consolidated Financial Statements. Management is currently assessing the impact of the following accounting standards updates on the future Consolidated Financial Statements.

(i) The Conceptual Framework for Financial Reporting in the Public Sector will replace current guidance in Section PS 1000 – Financial Statement Concepts and Section PS 1100 – Financial Statement Objectives. The new Conceptual Framework prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which PSAS are developed and professional judgment is applied. This new Conceptual Framework 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).

(ii) PS 1202 – Financial Statement Presentation was approved in March 2023. This standard supersedes PS 1201 – Financial Statement Presentation and covers a new conceptual framework and reporting model. Prior period amounts will 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).

(iii) Amendments to Section PS 3150 – Tangible Capital Assets are being implemented as part of PSAB's Government Not-for-Profit Strategy. The changes include amending the definition of "tangible capital asset"; adding guidance to identify a collection; adding disclosure requirements to highlight the importance of works of art, historical treasures and collections; and adding guidance to clarify the accounting treatment purchase costs substantially below fair value, donated materials and labour costs. Sections PS 4230 – Capital Assets Held by Not-for-Profit Organizations, and PS 4240 – Collections Held by Not-for-Profit Organizations will be withdrawn as a result of the amendments to Section PS 3150 – Tangible Capital Assets. These amendments are effective for fiscal years beginning on or after April 1, 2030 (the first effective year for the City being the year ending December 31, 2031).

(iv) PS 3251 – Employee Benefits will replace PS 3250 – Retirement Benefits and PS 3255 – Post-employment Benefits, Compensated Absences and Termination Benefits. The standard aims to focus on refining the discount rate guidance for defined benefit plans, eliminating deferral approaches for actuarial gains/losses, and improving transparency. This standard is effective for fiscal years beginning on or after April 1, 2029 (the first effective year for the City being the year ending December 31, 2030).

## 2. Property Taxes Receivable and Accounts Receivable

Property taxes receivable of $141,628 (2024 $107,486) are reported net of valuation allowances of $126 (2024 $355). Accounts receivable are reported net of a valuation allowance of $1,499 (2024 $550) and comprises the following:

| | 2025 | 2024 |
|---|---|---|
| Government of Canada | 108,082 | 35,944 |
| Government of Ontario | 47,476 | 18,172 |
| Other municipalities | 23,683 | 22,941 |
| School boards | 458 | 289 |
| Trade and other receivables | 24,928 | 34,618 |
| Less valuation allowance | 1,499 | 550 |
| **Total Accounts Receivable** | **203,128** | **111,414** |

## 3. Investments

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

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Cost | Market Value | Cost | Market Value |
| Government and government guaranteed bonds | 1,411,227 | 1,269,670 | 1,485,958 | 1,343,823 |
| Municipal bonds | 272,027 | 239,283 | 274,114 | 243,308 |
| **Total** | **1,683,254** | **1,508,953** | **1,760,072** | **1,587,131** |

As at December 31, 2025, the City's investments measured at amortized cost exceed market value, representing a temporary decline in market value but no decline in the amortized cost value reported. There is no impairment due to the low-risk nature of the investments, the high credit ratings of the issuers, and the City's intention to hold these investments to their maturities.

## 4. 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 by failing 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 of $250,000 (2024 $250,000).

c) Market risk

Market risk is risk that 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 is exposed to the risk of fluctuation in the fair value of its fixed income investments due to changes in interest rates. 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, 2025 (2024 $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.

## 5. Investment in Enersource Corporation

The City has a 90 per cent interest in Enersource Corporation ("Enersource") 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, 2025, Enersource's interest in Alectra was 29.57 per cent (2024 29.57 per cent).

Enersource's Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The following table provides condensed financial information for Enersource Corporation for its 2025 fiscal year, together with comparative figures for 2024:

| Financial Position | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| Current | 5,674 | 6,173 |
| Investment in Alectra | 688,303 | 643,403 |
| Other | 19 | 99 |
| **Total Assets** | **693,996** | **649,675** |
| **Liabilities** | | |
| Current | 2,711 | 2,804 |
| Non-current | 35,625 | 38,125 |
| **Total Liabilities** | **38,336** | **40,929** |
| **Shareholders' Equity** | | |
| Share capital | 175,691 | 175,691 |
| Accumulated other comprehensive income/(loss) | 4,242 | 2,557 |
| Retained earnings | 475,727 | 430,498 |
| **Total Shareholders' Equity** | **655,660** | **608,746** |
| **Total Liabilities and Shareholders' Equity** | **693,996** | **649,675** |
| **Results of Operations and Non-Operations** | | |
| Revenue | 66,788 | 49,659 |
| Expenses (including income tax provision) | 1,560 | 2,382 |
| **Net Income** | **65,228** | **47,277** |
| Other comprehensive income | **1,685** | **710** |
| Total comprehensive income | **66,913** | **47,987** |
| **City's share of net income in Enersource Corporation** | **58,705** | **42,549** |

During the year, the City received a dividend of $18,000 (2024 $18,000) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in the following table for its 2025 fiscal year, together with comparative figures for 2024:

| Investment in Enersource Corporation | 2025 | 2024 |
|---|---|---|
| Opening balance, beginning of year | 547,872 | 522,683 |
| City's share of net income in Enersource Corporation | 58,705 | 42,549 |
| City's share of other comprehensive income | 1,517 | 640 |
| Dividend received | (18,000) | (18,000) |
| **Closing Balance, end of year** | **590,094** | **547,872** |

## 6. 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 comprises the following:

| | 2025 | 2024 |
|---|---|---|
| Deferred advance sales | 13,971 | 22,435 |
| Deferred grants | 8,578 | 224 |
| Deferred building and development fees | 9,481 | 18,609 |
| Deferred other contributions | 403 | 22,482 |
| **Total Deferred Revenue – General** | **32,433** | **63,750** |

## 7. Deferred Revenue – Obligatory Reserve Funds

Revenue received that has been set aside for specific purposes by provincial legislation or third-party agreements and is included in deferred revenue – obligatory reserve funds and reported on the Consolidated Statement of Financial Position. In the table below, $16,748 of investment earnings (2024 $24,475) are included in the interest applied balances.

| | 2025 | 2024 |
|---|---|---|
| Development Charges | 335,754 | 410,972 |
| Cash-in-lieu (CIL) Parkland | 162,203 | 206,148 |
| CIL Parking – Citywide | 1,780 | 2,566 |
| Community Benefits Charges | 16,162 | 15,545 |
| Provincial Gas Tax | 39,622 | 45,771 |
| Canada Community-Building Fund | 123,523 | 124,583 |
| Provincial Public Transit | 8,306 | 8,053 |
| Federal Public Transit | 5,392 | 5,450 |
| Housing Accelerator Fund | 47,505 | 30,484 |
| Section 37 Bonus Zoning | 12,824 | 14,817 |
| **Total Deferred Revenue - Obligatory Reserve Funds** | **753,071** | **864,389** |

The following continuity schedule shows the inflows and outflows through the deferred revenue – obligatory reserve funds from the start to the end of the year:

| | Opening Balance | Receipts | Interest Applied | Recognized as Revenue | Closing Balance |
|---|---|---|---|---|---|
| Development Charges | 410,972 | 20,067 | 2,570 | 97,855 | 335,754 |
| CIL Parkland | 206,148 | 6,561 | 5,593 | 56,099 | 162,203 |
| CIL Parking – Citywide | 2,566 | - | 66 | 852 | 1,780 |
| Community Benefits Charges | 15,545 | 128 | 489 | - | 16,162 |
| Provincial Gas Tax | 45,771 | 23,363 | 1,788 | 31,300 | 39,622 |
| Canada Community-Building Fund | 124,583 | 43,310 | 3,686 | 48,056 | 123,523 |
| Provincial Public Transit | 8,053 | - | 253 | - | 8,306 |
| Federal Public Transit | 5,450 | - | 168 | 226 | 5,392 |
| Housing Accelerator Fund | 30,484 | 15,712 | 1,701 | 392 | 47,505 |
| Section 37 Bonus Zoning | 14,817 | 283 | 434 | 2,710 | 12,824 |
| **Total** | **864,389** | **109,424** | **16,748** | **237,490** | **753,071** |

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 Consolidated Statement of Operations and accumulated surplus as expenses are incurred.

| | Committed Funds | Uncommitted Funds | Total |
|---|---|---|---|
| Development Charges | 206,886 | 128,868 | 335,754 |
| CIL Parkland | 11,745 | 150,458 | 162,203 |
| CIL Parking – Citywide | 1,817 | (37) | 1,780 |
| Community Benefits Charges | 175 | 15,987 | 16,162 |
| Provincial Gas Tax | 10,065 | 29,557 | 39,622 |
| Canada Community-Building Fund | 88,652 | 34,871 | 123,523 |
| Provincial Public Transit | 4,485 | 3,821 | 8,306 |
| Federal Public Transit | 5,098 | 294 | 5,392 |
| Housing Accelerator Fund | - | 47,505 | 47,505 |
| Section 37 Bonus Zoning | 3,516 | 9,308 | 12,824 |
| **Total** | **332,439** | **420,632** | **753,071** |

## 8. Employee Benefits and Other Liabilities

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

| | 2025 | 2024 |
|---|---|---|
| Workplace Safety and Insurance Board (WSIB) | 63,128 | 56,140 |
| Sick leave benefits | 24,320 | 23,187 |
| Early retirement benefits | 48,782 | 47,179 |
| Post-employment benefits | 18,545 | 16,015 |
| Long-term disability benefits | 20,417 | 13,764 |
| Vacation pay | 40,721 | 38,011 |
| Lot levy credits | 42,211 | 50,268 |
| Contaminated sites | 1,633 | 1,601 |
| Other liabilities | 37,193 | 35,874 |
| **Total** | **296,950** | **282,039** |

Information about the City's defined benefit plans is as follows:

| | WSIB | Sick Leave | Early Retirement | Post-Employment | Long-Term Disability | 2025 Total | 2024 Total |
|---|---|---|---|---|---|---|---|
| **Accrued benefit obligation, beginning of year** | **68,662** | **25,472** | **45,915** | **12,098** | **13,764** | **165,911** | **152,011** |
| Service cost | 9,273 | 1,821 | 1,949 | 3,549 | 5,948 | 22,540 | 21,388 |
| Interest cost | 3,272 | 1,187 | 2,170 | 629 | 848 | 8,106 | 7,389 |
| Benefit payments | (8,859) | (2,781) | (2,404) | (1,246) | (748) | (16,038) | (15,478) |
| Increase due to survivor claims/plan amendments | 1,179 | - | - | - | 605 | 1,784 | 601 |
| **Accrued benefit obligation, end of year** | **73,527** | **25,699** | **47,630** | **15,030** | **20,417** | **182,303** | **165,911** |
| Unamortized actuarial gain/(loss) | (10,399) | (1,379) | 1,152 | 3,515 | - | (7,111) | (9,626) |
| **Accrued benefit liability, end of year** | **63,128** | **24,320** | **48,782** | **18,545** | **20,417** | **175,192** | **156,285** |
| 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 | 5.33 % | 5.75 % | 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 the WSIB only as required to fund disability payments. In accordance with the accounting standards established by PSAB, an independent, full actuarial valuation of this obligation was completed in December 2023. The full actuarial valuation provides an analysis of claims activity and significant assumptions for subsequent years that are included in the Consolidated Financial Statements until the next full actuarial valuation (scheduled for 2026). These liabilities may change year over year based on assumptions, current year claims, and service years. WSIB was updated in December 2025 based on changes in survivor awards.

b) Sick leave benefits accrue for certain employees of the City and are paid out either on approved retirement, termination or death. In accordance with the accounting standards established by PSAB, the accrued benefit obligation and net periodic benefit cost were determined through an independent, full actuarial valuation that was completed in December 2023. The full actuarial valuation provides an analysis of claims activity and significant assumptions for subsequent years that are included in the Consolidated Financial Statements until the next full actuarial valuation (scheduled for 2026). These liabilities may change year over year based on assumptions, current year claims, and service years.

c) Early retirement benefits are representative of the City's share of the cost to provide certain employees with extended benefits upon early retirement. In accordance with the accounting standards established by PSAB, the accrued benefit obligation and net periodic benefit cost were determined through an independent, full actuarial valuation that was completed in December 2023. The full actuarial valuation provides an analysis of claims activity and significant assumptions for subsequent years that are included in the Consolidated Financial Statements until the next full actuarial valuation (scheduled for 2026). These liabilities may change year over year based on assumptions, current year claims, and service years.

d) Post-employment benefits such as health, dental and life insurance benefits, are paid on behalf of any employee on long-term disability. In accordance with the accounting standards established by PSAB, the accrued benefit obligation and net periodic benefit cost were determined through an independent, full actuarial valuation that was completed in December 2023. The full actuarial valuation provides an analysis of claims activity and significant assumptions for subsequent years that are included in the Consolidated Financial Statements until the next full actuarial valuation (scheduled for 2026). These liabilities may change year over year based on assumptions, current year claims, and service years.

e) The long-term disability (LTD) benefit program is a self-insured arrangement that was adopted in 2023. 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. In accordance with the accounting standards established by PSAB, an independent, full actuarial valuation of this obligation was completed in December 2023. The full actuarial valuation provides an analysis of claims activity and significant assumptions for subsequent years that are included in the Consolidated Financial Statements until the next full actuarial valuation (scheduled for 2026). These liabilities may change year over year based on assumptions, current year claims, and service years. LTD was updated in December 2025 due to an increase in LTD experience in 2024. The liability for claims incurred estimate is $20,417 (2024 $13,764) as at December 31, 2025, 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, 2025, the developer charge credit liability is $42,211 (2024 $50,268).

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, 2025, the amount of estimated recoveries is $nil (2024 $nil).

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

## 9. OMERS

The City makes contributions to OMERS, a multi-employer plan, on behalf of 6,130 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 $71,300 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 $71,300 and at a rate of 15.8 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2025 was $52,457 (2024 $48,217) for current service and is included as an expense on the Consolidated Statement of Operations. Employees' contributions to OMERS in 2025 totalled $52,455 (2024 $48,218).

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 in 2025 is $1.3 billion (2024 $2.9 billion deficit).

OMERS has held contributions for both employees and employers in 2025 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.

## 10. 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 buildings as estimated at January 1, 2022.

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.

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.

Changes to the asset retirement obligation in 2025 are as follows:

| Asset Retirement Obligation | 2025 | | | |
|---|---|---|---|---|
| | Buildings | Lease Agreements | Fuel tank and Ammonia Systems | Total |
| Opening balance | 10,817 | 3,660 | 2,914 | 17,391 |
| Obligation incurred in year | 131 | 37 | - | 168 |
| Obligation settled in year | (1,097) | - | - | (1,097) |
| Accretion of asset retirement obligations | 211 | 105 | 82 | 398 |
| Change in estimate | (2,480) | - | - | (2,480) |
| **Closing balance** | **7,582** | **3,802** | **2,996** | **14,380** |

| Asset Retirement Obligation | 2024 | | | |
|---|---|---|---|---|
| | Buildings | Lease Agreements | Fuel tank and Ammonia Systems | Total |
| Opening balance | 8,639 | 3,552 | 2,784 | 14,975 |
| Obligation incurred in year | 263 | 71 | - | 334 |
| Obligation settled in year | (196) | (26) | - | (222) |
| Accretion of asset retirement obligations | 304 | 63 | 80 | 447 |
| Change in estimate | 1,807 | - | 50 | 1,857 |
| **Closing balance** | **10,817** | **3,660** | **2,914** | **17,391** |

## 11. Long-Term Debt

All of the City's long-term debt is acquired through the Region of Peel. In 2025, the City acquired new debt of $144,156 (2024 $90,000), changing the debt balance to $365,538 (2024 $260,745) on the Consolidated Statement of Financial Position. The City holds both serial debentures and sinking fund debentures.

The following table summarizes outstanding serial debenture principal payments along with their respective interest rates and maturity dates:

| | | | | Outstanding Principal | |
|---|---|---|---|---|---|
| Debt Series | Interest Rate | Maturity Date | Principal Amount | 2025 | 2024 |
| 2015 | 0.95%-2.40% | August 20, 2025 | 40,000 | - | 4,000 |
| 2016 | 1.15%-2.50% | June 1, 2026 | 37,584 | 5,000 | 8,500 |
| 2017 | 1.70%-3.00% | September 28, 2027 | 38,853 | 8,500 | 12,000 |
| 2018 | 1.80%-3.05% | March 27, 2028 | 46,270 | 13,040 | 17,145 |
| 2019 | 1.90%-2.25% | October 15, 2029 | 48,150 | 20,000 | 25,000 |
| 2021-1 | 0.25%-1.50% | February 17, 2031 | 43,000 | 25,800 | 30,100 |
| 2021-2 | 0.08%-2.30% | November 8, 2031 | 47,000 | 29,000 | 34,000 |
| 2022 | 1.45%-2.75% | March 7, 2032 | 50,000 | 35,000 | 40,000 |
| 2024-1 | 3.77% | October 29, 2034 | 40,000 | 36,638 | 40,000 |
| 2024-2 | 4.34% | October 29, 2044 | 50,000 | 48,404 | 50,000 |
| **Total** | | | | **221,382** | **260,745** |

There were no serial debentures issued in 2020 or 2023.

Debt issuance 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 on serial debentures are repayable annually, as follows:

| | Principal Contributions | Interest | Total |
|---|---|---|---|
| 2026 | 37,180 | 6,237 | 43,417 |
| 2027 | 34,010 | 5,396 | 39,406 |
| 2028 | 29,356 | 4,533 | 33,889 |
| 2029 | 25,106 | 3,857 | 28,963 |
| 2030 | 20,340 | 3,224 | 23,564 |
| Thereafter | 75,390 | 15,806 | 91,196 |
| **Total** | **221,382** | **39,053** | **260,435** |

The Region also issued unsecured debentures. The City is responsible for the annual contribution toward sinking funds that will be used to extinguish this debt at maturity.

The following table summarizes the outstanding unsecured debentures and the City's sinking fund deposits that are included in the City's Consolidated Statement of Financial Position:

| | | | | Balance | |
|---|---|---|---|---|---|
| **Debenture** | **Interest Rate** | **Maturity Date** | **Principal Amount** | **2025** | **2024** |
| Unsecured debenture issued in 2025 by the Region on behalf of the City | 3.85% | June 2, 2035 | 60,000 | 60,000 | - |
| Unsecured debenture issued in 2025 by the Region on behalf of the City | 4% | December 2, 2055 | 84,156 | 84,156 | - |
| Less: sinking fund deposits | 3%-4% | | - | - | - |
| **Unsecured debenture, net of sinking fund deposits** | | | | **144,156** | **-** |

The following table summarizes the funding contribution requirements for the next five years and thereafter:

| | **Total** |
|---|---|
| 2026 | 6,734 |
| 2027 | 6,734 |
| 2028 | 6,734 |
| 2029 | 6,734 |
| 2030 | 6,734 |
| Thereafter | 63,684 |
| Interest to be earned on sinking fund debt | 46,802 |
| **Unsecured debenture, net of sinking fund deposits** | **144,156** |

The following table summarizes the total outstanding serial and sinking fund debentures as presented in the Consolidated Statement of Financial Position:

| | **2025** | **2024** |
|---|---|---|
| Serial debentures | 221,382 | 260,745 |
| Unsecured debentures, net of sinking fund deposits | 144,156 | - |
| **Total** | **365,538** | **260,745** |

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

| | **2025** | **2024** |
|---|---|---|
| Interest expense on debt | 9,498 | 4,701 |
| Debt issuance costs | 283 | 265 |
| **Total** | **9,781** | **4,966** |

## 12. Tangible Capital Assets

a) Assets under construction

Assets under construction having a value of $244,686 (2024 $237,064) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed and assumed tangible capital assets

Contributed and assumed tangible capital assets have been recognized at fair market value at the date of contribution. The gross value of contributed and assumed tangible capital assets received during the year is $33,956 (2024 $584,165) comprising infrastructure in the amount of $5,410 (2024 $1,250), land in the amount of $28,552 (2024 $577,366), vehicles in the amount of $nil (2024 $113), and buildings in the amount of $nil (2024 $5,478). Contributed assets of $33,956 (2024 $584,165) include a net adjustment decrease of $5 (2024 decrease of $41) 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 $367 (2024 $66), 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 $202,298.

e) Disposal of tangible capital assets

The costs of assets under construction of $149,536 (2024 $75,742) are excluded in calculating the gain on disposal of tangible capital assets. The write-down value of tangible capital assets was $367 (2024 $66) and is included in the total disposal of tangible capital assets. Asset purchase costs of $52,762 (2024 $140,189) include land $94; buildings $10,475; land improvements $2,864; equipment $232; linear transportation $2,072 and vehicles $37,025, less the accumulated amortization of $45,992 (2024 $139,693) and proceeds of $4,751 (2024 $1,223) which resulted in a gain on disposal of $187 (2024 gain on disposal of $871).

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, 2024 | Additions | Disposals | December 31, 2025 |
|---|---|---|---|---|
| Land | 6,136,977 | 155,065 | 94 | 6,291,948 |
| Land improvements | 300,947 | 57,613 | 2,864 | 355,696 |
| Buildings | 1,399,573 | 102,040 | 10,475 | 1,491,138 |
| Equipment, books and other | 381,316 | 43,380 | 232 | 424,464 |
| Linear – storm drainage | 980,001 | 20,121 | - | 1,000,122 |
| Linear – transportation | 2,449,905 | 87,009 | 2,072 | 2,534,842 |
| Vehicles | 454,646 | 104,018 | 37,025 | 521,639 |
| Assets under construction | 237,064 | 157,158 | 149,536 | 244,686 |
| **Total** | **12,340,429** | **726,404** | **202,298** | **12,864,535** |

Included in the additions of $726,404 (2024 $1,001,826) are contributed assets of $33,956 (2024 $584,165).

| Tangible Capital Assets Accumulated Amortization | December 31, 2024 | Amortization Expense | Disposals | December 31, 2025 |
|---|---|---|---|---|
| Land improvements | 161,749 | 13,971 | 2,530 | 173,190 |
| Buildings | 576,502 | 43,923 | 5,334 | 615,091 |
| Equipment, books and other | 241,255 | 31,187 | 223 | 272,219 |
| Linear – storm drainage | 300,204 | 9,841 | - | 310,045 |
| Linear – transportation | 1,207,282 | 52,960 | 1,428 | 1,258,814 |
| Vehicles | 208,055 | 33,011 | 36,477 | 204,589 |
| **Total** | **2,695,047** | **184,893** | **45,992** | **2,833,948** |

| Tangible Capital Assets Net Book Value | December 31, 2024 | December 31, 2025 |
|---|---|---|
| Land | 6,136,977 | 6,291,948 |
| Land improvements | 139,198 | 182,506 |
| Buildings | 823,071 | 876,047 |
| Equipment, books and other | 140,061 | 152,245 |
| Linear – storm drainage | 679,797 | 690,077 |
| Linear – transportation | 1,242,623 | 1,276,028 |
| Vehicles | 246,591 | 317,050 |
| Assets under construction | 237,064 | 244,686 |
| **Total** | **9,645,382** | **10,030,587** |

## 13. Accumulated Surplus

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

| | 2025 | 2024 |
|---|---|---|
| **Surplus** | | |
| Tangible capital assets | 10,030,587 | 9,645,382 |
| Employee benefits and other liabilities | (296,950) | (282,039) |
| Long-term debt | (365,538) | (260,745) |
| Investment in Enersource Corporation | 590,094 | 547,872 |
| Asset retirement obligation | (14,380) | (17,391) |
| **Total Surplus** | **9,943,813** | **9,633,079** |
| | | |
| **Discretionary Reserves** | | |
| Fiscal Stability Reserve | 67,879 | 62,368 |
| Operating Reserves | 39,613 | 52,604 |
| Stormwater Fiscal Stability Reserve | 6,506 | 6,245 |
| BIA Reserves | 1,472 | 745 |
| **Total Discretionary Reserves** | **115,470** | **121,962** |
| | | |
| **Discretionary Reserve Funds** | | |
| Tax Reserve Funds | 562,558 | 517,784 |
| Stormwater Reserve Funds | 223,397 | 198,157 |
| Lot Levy Reserve Funds | 59,003 | 57,207 |
| Insurance Reserve Funds | 33,288 | 37,056 |
| Employee Benefits Reserve Funds | 47,691 | 22,421 |
| Developer Contributions Reserve Funds | 38,799 | 36,045 |
| Other Reserve Funds | 87,633 | 61,746 |
| **Total Discretionary Reserve Funds** | **1,052,369** | **930,416** |
| | **11,111,652** | **10,685,457** |
| | | |
| Accumulated surplus | 11,109,788 | 10,685,110 |
| Accumulated remeasurement gain | 1,864 | 347 |
| | **11,111,652** | **10,685,457** |

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 | 2,197 | 65,682 | 67,879 |
| Operating Reserves | 1,048 | 38,565 | 39,613 |
| Stormwater Fiscal Stability Reserve | - | 6,506 | 6,506 |
| BIA Reserves | - | 1,472 | 1,472 |
| **Total** | **3,245** | **112,225** | **115,470** |

| Discretionary Reserve Funds | Committed Funds | Uncommitted Funds | Total |
|---|---|---|---|
| Tax Reserve Funds | 336,662 | 225,896 | 562,558 |
| Stormwater Reserve Funds | 153,261 | 70,136 | 223,397 |
| Lot Levy Reserve Funds | - | 59,003 | 59,003 |
| Insurance Reserve Funds | - | 33,288 | 33,288 |
| Employee Benefits Reserve Funds | - | 47,691 | 47,691 |
| Developer Contributions Reserve Funds | 1,710 | 37,089 | 38,799 |
| Other Reserve Funds | 18,681 | 68,952 | 87,633 |
| **Total** | **510,314** | **542,055** | **1,052,369** |

## 14. 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), and 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:

| | 2025 | 2024 |
|---|---|---|
| City, Region, and school boards taxation | 2,292,091 | 2,116,262 |
| Payments to the Region and school boards | (1,537,026) | (1,426,331) |
| **Net Property Taxes Available for Municipal Purposes** | **755,065** | **689,931** |

## 15. Trust Funds

Trust funds administered by the City amounting to $1,127 (2024 $1,120) 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 net financial assets and accumulated surplus for Care and Maintenance Funds of $1,127 (2024 $1,120).

## 16. Contingent Liabilities and Guarantee

As at December 31, 2025, 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, 2025 is $38,125 (2024 $40,625). Enersource Corporation's obligations are in good standing and no loss has been recognized by the City.

## 17. Segmented Information

The segmented information is provided in accordance with the financial reporting guidelines established by PS 2700 – Segment Disclosures. 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 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 adopted 2025 operating budget. The adopted 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).

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

The Other segment comprises revenue recognized from reserve funds, including direct contributions and interest income.

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 | 2025 Total | 2024 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | | |
| Property taxes | 752,787 | - | - | - | - | - | - | 2,278 | - | 755,065 | 689,931 |
| Payment in lieu of taxes | 36,035 | - | - | - | - | - | - | - | - | 36,035 | 30,809 |
| Municipal Accommodation Tax | 11,983 | - | - | - | - | - | 11,871 | - | - | 23,854 | 23,163 |
| User charges | 4,927 | 42,282 | 131,331 | 50,279 | 89 | 87 | 66,162 | 6,043 | - | 301,200 | 285,610 |
| Recoveries from third parties | 2,371 | 1,175 | 93,881 | 9 | 43 | - | 34,010 | 608 | - | 132,097 | 45,093 |
| Funding transfers from other governments | - | 2,649 | 486 | - | - | 23 | 2,723 | 964 | - | 6,845 | 2,839 |
| Obligatory reserve fund revenue applied | 36,057 | 1,617 | 109,354 | 146 | - | - | 90,169 | 147 | - | 237,490 | 206,949 |
| Investment income | 15,074 | - | - | - | - | - | (3) | 52 | 30,161 | 45,284 | 40,660 |
| Penalties and interest on taxes | 25,512 | - | - | - | - | - | - | - | - | 25,512 | 18,687 |
| Contributed and assumed tangible capital assets | 33,956 | - | - | - | - | - | - | - | - | 33,956 | 584,165 |
| Other | 36,529 | 154 | 232 | 24 | - | 20 | 673 | 130 | 4,396 | 42,158 | 3,749 |
| City's share of net income in Enersource Corporation | 58,705 | - | - | - | - | - | - | - | - | 58,705 | 42,549 |
| **Total Revenue** | **1,013,936** | **47,877** | **335,284** | **50,458** | **132** | **130** | **205,605** | **10,222** | **34,557** | **1,698,201** | **1,974,204** |

| | General Government Services | Protection Services | Transportation Services | Environmental Services | Health Services | Social and Family Services | Recreation and Cultural Services | Planning and Development Services | Other | 2025 Total | 2024 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | | |
| Salaries, wages and employee benefits | 151,596 | 173,462 | 248,422 | 6,986 | 740 | 237 | 137,665 | 26,151 | - | 745,259 | 675,310 |
| Long-term debt interest and fees | 9,768 | - | - | 13 | - | - | - | - | - | 9,781 | 4,966 |
| Materials and supplies | 6,505 | 5,813 | 48,719 | 22 | 27 | 15 | 13,294 | 4,020 | - | 78,415 | 72,580 |
| Contracted services | 17,107 | 1,934 | 89,136 | 6,812 | 102 | 3 | 23,793 | 5,694 | - | 144,581 | 110,612 |
| Rents and financial expenses | 32,353 | 6,149 | 19,889 | 2,465 | 20 | 7 | 31,664 | 874 | - | 93,421 | 103,878 |
| External transfers to others | 2,180 | 224 | - | 6,155 | - | 33 | 6,054 | 109 | - | 14,755 | 7,127 |
| Gain on disposal of tangible capital assets | 1,071 | (161) | (1,080) | - | - | - | (17) | - | - | (187) | (871) |
| Amortization of tangible capital assets | 24,151 | 8,693 | 90,804 | 9,778 | 43 | 112 | 33,988 | 17,325 | - | 184,894 | 169,006 |
| Accretion of asset retirement obligations | 8 | 1 | 77 | - | - | - | 224 | 88 | - | 398 | 447 |
| Loss on retirement of asset retirement obligation | 2,206 | - | - | - | - | - | - | - | - | 2,206 | 146 |
| **Total Expenses** | **246,945** | **196,115** | **495,967** | **32,231** | **932** | **407** | **246,665** | **54,261** | **-** | **1,273,523** | **1,143,201** |
| **Annual Surplus/(Deficit)** | **766,991** | **(148,238)** | **(160,683)** | **18,227** | **(800)** | **(277)** | **(41,060)** | **(44,039)** | **34,557** | **424,678** | **831,003** |

## 18. Segmented Information by Service Area

Segmented information by service area has been identified based on lines of service provided by the City as presented in the City's Business Plan & Budget 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 & Debt Repayment Levy.

b) Facilities & Property Management

Facilities & Property Management deals with the planning, design and construction, and compliance 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 oversees the strategic planning, continuous development, maintenance, and comprehensive management of the City's technology infrastructure, business solutions and digital public services. This service area ensures uninterrupted access to crucial systems, applications, computers, networks, data, and 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

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 21$^{st}$ 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

Transit provides a safe and reliable transportation service to the community and meets the economic, social and environmental needs of Mississauga's residents, businesses and visitors. MiWay is Ontario's third-largest municipal transit service and provides connectivity for a rapidly growing city to destinations throughout Mississauga and to neighbouring transit systems and municipalities.

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.

| | Property Tax, PILT and MAT | User Charges | Recoveries from Third Parties | Funding Transfers from Other Governments | Obligatory Reserve Fund Revenue Applied | Investment Income | Penalties and Interest on Taxes | Contributed and Assumed Tangible Capital Assets | Other | City's Share of Net Income in Enersource Corporation | 2025 Total | 2025 Budget | 2024 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Corporate Transactions | 812,676 | 13 | 610 | - | - | 45,235 | 25,291 | 33,956 | 40,924 | 58,705 | 1,017,410 | 191,636 | 1,430,970 |
| Facilities & Property Management | - | 240 | 245 | - | 4,747 | - | - | - | - | - | 5,232 | 55,796 | 8,770 |
| Fire & Emergency Services | - | 3,112 | 950 | 236 | 1,225 | - | - | - | 2 | - | 5,525 | 173,556 | 13,503 |
| General Government | - | 15,830 | 185 | - | 9 | - | 221 | - | - | - | 16,245 | 78,353 | 15,204 |
| Information Technology | - | 92 | 1,329 | - | - | - | - | - | - | - | 1,421 | 42,024 | 1,411 |
| Mayor & Members of Council | - | - | - | - | - | - | - | - | - | - | - | 5,540 | 1 |
| Mississauga Library | - | 938 | 3,916 | 715 | 720 | - | - | - | 224 | - | 6,513 | 50,083 | 2,652 |
| Parks, Forestry & Environment | - | 8,292 | 1,323 | 840 | 78,621 | - | - | - | 13 | - | 89,089 | 81,976 | 78,311 |
| Planning & Building | 2,278 | 31,334 | 378 | 892 | 522 | 52 | - | - | 130 | - | 35,586 | 37,793 | 12,882 |
| Recreation & Culture | - | 57,348 | 28,636 | 1,264 | 10,959 | (3) | - | - | 457 | - | 98,661 | 141,180 | 85,463 |
| Regulatory Services | - | 23,387 | 442 | 2,412 | - | - | - | - | 152 | - | 26,393 | 27,475 | 20,347 |
| Roads | - | 8,505 | 8,209 | 486 | 95,041 | - | - | - | - | - | 112,241 | 176,243 | 93,541 |
| Stormwater | - | 50,172 | 17 | - | 146 | - | - | - | 24 | - | 50,359 | 50,421 | 51,217 |
| Transit | - | 101,937 | 85,857 | - | 45,500 | - | - | - | 232 | - | 233,526 | 339,340 | 159,932 |
| **Total Revenue** | **814,954** | **301,200** | **132,097** | **6,845** | **237,490** | **45,284** | **25,512** | **33,956** | **42,158** | **58,705** | **1,698,201** | **1,451,416** | **1,974,204** |

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. 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 on Disposal of Tangible Capital Assets | Amortization of Tangible Capital Assets | Accretion of Asset Retirement Obligations | Loss on Retirement of Asset Retirement Obligation | 2025 Total | 2025 Budget | 2024 Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Corporate Transactions | 39,942 | 9,768 | 5,845 | 3,673 | 8,727 | 3,512 | 1,071 | - | - | 2,206 | 74,744 | 64,523 | 65,187 |
| Facilities & Property Management | 13,066 | - | 121 | 2,630 | 10,248 | - | - | - | - | - | 26,065 | 23,833 | 32,362 |
| Fire & Emergency Services | 144,629 | - | 4,884 | 333 | 4,361 | - | (161) | 8,427 | 1 | - | 162,474 | 155,152 | 142,655 |
| General Government | 73,805 | - | 346 | 18,119 | 6,174 | 1,533 | - | 24,151 | 8 | - | 124,136 | 106,180 | 108,675 |
| Information Technology | 27,522 | - | 83 | 50 | 13,322 | - | - | - | - | - | 40,977 | 41,401 | 39,662 |
| Mayor & Members of Council | 4,939 | - | 406 | 2 | 225 | - | - | - | - | - | 5,572 | 5,673 | 4,758 |
| Mississauga Library | 29,052 | - | 2,832 | 529 | 2,677 | - | - | 6,810 | 15 | - | 41,915 | 39,028 | 39,264 |
| Parks, Forestry & Environment | 35,886 | - | 4,710 | 15,366 | 5,964 | - | - | 17,267 | 82 | - | 79,275 | 94,138 | 78,912 |
| Planning & Building | 35,334 | - | 3,416 | 822 | 1,713 | 529 | - | 482 | 7 | - | 42,303 | 41,763 | 32,278 |
| Recreation & Culture | 70,711 | - | 6,267 | 6,419 | 17,129 | 5,858 | (17) | 26,909 | 207 | - | 133,483 | 129,188 | 119,168 |
| Regulatory Services | 28,110 | - | 1,231 | 692 | 2,015 | - | - | 264 | - | - | 32,312 | 34,806 | 22,418 |
| Roads | 43,468 | - | 12,849 | 75,614 | (2,166) | - | (806) | 50,017 | 31 | - | 179,007 | 130,774 | 156,646 |
| Stormwater | 5,706 | 13 | 21 | 7,442 | 2,453 | 3,323 | - | 9,778 | - | - | 28,736 | 31,891 | 23,379 |
| Transit | 193,089 | - | 35,404 | 12,890 | 20,579 | - | (274) | 40,789 | 47 | - | 302,524 | 291,090 | 277,837 |
| **Total Expenses** | **745,259** | **9,781** | **78,415** | **144,581** | **93,421** | **14,755** | **(187)** | **184,894** | **398** | **2,206** | **1,273,523** | **1,189,440** | **1,143,201** |

## 19. 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 | 2025 Total | 2025 Budget |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | | |
| Corporate Transactions | 970,984 | - | - | - | - | - | 11,869 | - | 34,557 | 1,017,410 | 191,636 |
| Facilities & Property Management | 5,146 | - | - | - | - | - | 86 | - | - | 5,232 | 55,796 |
| Fire & Emergency Services | - | 5,525 | - | - | - | - | - | - | - | 5,525 | 173,556 |
| General Government | 5,048 | 9,908 | - | - | - | - | 367 | 922 | - | 16,245 | 78,353 |
| Information Technology | 1,421 | - | - | - | - | - | - | - | - | 1,421 | 42,024 |
| Mayor & Members of Council | - | - | - | - | - | - | - | - | - | - | 5,540 |
| Mississauga Library | - | - | - | - | - | - | 6,513 | - | - | 6,513 | 50,083 |
| Parks, Forestry & Environment | - | - | (295) | - | 132 | - | 88,378 | 874 | - | 89,089 | 81,976 |
| Planning & Building | - | 23,992 | 3,017 | - | - | - | 151 | 8,426 | - | 35,586 | 37,793 |
| Recreation & Culture | 37 | 253 | - | - | - | 130 | 98,241 | - | - | 98,661 | 141,180 |
| Regulatory Services | - | 8,199 | 18,194 | - | - | - | - | - | - | 26,393 | 27,475 |
| Roads | - | - | 112,135 | 106 | - | - | - | - | - | 112,241 | 176,243 |
| Stormwater | - | - | 7 | 50,352 | - | - | - | - | - | 50,359 | 50,421 |
| Transit | 31,300 | - | 202,226 | - | - | - | - | - | - | 233,526 | 339,340 |
| **Total Revenue** | **1,013,936** | **47,877** | **335,284** | **50,458** | **132** | **130** | **205,605** | **10,222** | **34,557** | **1,698,201** | **1,451,416** |

| | General Government Services | Protection Services | Transportation Services | Environmental Services | Health Services | Social and Family Services | Recreation and Cultural Services | Planning and Development Services | Other | 2025 Total | 2025 Budget |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | | |
| Corporate Transactions | 59,311 | 995 | 386 | 2,833 | - | - | 11,219 | - | - | 74,744 | 64,524 |
| Facilities & Property Management | 24,195 | - | (125) | - | - | - | 1,995 | - | - | 26,065 | 23,833 |
| Fire & Emergency Services | 1,390 | 161,084 | - | - | - | - | - | - | - | 162,474 | 155,152 |
| General Government | 112,476 | 3,982 | - | - | - | 33 | 7,143 | 502 | - | 124,136 | 106,180 |
| Information Technology | 37,613 | 52 | 2,448 | - | - | - | 864 | - | - | 40,977 | 41,401 |
| Mayor & Members of Council | 5,572 | - | - | - | - | - | - | - | - | 5,572 | 5,673 |
| Mississauga Library | - | - | - | - | - | - | 41,915 | - | - | 41,915 | 39,028 |
| Parks, Forestry & Environment | - | - | - | - | 932 | - | 48,776 | 29,567 | - | 79,275 | 94,138 |
| Planning & Building | - | 12,128 | 3,861 | - | - | - | 2,122 | 24,192 | - | 42,303 | 41,763 |
| Recreation & Culture | 225 | 254 | - | - | - | 374 | 132,630 | - | - | 133,483 | 129,188 |
| Regulatory Services | 6,163 | 17,620 | 8,528 | - | - | - | 1 | - | - | 32,312 | 34,806 |
| Roads | - | - | 177,443 | 1,564 | - | - | - | - | - | 179,007 | 130,774 |
| Stormwater | - | - | 902 | 27,834 | - | - | - | - | - | 28,736 | 31,891 |
| Transit | - | - | 302,524 | - | - | - | - | - | - | 302,524 | 291,089 |
| **Total Expenses** | **246,945** | **196,115** | **495,967** | **32,231** | **932** | **407** | **246,665** | **54,261** | **-** | **1,273,523** | **1,189,440** |
| **Annual Surplus/(Deficit)** | **766,991** | **(148,238)** | **(160,683)** | **18,227** | **(800)** | **(277)** | **(41,060)** | **(44,039)** | **34,557** | **424,678** | **261,976** |

## 20. Budget Data

Budget data presented in these Consolidated Financial Statements is based on the 2025 operating and capital budgets as adopted on December 2, 2024. The table below reconciles the adopted budget, which is developed using a modified accrual basis of accounting, and the budget figures presented in these Consolidated Financial Statements, which are produced using the accrual basis of accounting.

| Revenue | 2025 Adopted Budget |
|---|---|
| **Adopted operating revenue budget and tax levy** | **1,304,576** |
| **Adjustments:** | |
| In-year budget adjustments | (5,829) |
| Final assessment growth | 1,667 |
| Contributions from reserves & reserve funds | (92,544) |
| Obligatory reserve fund revenue applied | 150,977 |
| Business Improvement Areas (BIAs) budgeted revenue | 3,077 |
| BIA contributions from reserves & reserve funds | (280) |
| Enersource Corporation net income | 31,887 |
| Enersource Corporation dividend | (18,300) |
| Tax adjustments reclassified from expense | (6,130) |
| **Adjusted Operating Budget** | **1,369,101** |
| **Approved Capital Budget** | **609,925** |
| Transfers from reserves & reserve funds and debt proceeds | (609,925) |
| Capital project revenue and recoveries | 67,515 |
| **Adjusted Capital Budget** | **67,515** |
| Discretionary reserve fund investment income | 14,800 |
| **Adjusted Budget** | **1,451,416** |

| Expenses | |
|---|---|
| **Adopted operating expense budget** | **1,304,576** |
| **Adjustments:** | |
| In-year budget adjustments | (4,163) |
| Contributions to reserves & reserve funds | (261,626) |
| BIA budgeted expenses | 2,973 |
| BIA contributions to reserves & reserve funds | (2) |
| BIA amortization of tangible capital assets | 104 |
| Amortization of tangible capital assets | 181,900 |
| Debt principal repayments | (39,363) |
| Changes in employee benefits and other liabilities | 11,171 |
| Tax adjustments reclassified from expense | (6,130) |
| **Adjusted Operating Budget** | **1,189,440** |
| **Approved Capital Budget** | **609,250** |
| **Adjustments:** | |
| Eliminate capital expense budget | (609,250) |
| **Adjusted Budget** | **1,189,440** |
| **Annual Surplus** | **261,976** |

## 21. Expenses by Object

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

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| Salaries, wages and employee benefits | 706,008 | 745,259 | 675,310 |
| Long-term debt interest and fees | 9,196 | 9,781 | 4,966 |
| Materials and supplies | 80,884 | 78,415 | 72,580 |
| Contracted services | 93,684 | 144,581 | 110,612 |
| Rents and financial expenses | 99,044 | 93,421 | 103,878 |
| External transfers to others | 18,620 | 14,755 | 7,127 |
| Gain on disposal of tangible capital assets | - | (187) | (871) |
| Amortization of tangible capital assets | 182,004 | 184,894 | 169,006 |
| Accretion of asset retirement obligations | - | 398 | 447 |
| Loss on retirement of asset retirement obligation | - | 2,206 | 146 |
| **Total** | **1,189,440** | **1,273,523** | **1,143,201** |

## 22. 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:

| | 2025 | 2024 |
|---|---|---|
| **Revenue** | | |
| Gross revenue | 13,358 | 13,356 |
| **Expenses** | | |
| Provincial charges | 760 | 777 |
| City's operating expenses | 5,309 | 5,562 |
| **Total Expenses** | **6,069** | **6,339** |
| **Net Contribution** | **7,289** | **7,017** |

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

## 23. 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 | 2025 | 2024 |
|---|---|---|---|---|---|---|
| General government services | - | - | - | - | - | 105 |
| Protection services | 2,443 | 204 | - | - | 2,647 | 60 |
| Transportation services | - | 450 | 37 | - | 487 | 20 |
| Social and family services | - | 23 | - | - | 23 | - |
| Recreation and cultural services | 823 | 1,701 | 199 | - | 2,723 | 2,138 |
| Planning and development services | - | 382 | 199 | 384 | 965 | 516 |
| **Total** | **3,266** | **2,760** | **435** | **384** | **6,845** | **2,839** |

## 24. 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 | 2026 | 2027 | 2028 | 2029 | 2030 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| Development charge agreements | 4,694 | 10,544 | 2,979 | 8,621 | 2,979 | 3,666 | **33,483** |
| Provincial agreements | 106,447 | 44,915 | 51,138 | 23,893 | 24 | - | **226,417** |
| Federal agreements | 132,732 | 104,225 | 86,806 | 30,560 | - | - | **354,323** |
| Incoming lease payments | 3,567 | 2,990 | 2,225 | 1,705 | 1,460 | 1,215 | **13,162** |
| Third-party contracts | 4,040 | 3,943 | 4,001 | 2,031 | 1,225 | 21,054 | **36,294** |
| **Total** | **251,480** | **166,617** | **147,149** | **66,810** | **5,688** | **25,935** | **663,679** |

A transfer payment agreement with the Ministry of Transportation to support public transit infrastructure was executed in November 2022. The City is expecting to receive $386,590 from the initial agreement and an additional $234,712, which has been approved but not included in the original agreement.

## 25. Commitments and Contractual Obligations

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

| Year | Commitments |
|---|---|
| 2026 | 3,078 |
| 2027 | 1,386 |
| 2028 | 592 |
| 2029 | 369 |
| 2030 | 308 |
| **Total** | **5,733** |

The City has entered into contractual obligations for capital works. As of December 31, 2025, outstanding contractual obligations for capital works amounted to $165,678. Five of the top contracts include the Glenforest Youth Hub $16,647; Design and Construction of Dundas Bus Rapid Transit - Confederation to Etobicoke $11,466; Park Development Lakeview Village $8,719; Fire Station 107 Renovations and Additions $6,289; and Downtown Mobility Hub $5,959. All projects are targeted to be completed by 2030 or sooner.

## 26. 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.

## 27. Recognition of Natural Assets

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 300,000 trees that moderate urban temperature, lower atmospheric carbon dioxide ($CO_2$), 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.

The City oversees the management and maintenance of approximately 238 hectares of boulevard grass areas, 425 horticultural features amounting to approximately 4.5 hectares of area, and 144 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.

## 28. Comparative Figures

Certain comparative information has been reclassified to the Consolidated Financial Statements presentation adopted in the current year.