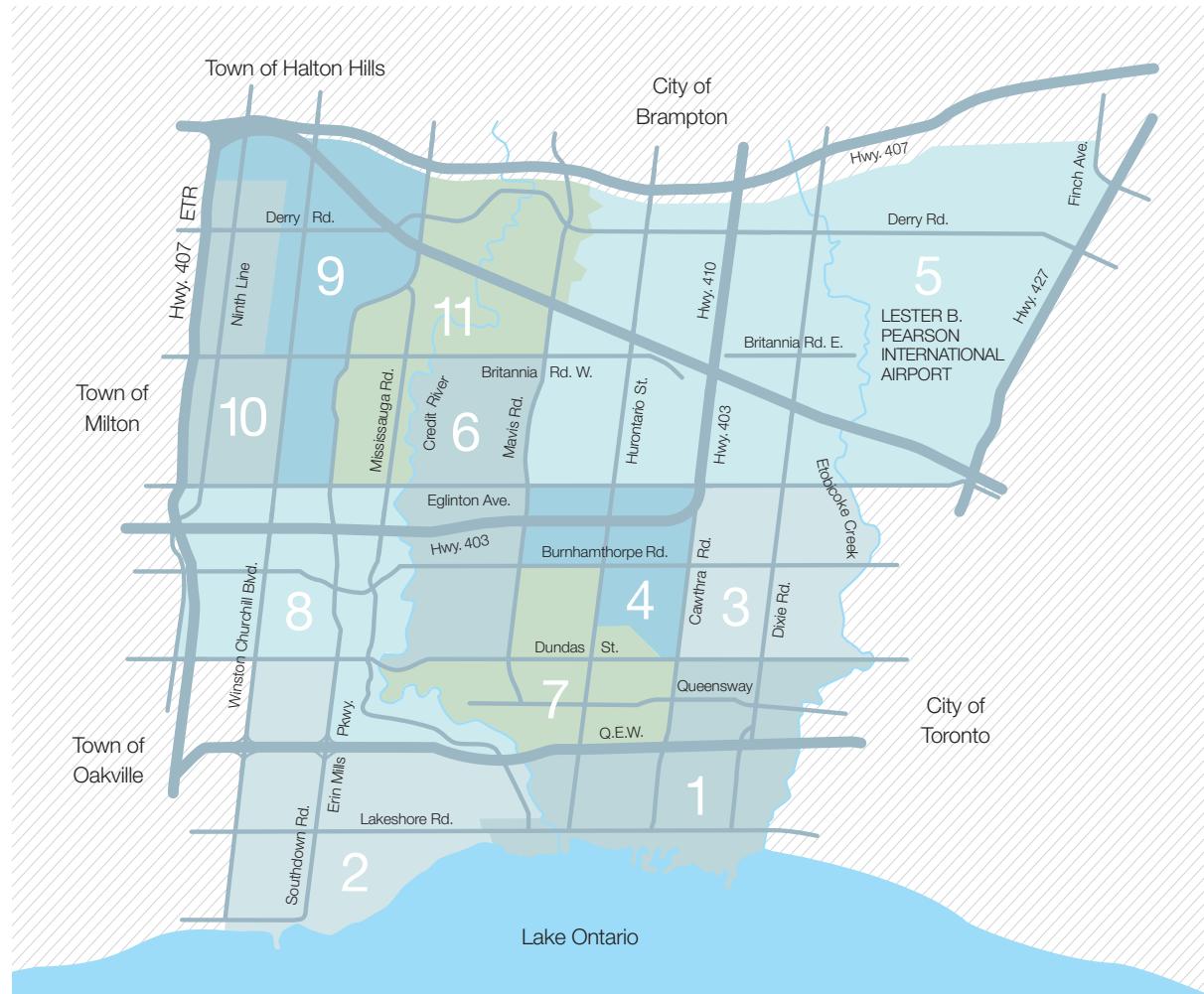


# 2014 Financial Report



The City of Mississauga, Ontario, Canada for fiscal year ended December 31, 2014.

# City Council



**M Bonnie Crombie**  
Mayor

**1 Jim Tovey**  
Ward 1 Councillor

**2 Karen Ras**  
Ward 2 Councillor

**3 Chris Fonseca**  
Ward 3 Councillor

**4 John Kovac**  
Ward 4 Councillor

**5 Carolyn Parrish**  
Ward 5 Councillor

**6 Ron Starr**  
Ward 6 Councillor

**7 Nando Iannicca**  
Ward 7 Councillor

**8 Matt Mahoney**  
Ward 8 Councillor

**9 Pat Saito**  
Ward 9 Councillor

**10 Sue McFadden**  
Ward 10 Councillor

**11 George Carlson**  
Ward 11 Councillor

## **2014 Financial Report**

The 2014 annual Financial Report has been prepared in an electronic format and is available on the City's website at [www.mississauga.ca](http://www.mississauga.ca).

In keeping with the City's goals of fiscal restraint, environmental responsibility and increasing the availability of City information on the web, the City of Mississauga no longer publishes hardcopy annual financial reports. This initiative is one of many City initiatives that helps reduce the costs that affect property taxes in Mississauga for residents and businesses.

[www.mississauga.ca/finance](http://www.mississauga.ca/finance)

The City of Mississauga  
Financial Report 2014

**FOR THE FISCAL YEAR ENDING DECEMBER 31, 2014**  
**MISSISSAUGA, ONTARIO, CANADA**

Produced by the Finance Division, Corporate Services Department  
of the City of Mississauga in co-operation with all civic departments,  
offices and agencies.

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# Our Vision and Values

## **Our Vision**

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

## **Our Values**

### **TRUST**

We commit to upholding public trust and to promoting a climate of trust between employees, management, Council and residents. We strive to be open and responsive in managing the City.

### **QUALITY**

We deliver services and programs which enhance the quality of life of residents and employees.

### **EXCELLENCE**

We serve as a model of excellent public administration and deliver the right services in a superior way, at a reasonable cost.

# GFOA Award

## **Canadian Award for Financial Reporting**

For the 17th consecutive year, the Government Finance Officers Association of the United States and Canada presented the City of Mississauga with the Canadian Award for Financial Reporting for its 2013 Annual Financial Report in recognition of the City's ability to present financial information in a clear, concise and informative manner. This award program encourages innovative financial reporting and maintains a high quality standard that is recognized amongst peers. The City of Mississauga is continuing this standard of high quality reporting for the submission and evaluation for the 2014 award program.



Government Finance Officers Association

## **Canadian Award for Financial Reporting**

Presented to

**City of Mississauga  
Ontario**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2013**

A handwritten signature in black ink that reads "Jeffrey R. Enns".

Executive Director/CEO

# Message from the Mayor



On behalf of my colleagues on Council, I am pleased to present the City of Mississauga's 2014 Financial Report. This report is our opportunity to share the progress we made in 2014, celebrate our achievements and report on our financial standing.

As Canada's sixth-largest city, Mississauga is a global community with a story to tell the world. Our residents enjoy a high quality of life with access to outstanding programs and services. More than 54,000 businesses, including more than 63 Fortune 500 companies with Canadian head offices, are based in Mississauga. Our talented arts and culture community creates a vibrant hub of creativity in the City. With something for everyone, Mississauga is a great place to live, work and play.

Each year, Mississauga grows – not only in terms of population but through building, innovation and partnerships. Developments in our downtown and along our waterfront are creating new landmarks and social gathering places. Partnerships with post-secondary institutions such as Sheridan College and University of Toronto Mississauga are attracting talented young people with new skills to offer. Green spaces, including more than 483 parks and 298 kilometers of trails and woodlands, are part of our beautiful natural landscape. Our 18 libraries, 11 community centres and 12 indoor arenas offer residents an enjoyable variety of recreation activities, sporting events and community celebrations.

Part of what makes Mississauga a wonderful place to be are its people. With a diverse population nearing one million people, Mississauga is a hub of cultural diversity. People from all over the world call Mississauga home.

As Mayor, I am proud of the work that has been done to build a great city. Part of our success comes from our ability to plan for the future. We have a clear vision and are taking great strides to achieve it.

Looking ahead, we will work to maintain what we have built. By maintaining our infrastructure, delivering great services and creating valuable partnerships, we will continue to be a vibrant, 21st century city.

Bonnie Crombie

*Bonnie Crombie*

Mayor

# Mississauga Quick Facts

## Location

- Located within the Greater Toronto Area
- Adjacent to City of Toronto on the west side and on the north shores of Lake Ontario
- Area: 113 square miles (292 km<sup>2</sup>); 72,200 acres (29,000 ha)

## Population

- Canada's 6th largest city: 759,000 (2014)
- Projected Population: 829,000 (2031)

## Employment

- Employees in Mississauga: 417,585 (per 2014 Planning profile)
- Employees in GTA: 4.1 million
- 63 Fortune 500 companies have their Canadian head offices or major divisional offices located in Mississauga
- 41 Financial Post Top 500 companies have their Canadian head offices or major divisional offices located in Mississauga

## Transportation

### Airport

- Lester B. Pearson International Airport is located in Mississauga, Canada's busiest airport, among the top 30 in the world

### Highways

- The only city in the GTA serviced by 7 major highways
- Excellent highway connections, less than 2 hours from the USA border

### Railways

- Served by two national railways, Canadian National (CN) and Canadian Pacific (CP)
- Intercity and long distance rail passenger service is provided by VIA Rail Canada and AMTRAK

### Public Transit

- MiWay is the third largest municipal transit system in Ontario servicing approximately 43 million riders annually
- 95 routes throughout the City connect with the Toronto Transit Commission, Brampton Transit, Oakville Transit and all GO Transit stations
- GO Transit operates three train lines and several GO Bus routes through Mississauga providing frequent service throughout the day with connections to Toronto and surrounding areas

## Higher Education

### In Mississauga

- The University of Toronto Mississauga
- Sheridan College – Hazel McCallion Campus

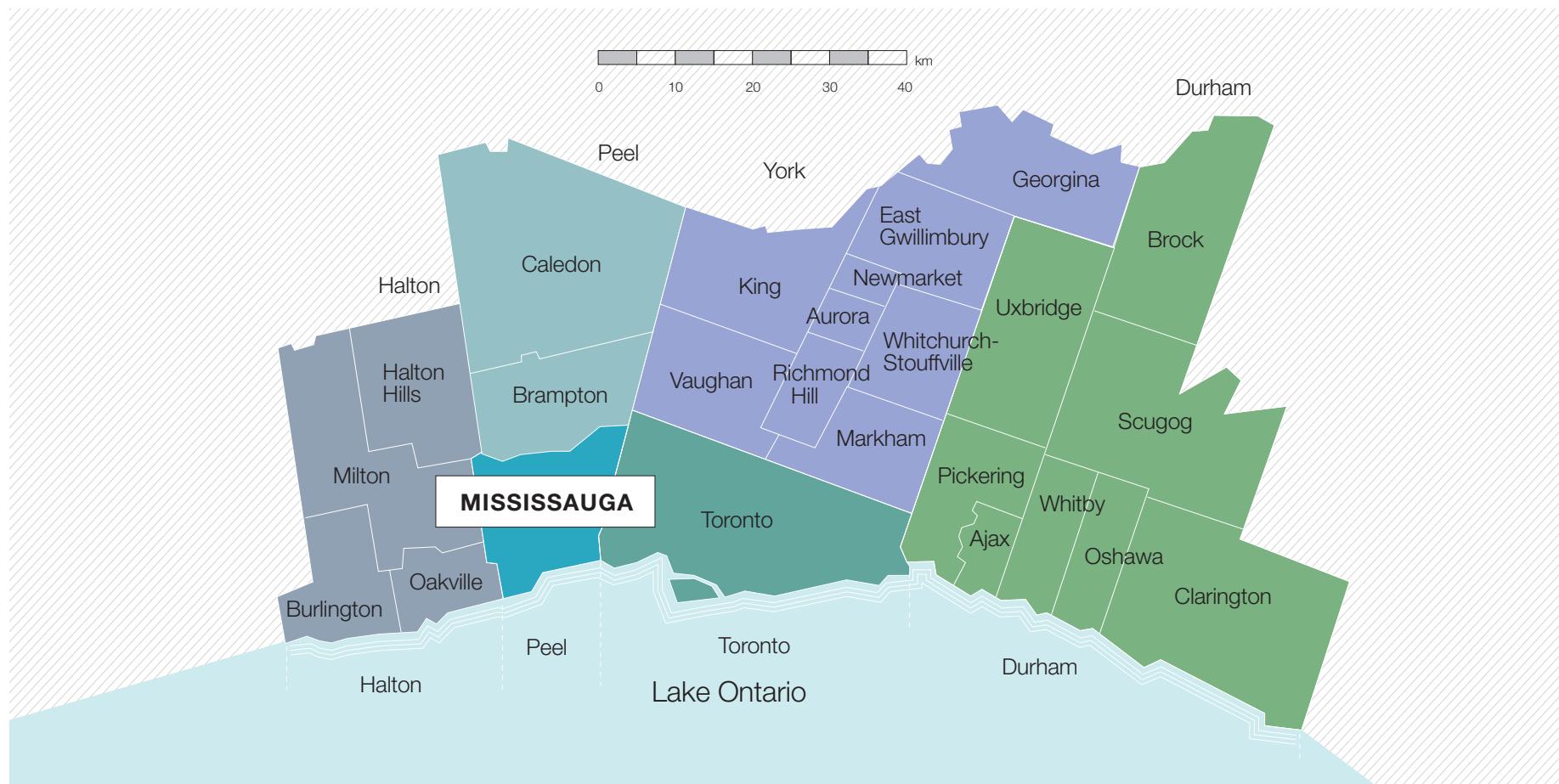
### Within Commuting Distance

- 10 major universities and 11 technical colleges

## Tax Rates (2014)

- Industrial: 2.469116 per cent
- Commercial: 2.101525 per cent
- Residential: 0.908370 per cent
- Multi-Residential: 1.457699 per cent

# Mississauga and GTA Municipalities



# Message from the City Manager



The City of Mississauga has a track record of achieving excellence. I am pleased to report that in 2014 we accomplished many of our strategic goals and moved several key initiatives forward.

As we build a world-class city, strong financial planning helps guide our decision-making and keeps us fiscally responsible. Having a good financial footing and a solid foundation for planning is part of what makes Mississauga a municipal leader. Tools like our Business Plan and Budget help us allocate our limited resources effectively.

In this tough economic climate, we are always looking for ways to enhance productivity and reduce costs wherever possible. As regular practice, we challenge ourselves to find efficiencies, while maintaining service levels. I want to thank our staff who, working with Council, identified a savings of \$7.9 million in 2014.

In 2014, Mississauga was recognized as a leader in the municipal sector for our financial planning and accountability. We received our 11th consecutive AAA Credit rating from Standard and Poor's Ratings Services, as well as recognition from the Government Finance Officers Association (GFOA) for excellence in financial reporting for the 17th year in a row. We received accolades for our policies, audited statements and detailed budgets. We also marked 25 consecutive years of receiving the Distinguished Budget Award from the GFOA.

As in past years, we faced some challenges in 2014. As unplanned issues arose, we were able to identify alternative funding methods to help us achieve our goals and keep our projects moving forward. Revenue sources, including an Emerald Ash Borer (EAB) special tax levy and a new stormwater charge will address important issues like climate change, while debt financing will help us maintain existing infrastructure in a state of good repair and build new facilities like the Transitway and the Meadowvale Community Centre.

We know that more challenges lie ahead. While they are inevitable, we will continue to plan for our future in a transparent and accountable manner. Our commitment to excellence will not change and we will continue to deliver the programs and services on which our residents rely.

Through strong financial planning, informed decision-making, smart investments and a commitment to excellence, we will continue to support Council to build a great place to live, work and play.

Janice M. Baker, FCPA, FCA

A handwritten signature in black ink, appearing to read "Janice Baker".

City Manager and Chief Administrative Officer  
City of Mississauga

# Corporate Organizational Structure

**Janice M. Baker,  
FCPA, FCA**  
City Manager  
& Chief Administrative Officer



**Responsibilities:**

- Economic Development
- Internal Audit
- Corporate Performance & Innovation
- Legal Services

▶  
**Commissioners report to the City Manager & Chief Administrative Officer.**



**Martin Powell,  
P. Eng.**

Commissioner  
Transportation  
and Works

**Responsibilities:** Transportation & Infrastructure Planning • Engineering & Construction • MiWay • Enforcement • Works Operations & Maintenance



**Edward R. Sajecki,  
P. Eng., MCIP**

Commissioner  
Planning and  
Building

**Responsibilities:** Strategic Community Initiatives • Development & Design • Policy Planning • Building



**Gary Kent,  
BA**

Commissioner  
Corporate Services  
and Chief Financial Officer

**Responsibilities:** Finance • Communications • Legislative Services & Office of the City Clerk • Facilities & Property Management • Human Resources • Information Technology • Revenue & Materiel Management



**Paul A. Mitcham,  
P. Eng., MBA**

Commissioner  
Community  
Services

**Responsibilities:** Recreation • Parks & Forestry • Fire & Emergency Services • Library • Culture • Environment



# 2014 Accomplishments and Successes



# Delivering Existing Services



- The City's 3-1-1 Call Centre managed 277,743 calls in 2014.
- There were over 13.5 million visits to the City's website with over \$16 million in online transactions completed.
- 3,019 marriage licenses were issued and 203 wedding ceremonies were performed in 2014.
- The City partnered with the Municipal Property Assessment Corporation on a pilot project that allowed residents to update voter information online.
- The Yard Maintenance Subsidy was increased for vulnerable residents dealing with ice storm tree debris.
- The City updated its brand to communicate a new authentic, aspirational story and won the 2014 MarCom Gold Award in the category of Brand Re-fresh.
- New bylaws were introduced that regulate clotheslines and methadone clinics, set standards of care for pets and ban the sale and ownership of dangerous exotic pets.
- #Ivotebecause social media contest encouraged youth to vote.
- More than 36 per cent of registered voters voted in the 2014 Municipal Election.
- The City hosted the 2nd Annual Abilities Awards.
- The City launched a new Budget Allocator tool to enhance resident education and engagement in the budget process.
- Wireless Mississauga partnered with Sheridan College to expand the wireless network.
- Public video streaming of City Council and Committee meetings was made available.
- The City was awarded the Mississauga Board of Trade Clean & Green Award for its outstanding environmental efforts.
- The Planning & Building Customer Services Centre helped more than 19,817 visitors in 2014; more than 39,823 accessed eServices.
- 72,370 building inspections were completed in 2014.

- The City's recreation facilities welcomed 11 million visitors in 2014.
- There were 19,000 course offerings.
- Facilities were rented out to the community for more than 636,000 hours.
- The City maintained 7,141 acres of parkland and open spaces, including 483 parks, 519 sports fields, 263 playgrounds and 298 kilometers of trails.
- One million City-owned trees were maintained, including 250,000 on City boulevards.
- The Mississauga Library registered more than 4.5 million visits in 2014; 148,739 attended library programs.
- Visitors accessed the internet at the library's public-use computers almost 600,000 times.
- The City's Community Services Department updated its 'Future Directions'.
- The 'Let's Play in the Park' program helped get kids active outdoors.
- The Natural Heritage and Urban Forestry Strategy was approved.
- The City's Natural Heritage and Urban Forestry Strategy received the Communities in Bloom award.
- 52,269 trees and shrubs were planted on City land.
- Mississauga Celebration Square was awarded the Neighborhood Plaza Award under the 2014 Healthy Cities for ALL categories from The International Making Cities Livable.
- The City received the Federation of Canadian Municipalities (FCM) "Achieved Corporate Partners for Climate Protection (PCP) Milestone 5", the highest level of the program.
- Team REBEL 2013 received the ChangeTheWorld Recognition Award from Volunteer MBC (Mississauga, Brampton, Caledon).
- Mississauga's REBEL 13 Program received the PRO Award of Excellence for Innovation.
- Mississauga's MacEwan Terrace Garden at Riverwood received the Canadian Association of Landscape Architects Regional Merit Award for Design.
- Mississauga's Credit River Parks Strategy received the Regional Honour Award from the Canadian Association of Landscape Architects.
- There were over 52 million MiWay boardings in 2014.
- Temporary parking permits for short-term parking were offered online.
- New Freedom Pass allowed kids aged 12-14 to ride MiWay for free.
- MiWay improved accessibility with fully accessible buses and bus stops, internal/external stop announcements and an accessible website.
- The Active Switch program was launched to promote active, healthy transportation options for residents.
- The City completed the Stormwater Management Facility Prioritization Study.
- Mississauga's Works Yards were awarded the National Safe and Sustainable Snowfighting Award from the Salt Institute.
- Entrepreneurs started 34 businesses in 2014, including 24 by young entrepreneurs.
- 336 businesses registered in 2014.

# Delivering Value for Money

- Standard and Poor's Ratings Services awarded Mississauga an 'AAA' Credit rating in 2014.
- The City received the Government Finance Officers Association (GFOA) Financial Report and Budget Awards.
- The City completed Licensing for Personal Services Businesses.
- Mississauga's Civic Centre was recognized as one of the most energy efficient city halls in Canada.
- Three arenas (Tomken Twin Rink, Hershey – Rinks 2 and 3, Mississauga Valley), four tennis courts (Mohawk, Dellwood, Thornlodge, West Acres) and four parking lots (Huron Park, Central Transit, Mississauga Valley and 950 Burnhamthorpe) were updated with new energy saving LED lights.
- The Garry W. Morden Training Facility achieved LEED Silver Status from the Canada Green Building Council.
- The City introduced self-service requests on its website for 311 Citizen enquiries and requests.

- In 2014 the City supported 17 community service organizations and granted more than \$825,000 in funding to support programs valued by the community.
- Mississauga Libraries improved self-serve checkout, acquired a 3D printer, and are now open on Sundays.
- Mississauga Libraries offered cardholders free weekly music downloads with the introduction of Freegal, an internet-based music service.
- In collaboration with the Mississauga Board of Trade, the City brought the artsVest™ program to Mississauga connecting artists with the business community.
- Energy efficient LED lighting was installed in nine parks across the City including: Ashwood; Birchwood; Cherry Hill; Cordingley; Garthwood; Stonewood; Streetsville Memorial; Serson; and Quenippenon.
- An internal review identified \$2.3 million in savings through the purchase of seasonal Parks operations vehicles.
- The Lean Parks Waste Management project improved garbage and recycling pick-up frequency by 11 per cent.
- In-field technology was deployed for all forestry staff.
- The City was recognized as one of Canada's Top 100 Greenest Employers in 2014.
- The City received 12 environmental awards in 2014.
- The City's dedicated and fair approach to funding stormwater management was approved.
- The City received awards for active and sustainable transportation including: 2014 Smart Commute Peel Region Employer of the year; and 2014 Smart Commute Regional Employer of the year.
- The LED street light project advanced with 37,000 street lights converted to LED technology in 2014.
- Mississauga's Engineering & Works Division was awarded the 2014 OPWA Project of the Year Environment Award for the Elm Drive Rain Garden Project.

# Maintaining Our Infrastructure



- A new, accessible welcome desk was opened in the Civic Centre.
- 125,000 square feet of roofing was replaced at City facilities.
- Renovations were completed on the wash bays at Central Transit Campus.
- Boilers at the Civic Centre were updated to energy efficient models.
- Upgrades were made to the City Core Network Infrastructure and the VCOM Emergency/Non-Emergency Radio.
- A Radio Frequency Identification (RFID) Self-service checkout system was installed at Mississauga Public Libraries.
- The City was recognized for Excellence in social planning for its second units program winning the Canadian Institute of Planners (CIP) 2014 Award.
- The City completed a number of Master Plans and Studies including: the Inspiration Lakeview Master Plan; Ninth Line Lands Study Phase One - Community Visioning.

- A new green space near Dundas and Dixie was dedicated in recognition of the Pallett family.
- The City officially opened Holcim Waterfront Estate.
- Woodlands Library opened a new 7,500 square foot building featuring a low impact and energy efficient design.
- Don McLean Westacres outdoor pool was reopened after rehabilitation work was completed.
- Partial replacement of the Lakeview Golf Course irrigation system was completed.
- C Express Kiosk was remodelled and now provides food and beverage options to visitors at the Central Library.
- 100,000 trees were planted City-wide and captured through the One Million Trees program with the help of 4,916 volunteers at 213 events.

- The City acquired just over ten acres of new park and greenbelt lands.
- Seven kilometres of park trail renovation was completed.
- Seven park improvements and redevelopments were completed across the City in 2014 including: Clarkson Twin Spruce; Lake Wabukayne; Lyndwood; Mississauga Valleys; Petro Canada; Streetsville Rotary; and White Oaks.
- 25 playgrounds were replaced in 2014 as part of the Playground Redevelopment Program.
- The Burnhamthorpe bridges were completed across the west and east branches of the Cooksville Creek to provide a continuous trail link.
- A condition analysis of pedestrian bridges, trails and play equipment was completed.
- 3,393 trees were removed and 5,290 trees were treated with TreeAzin as part of the Emerald Ash Borer Management Plan in 2014.
- As a result of the 2014 ice storm, 2,000 street trees were removed and 8,000 trees were pruned.
- 7,500 trees were removed from Malton to mitigate the impact of the Asian Long-horned Beetle.
- Two new community gardens were established.
- River Grove Community Centre was re-opened after a major renovation.
- McCracken Community Park was expanded offering more features and space.
- Streetsville Village Square was re-opened after a redevelopment that transformed the square into a vibrant urban space.
- The City installed four permanent and two temporary Public Art installations including: Contemplating Child; The Bearded Ones; Building Colour; The Messenger; Dance Freely; and Tree Quilts.
- An upgrade to the Museums artifact database and archival system was completed.
- Lifecycle replacement of the audio monitor at Celebration Square was completed.
- Lifecycle replacement of stage lighting and audio equipment at the Meadowvale Theatre was completed.
- The Fire 911/Communications Centre renovation was completed.
- Fire & Emergency Services transitioned to a new digital radio system in conjunction with the Region of Peel.
- Three new replacement pumper trucks were received by Fire & Emergency Services in 2014.
- The City resurfaced 23 kilometres of roadway and constructed 7 kilometres of new sidewalks.
- 3.2 kilometres of new cycling lanes were installed.
- The first four stations of the Mississauga Transitway opened in 2014 including: Central Parkway; Cawthra; Tomken; and Dixie.
- MiWay replaced 7 buses in 2014.
- The City replaced 1.5 kilometers of noise barriers.
- Four bridges and one pedestrian overpass and underpass were rehabilitated.
- Whittle Road extension and roundabout was completed.
- Five watercourse improvements were completed including: Sixteen Mile, Cooksville, Mimico, Little Etobicoke Creek and the Credit River.
- Cooksville Creek and Sheridan Creek erosion control were completed.
- The Hurontario-Main Light Rail Transit Project received a Notice to Proceed from the Minister of the Environment & Climate Change (MOECC). A Statement of Completion was submitted from the City of Mississauga with Metrolinx to the MOECC to formally complete the project's Transit Project Assessment Process.
- Implementation of the Advanced Transportation Management System (ATMS) continued with the design and construction of a traffic management centre and vendor selection for the purchase of a traffic control system.
- The City, in partnership with BioTalent Canada, announced a program that assists newcomer health professionals get Canadian experience.

# Message from the Director of Finance and Treasurer



The City of Mississauga is pleased to present its Financial Report for the year ended December 31, 2014. This report has been prepared in accordance with the Municipal Act and based on the reporting standards set by the Chartered Professional Accountants (CPA) Canada Public Sector Accounting Board.

This Financial Report communicates to stakeholders, residents and local businesses the City's 2014 financial performance, and related information regarding significant financial policies and processes. The 2014 financial results continue to demonstrate Mississauga's legacy of strong leadership and excellence in financial planning and fiscal prudence.

Both the City of Mississauga and the Region of Peel provide municipal services to Mississauga taxpayers. The Region is exclusively responsible for garbage collection and disposal, water treatment and distribution, waste water services, police services and social services. The City of Mississauga's financial statements do not include Regional services.

The City is finding it difficult to balance the City's budget constraints and the community's expectation on service levels and taxation. Our Business Plan affords us the opportunity to step back and evaluate our external environment and internal processes and adjust goals, service levels, and programs in the context of our Strategic Plan and progressive financial planning.

Like most municipalities in the world, our City, and its residents and businesses continue to deal with a fluctuating economy such as unemployment, currency rates, utility costs, fuel costs, etc. However, the City of Mississauga remains committed to finding efficiencies to offset these financial conditions so the City can continue to provide quality services, maintain its infrastructure, and build our City for the future.

Mississauga's property tax bill includes funding for three organizations (as it is a two-tier municipality): City of Mississauga, Region of Peel and the Province of Ontario (for education purposes). The City's Business Plan and Budget only impacts the City portion of the tax bill which is 32 per cent of the residential tax bill and 19 per cent of the non-residential tax bill.

As with each annual budget cycle, Council and staff carefully reviewed every service area for efficiency and value for our taxpayers. As a result of this ongoing review, the City was able to limit its property tax rate increase to 1.8 per cent on the total residential tax bill for 2014 without compromising services or service levels today or in the future. The increase in the total tax bill including the Region and Education was 2.7 per cent.

2014 presented a number of challenges for the City.

- **Ice Storm:**

On December 22, 2013 the City of Mississauga experienced an extreme ice storm event. The City's tree canopy was significantly damaged with Meadowvale, Malton and Erin Mills communities being the hardest hit. Recovery work commenced immediately and continued until all recovery work was completed in December 2014. Recovery work included road and sidewalk clearance, debris clearance in parks and trails, tree pruning and removal, and the processing of all wood debris. The City requested ice storm cost reimbursement from the Ontario Ice Storm Assistance Plan totalling \$9.4 million. Reimbursement is expected in 2015 or 2016.

- **Winter Maintenance:**

In 2014, Ontario municipalities faced a very long, cold winter with heavy snowfall. Due to the harsh 2014 winter weather conditions, the City's winter maintenance program was overspent by \$5.5 million comprised of \$2.5 million in contractor costs, \$2.0 million in salt, and \$1.0 million in additional labour and vehicle costs. The City's winter maintenance crews clear City roads, priority sidewalks, bus stops and pedestrian crossings within 12-36 hours after the end of a snowstorm. For an average storm, all major arterial and collector roads are cleared within 12 hours, and residential roads, priority sidewalks and bus stops are cleared within 24 hours. The City's 2014 winter maintenance budget is based on the average number of winter events from the previous 5 years, resulting in a budget of \$21.9 million.

- **Emerald Ash Borer:**

Approximately 10 per cent of the 2.1 million trees in the City of Mississauga are ash trees. Ash trees are at risk of infestation of Emerald Ash Borer which is a highly destructive pest that can kill these trees and make them structurally unsafe. We have a forecasted 10 year cost of \$51.0 million for this environmental disaster. Sustainable trees are being treated with TreeAzin. Unsustainable trees are being removed and replaced. We have

spent \$3.4 million in the first 2 years of the program and expect to spend approximately \$19.5 million in the next 3 years. We plan to spend the entire \$51.0 million over the 10 year program.

- **Stormwater:**

A 2012 stormwater financing study identified that the City needs to spend more money on stormwater management to maintain it in good working order. City Council directed staff to find the best approach to fund the City's stormwater program. In response, the City is looking to implement a new charge on the water bill that is fair and dedicated to stormwater management to be implemented in 2016. In recent years, Mississauga has been faced with more intense and frequent storms resulting in property damage to homes, businesses and City infrastructure. At the same time, the City must meet the regulations set by the other levels of government that are focussed on environmental protection and planning for infrastructure repair and replacement in the future. The City is making this change to the stormwater program to provide the funds needed to help minimize any potential risks to you and your property and the environment in the future.

- **Aging Infrastructure:**

The City of Mississauga has an inventory of roads, facilities and other physical structures and assets, the net historical cost of which is approximately \$7.8 billion. Currently, the City is allocating tax funds to cover about 26 per cent of the annual depreciation of these assets based on historical value, resulting in an annual infrastructure gap of \$91 million based on future replacement costs. This infrastructure gap can only be closed by increasing tax based funding through an infrastructure levy. To address immediate needs the City has begun to issue debt, for the first time in over thirty years, in a very prudent and responsible manner

- **Debt:**

Debt has been anticipated and planned for many years and will be governed by an extensive debt policy that ensures the prudent use of debt.

Despite the many budgetary challenges, the City continues to maintain a “AAA” credit rating from Standard and Poor’s Ratings Services. This high credit rating allows the City to borrow at a lower cost and also per legislation to invest in financial instruments that will earn a higher rate of return for the City.

In the 2014 budget, City staff implemented \$7.9 million in efficiencies and reductions through a range of opportunities including leveraging technology, conducting efficiency reviews to reorganize and reduce staffing levels, conservation measures like the LED street lighting program, savings associated with the re-negotiated Sun Life ASO contract, and general cost reductions and savings in many smaller ways.

While we continue to build and grow, we must be watchful of our spending. I know it can be challenging for a growing city like ours to find efficiencies. The Corporation has remained an award-winning organization. By establishing the right priorities, creating achievable actions and tracking our progress against our strategic goals, we will realize Mississauga’s potential to be a great 21st century City.



Jeffrey J. Jackson, MBA, CPA, CA

Director of Finance and Treasurer

April 15, 2015

# Financial Management Processes

## **Internal Control Management**

Management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

## **Internal Audit**

Internal Audit is an independent, objective assurance and consulting activity established at the City to improve operations. Internal Audit's mission is to assist the City in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating City management processes. Internal Audit assesses the City's risk management, control and governance processes to determine whether these processes are adequate and functioning effectively.

## **External Audit**

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

## **City Business Planning**

To address significant budget, economic and political pressures in recent years, the City of Mississauga utilizes a corporate-wide, business planning process. The end result is better integration of Mississauga's strategic priorities and programs, services, budgets, and annual work plans.

## **Financial Statement Preparation**

City of Mississauga management is responsible for all information contained in the annual Financial Report. These financial statements and accompanying notes have been prepared using reasonable limits of materiality and within the framework of the accounting principles and disclosure requirements of the CPA Canada Public Sector Accounting Standards Manual.

## **Audit Committee**

The Audit Committee is comprised of four members of Council, appointed annually by Council including the Mayor as an ex-officio member. The Audit Committee provides a focal point for communications between Council, the external auditor, the internal auditor and management, and facilitates an impartial, objective and independent review of management practices through the internal and external audit functions.

## **User Pay Philosophy**

With the City's only major funding source being property taxation, Mississauga continues to implement its 'User Pay' philosophy where appropriate to do so, to fund service costs. Development is slowing down and as a result, development related revenues are declining and tax base growth is slowing. The City will continually need to review user fees to balance service and tax pressures.



# 2014 Financial Year in Review



# 2014 Consolidated Financial Statement Overview

The City of Mississauga's consolidated financial statements have been prepared in accordance with the Municipal Act and based on the reporting standards set by the CPA Canada Public Sector Accounting Board.

There are four required consolidated financial statements: consolidated statement of financial position, consolidated statement of operations, consolidated statement of change in net financial assets, and consolidated statement of cash flows. These consolidated financial statements provide information on the cost of all the City activities, how they were financed, investing activities and the assets and liabilities of the City. The information also reflects the full nature and extent of the City's financial affairs similar to a private sector financial statement presentation.

The following is a high level overview of the 2014 financial results of the City.

## **Consolidated Statement of Financial Position**

The consolidated statement of financial position highlights four key figures that together describe the financial position of a government: (a) cash resources of the government, (b) net financial asset position calculated as the difference between financial assets and financial liabilities, (c) non-financial assets that are normally held for service provision such as tangible capital assets, (d) accumulated surplus/deficit (or in private sector terms, retained earnings as there are no shareholder contributions or distributions).

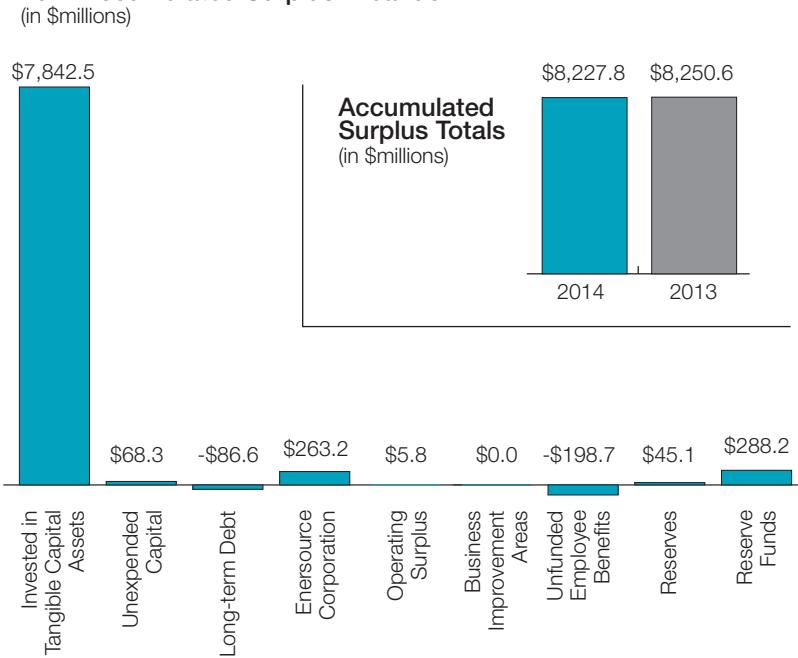
Although the City continues to manage its financial operations through various funds such as the Operating Fund, the Capital Fund, the Reserves and the Reserve Funds, in accordance with PSAB, these funds are no longer reported in the consolidated financial statements and have been replaced by Accumulated Surplus. The Accumulated Surplus summarizes the Corporation's consolidated equity which identifies the financial position, including tangible capital assets, and financial resources of the City.

## Accumulated Surplus

The City's accumulated surplus for fiscal year 2014 is \$8.228 billion (2013 \$8.251 billion). The City's 2014 accumulated surplus (Note 10) is comprised of the following balances:

- Investment in tangible capital assets of \$7.8 billion;
- Operating surplus of \$5.8 million;
- Unexpended capital of \$68.3 million;
- Investment in Enersource Corporation of \$263.2 million;
- Reserves of \$45.1 million;
- Reserve Funds of \$288.2 million;
- Unfunded employee benefits and other liabilities of (\$198.7) million;
- Long-term debt of (\$86.6) million.

### 2014 Accumulated Surplus Breakdown



The City is a 90 per cent shareholder in Enersource Corporation. Enersource's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS).

The City's 2014 Investment in Enersource Corporation is \$263.2 million (2013 \$273.6 million), a decrease of \$10.4 million from the prior year. This decrease is attributed to the City's \$2.7 million share of Enersource's net income less a \$13.1 million dividend payment received from Enersource in 2014. Enersource adopted IFRS beginning in 2011.

### Investment in Enersource Corporation

(in \$millions)



## **Net Financial Assets**

In 2014, the City's Net Financial Assets were \$375.5 million (2013 \$452.8 million), a decrease of \$77.3 million from the prior year.

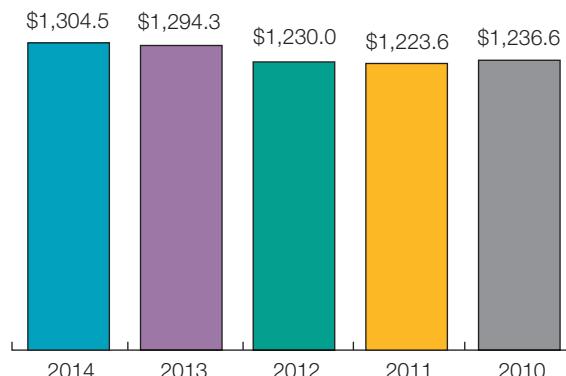
### Financial Assets

Financial assets in 2014 were \$1.3045 billion (2013 \$1.2943 billion), an increase of \$10.2 million from the prior year.

- Cash, short-term investments, and long-term investments at 2014 year end were \$921.1 million (2013 \$921.6 million), a decrease of \$0.5 million. The timing of payments at year end impacted the cash/investment and liability positions.
- Taxes receivable in 2014 were \$40.3 million (2013 \$37.7 million), an increase of \$2.6 million.
- Accounts receivable in 2014 were \$77.0 million (2013 \$57.8 million), an increase of \$19.2 million. The \$19.2 million relates to various miscellaneous receivable balances including \$3.3 million for provincial ice storm recovery and \$11.7 million for Provincial Gas Tax.
- Loans and other receivables in 2014 were \$2.5 million (2013 \$3.2 million).
- Inventories for resale in 2014 were \$0.4 million (2013 \$0.4 million).
- Investment in Enersource Corporation in 2014 was \$263.2 million (2013 \$273.6 million), a decrease of \$10.4 million from the prior year.

### **Financial Assets Summary**

(in \$millions)



### Financial Liabilities

Financial liabilities in 2014 were \$929.0 million (2013 \$841.5 million) an increase of \$87.5 million from the prior year.

- Accounts Payable liabilities in 2014 were \$184.0 million (2013 \$176.7 million), an increase of \$7.3 million representing various liability accounts. The timing of payments at year end impacted the cash/investment and liability positions.
- Deferred revenue-general in 2014 was \$7.0 million (2013 \$7.3 million), a decrease of \$0.3 million, due to general fluctuations in various departmental deferred revenue accounts.
- The deferred revenue-obligatory reserve funds in 2014 were \$458.6 million (2013 \$417.6 million), an increase of \$41.0 million.
  - Provincial public transit funds in 2014 were \$99.4 million (2013 \$98.8 million), an increase of \$0.6 million.
  - Federal public transit funds in 2014 were \$38.4 million (2013 \$21.2 million), an increase of \$17.2 million.
  - Provincial gas tax funds in 2014 were \$15.0 million (2013 \$14.9 million), an increase of \$0.1 million.
  - Federal gas tax funds in 2014 were \$65.2 million (2013 \$49.7 million), an increase of \$15.5 million.
  - Parkland funds in 2014 were \$65.4 million (2013 \$56.4 million), an increase of \$9.0 million.
  - Development Charge funds in 2014 were \$175.1 million (2013 \$176.6 million), a decrease of \$1.5 million.
  - Bonus Zoning funds in 2014 were \$0.2 million (2013 \$nil).

- Employee benefits and other liabilities in 2014 were \$198.7 million (2013 \$189.9 million), an increase of \$8.8 million. Section 14 development charge (DC) credit liabilities increased by \$12.6 million as a result of the new DC rates in 2014. Self-insurance liabilities decreased by \$7.9 million as a result of new actuarial insurance assessment and changing insurance legislation. Other post retirement and employment liabilities accounted for the balance of the increase.
- Long-term debt in 2014 was \$80.8 million (2013 \$50.0 million), an increase of \$30.8 million new debt added in 2014.

#### **Financial Liabilities Summary (in \$millions)**



#### Non-Financial Assets

Non-financial assets in 2014 were \$7.9 billion (2013 \$7.8 billion). Non-financial assets are comprised primarily of tangible capital assets.

#### **Consolidated Statement of Operations**

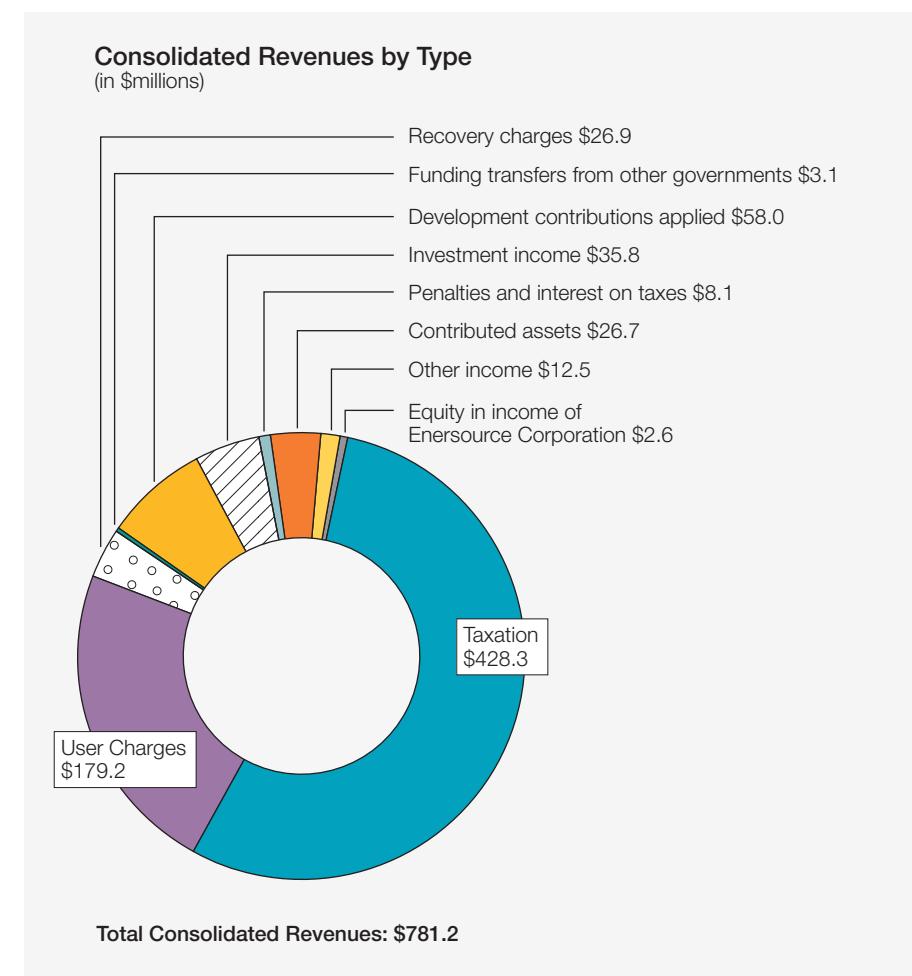
The consolidated statement of operations reports the annual surplus/ (deficit) from operations during the accounting period. The statement shows the cost of providing the City's services, the revenues recognized in the period and the difference between them.

#### **Revenues**

Total revenues in 2014 were \$781.2 million (2013 \$762.1 million), an increase of \$19.1 million.

- Taxation revenues (property taxes and taxation from other governments) in 2014 were \$428.3 million (2013 \$403.4 million), an increase of \$24.9 million.
  - The City had assessment growth of 0.66 per cent in 2014.
  - City Council approved the 2014 budget which provided for a 4.2 per cent average property tax rate increase on the City portion of the total tax bill, which includes 2.0 per cent for the infrastructure levy. This increase equates to an average 1.9 per cent increase on the total residential tax bill.
- User charges in 2014 were \$179.2 million (2013 \$175.9 million), an increase of \$3.3 million from the prior year.
  - Transit fares represent 41.3 per cent of total user charges. Transit fares in 2014 were \$74.1 million (2013 \$71.3 million), an increase of \$2.8 million from the prior year. Total 2014 revenue riders were 36.61 million; the 2013 total was 35.79 million. The 2 per cent increase in riders and a fare increase resulted in a revenue increase of \$2.8 million over 2013.
  - General departmental user fees and service charges represent 25.8 per cent of total user charges. General departmental user fees and service charges in 2014 were \$46.3 million (2013 \$49.2 million), a decrease of \$2.9 million from the prior year.
  - Transit advertising fees are down \$1.7 million from the prior year.

- › General departmental fees are down \$2.5 million from the prior year.
- › External fee recoveries are up \$0.8 million from the prior year.
- › Recreation program registration fees are up \$1.8 million from the prior year.
- › Golf green fees represent 1.5 per cent of total user charges. Golf green fees in 2014 were \$2.7 million (2013 \$3.1 million), a decrease of \$0.4 million from the prior year.
- › Rents and concession fees represent 12 per cent of total user charges. Rents and concession fees in 2014 were \$21.5 million (2013 \$21.2 million), an increase of \$0.3 million from the prior year.
- › Licence and permit revenues represent 9 per cent of total user charges. Licence and permit revenues in 2014 were \$16.1 million (2013 \$14.1 million), an increase of \$2.0 million over the prior year.
  - Building permit revenues in 2014 were \$11.0 million (2013 \$9.4 million), an increase of \$1.6 million over the prior year.
- › Provincial offence revenues in 2014 were \$9.7 million (2013 \$9.7 million).
- Recovery charges in 2014 were \$26.9 million (2013 \$26.6 million), an increase of \$0.3 million from the prior year.
- Development and other government contributions applied in 2014 were \$58.0 million (2013 \$59.8 million), a decrease of \$1.8 million from the prior year.
  - › Expenditures on development-related capital projects in 2014 were down from the prior year. Therefore, decreased development and government contributions were applied against the expenditures and recognized as revenue from the deferred revenue-obligatory reserve funds in 2014.
- Investment income in 2014 was \$35.8 million (2013 \$35.3 million), an increase of \$0.5 million.
- Penalties and interest earnings from overdue tax accounts in 2014 were \$8.1 million (2013 \$8.0 million), an increase of \$0.1 million from the prior year.
- Contributed Assets in 2014 were \$26.7 million (2013 \$24.0 million), an increase of \$2.7 million from the prior year. Contributed assets include land under roads, land under infrastructure, as well as general infrastructure (storm sewers, roads, pathways, streetlights, etc.) assumed by the City through development agreements.
- Other revenues in 2014 were \$12.5 million (2013 \$7.2 million), an increase of \$5.3 million from the prior year. The increase is due to one-time miscellaneous revenues in 2014.
- The City's share of Enersource Corporation's net income in 2014 was \$2.6 million (2013 \$19.5 million), a decrease of \$16.9 million from the prior year.
  - › From this net income amount, the City was paid a dividend of \$13.1 million in 2014 (2013 \$10.9 million).



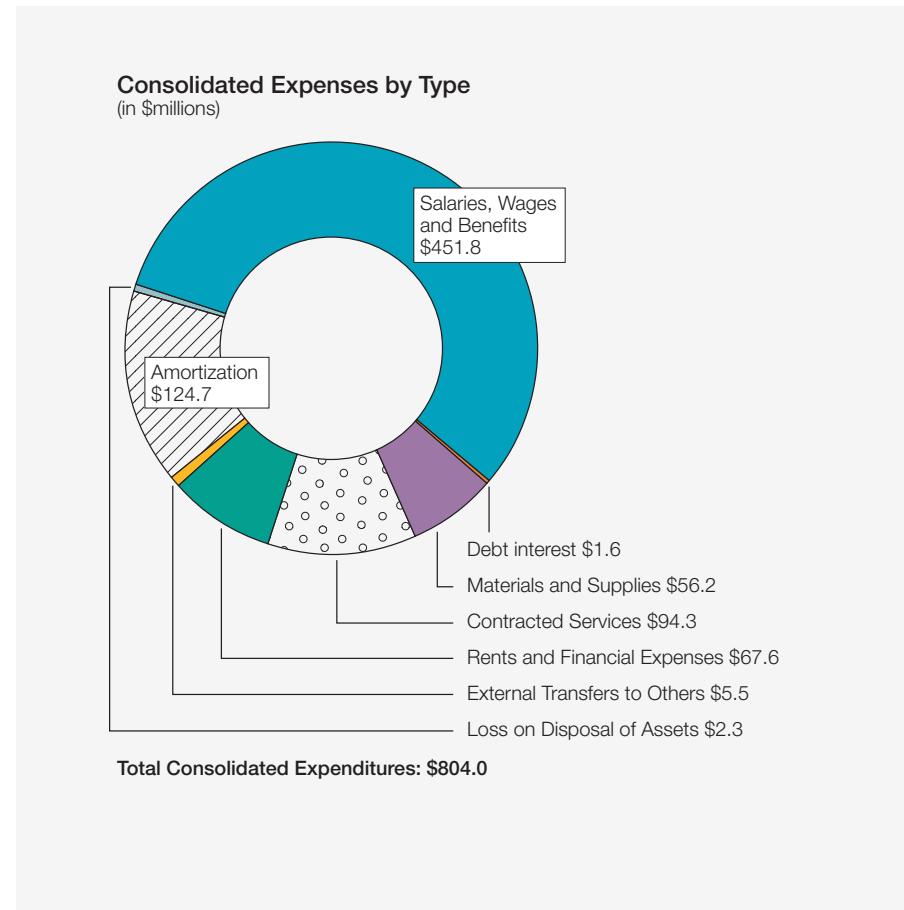
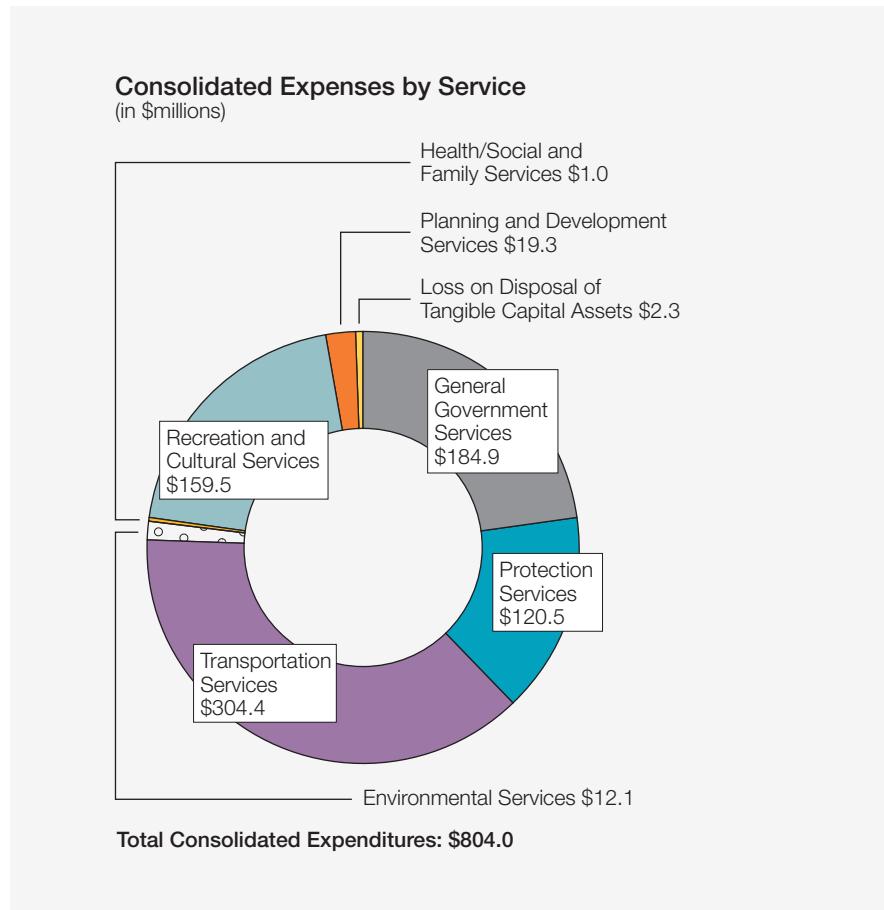
## Expenses

Expenses are broken down into major expense categories: labour and benefits, materials and supplies, contracted services, rents and financial expenses, transfer payments, and amortization. Total expenses in 2014 were \$804.0 million (2013 \$736.9 million), an increase of \$67.1 million.

- Labour costs (salaries, wages and benefits) in 2014 were \$451.8 million (2013 \$425.8 million), an increase of \$26.0 million or 6.1 per cent from the prior year.
  - Salary and wage costs in 2014 were \$373.2 million (2013 \$344.9), an increase of \$28.3 million.
    - Growth in the City's labour force for new and expanded services, labour contract settlements and pay adjustments, and increased benefit costs contributed to this increase.
  - Fringe benefit costs in 2014 were \$86.3 million (2013 \$80.4 million), an increase of \$5.9 million.
  - WSIB related costs in 2014 were \$2.2 million (2013 \$1.9 million), an increase of \$0.3 million.
  - Labour related recoveries in 2014 were \$12.0 million (2013 \$12.2 million), a decrease of \$0.2 million.
  - Other Labour related adjustments in 2014 were (\$8.9) million (2013 \$6.4 million), a decrease of \$15.3 million. This decrease was primarily due to Fire labour settlement adjustments for the period 2011 to 2014.
  - Employee benefits and other liabilities in 2014 were \$8.8 million (2013 \$3.3 million), an increase of \$5.5 million.
    - These expenses are based on the changes in employee benefits and other liabilities in the Consolidated Statement of Financial Position. This increase reflects the change in actuarial assessment, assumptions, and estimates from the previous year. These are accrual-based expenses which are not included in the City's annual budget but included in the financial statement presentation.
  - Labour operating expenses transferred from capital projects in 2014 were \$2.4 million (2013 \$1.1 million).

- Long-term debt interest and fees in 2014 were \$1.6 million (2013 \$0.6 million), an increase of \$1.0 million due to new debt added in the current year.
- Materials and supplies in 2014 were \$56.2 million (2013 \$53.1 million), an increase of \$3.1 million from the prior year.
  - Transportation related costs are \$2.0 million higher than the prior year. Diesel fuel accounted for \$1.0 million of this increase.
  - General departmental operating materials and supplies are up \$0.6 million from the prior year.
  - Uniform costs are up \$0.7 million from the prior year.
  - Materials and supplies operating expenses transferred from capital projects in 2014 were \$2.4 million (2013 \$1.2 million), an increase of \$1.2 million.
  - Other departmental materials and supplies categories accounted for the balance of the increase.
  - Materials and supplies operating expenses transferred to tangible capital assets in 2014 were (\$2.4) million (2013 \$0 million). These are primarily library books purchased through the operating budget that must be categorized as an asset.
- Contracted services in 2014 were \$94.3 million (2013 \$65.4 million), an increase of \$28.9 million from the prior year.
  - Contracted services for standby winter control in 2014 were \$1.6 million higher than the previous year due to increased snowfall and events.
  - The 2014 ice storm cleanup accounted for \$8.1 in contracted services expenses.
  - The 2014 municipal election accounted for \$0.8 million in increased election costs.
  - Contracted service operating expenses transferred from capital projects in 2014 were \$34.8 million (2013 \$16.4). These costs consisted of external recoverable expenses for Bus Rapid Transit (BRT) construction, various studies, etc.

- Rents and financial expenses in 2014 were \$67.6 million (2013 \$65.4 million), an increase of \$2.2 million from the prior year.
  - Rents and financial operating expenses transferred from capital projects in 2014 were \$2.4 million (2013 \$nil).
- Loss on disposal of assets in 2014 was \$2.3 million (2013 \$2.7 million), a decrease of \$0.4 million.
- Amortization of tangible capital assets in 2014 was \$124.7 million (2013 \$119.6 million), an increase of \$5.1 million from the prior year.



## Consolidated Statement of Change in Net Financial Assets

The consolidated statement of change in net financial assets/(net debt) starts with the annual surplus/(deficit) and identifies changes in non-financial assets (i.e. tangible capital asset acquisition, amortization) that will utilize or add to the surplus amount to derive a net change in financial assets.

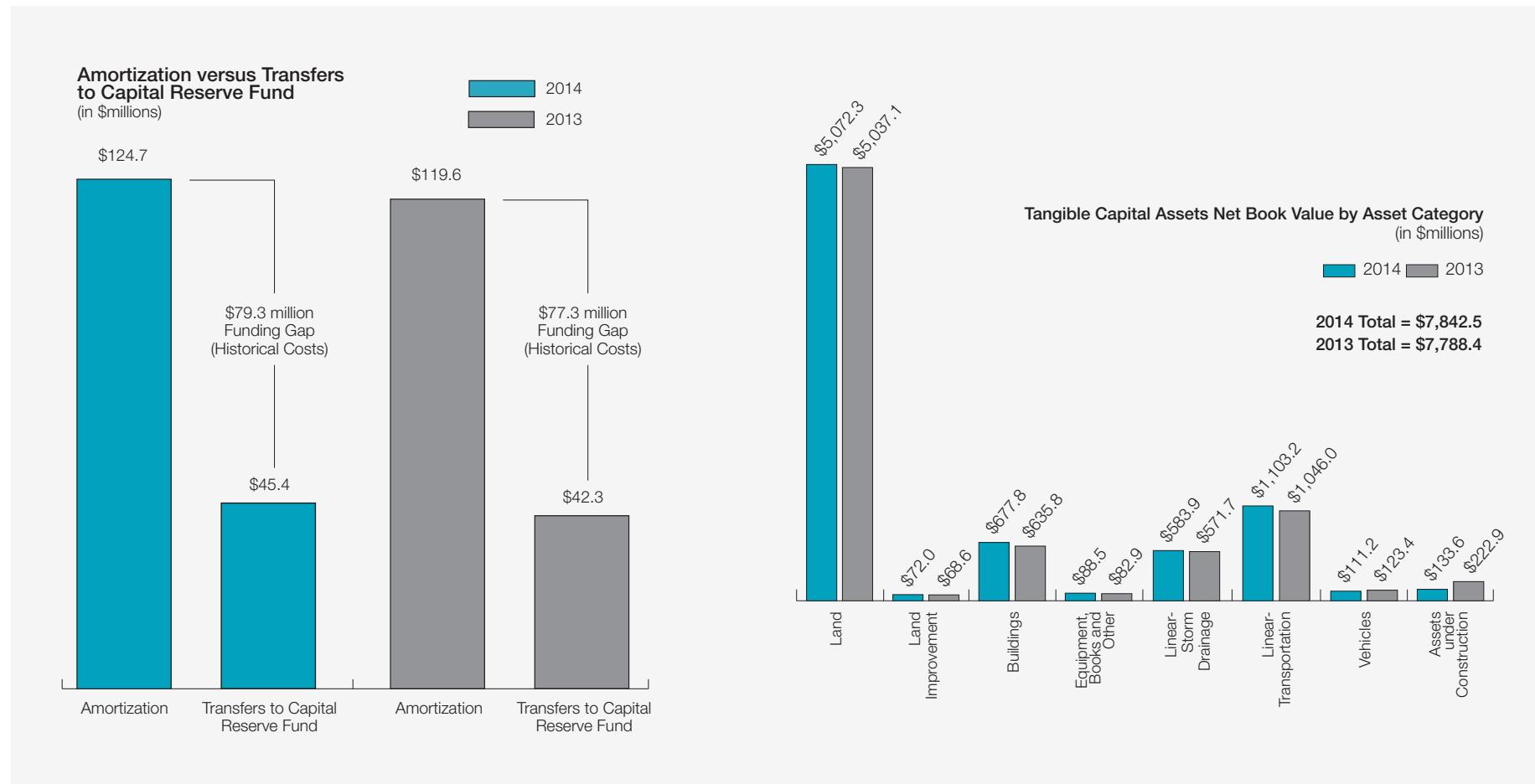
## Consolidated Statement of Cash Flows

The consolidated statement of cash flows reports changes in cash and short-term investments resulting from operations and shows how the City financed its activities during the year and met its cash requirements.

## Tangible Capital Assets Overview

All City assets as at the end of 2014 have been inventoried, valued and recorded in an Asset Registry for accounting and reporting purposes. The City's net book values of tangible capital assets at the end of 2014 were \$7.84 billion (2013 \$7.79 billion). Refer to Note #9 in the financial statements for a detailed breakdown of tangible capital asset activity for 2014.

Annual amortization expense in 2014 was \$124.7 million (2013 \$119.6 million). The City currently only funds 26 per cent of its amortization expense.



## Reserves and Reserve Funds Overview

Although Reserves and Reserve Funds are not formally reported directly in the financial statements, they are a key area in the financial management and operations of the City. Reserves and Reserve Fund balances are consolidated within the Accumulated Surplus position on the Consolidated Statement of Operations. Refer to Note #10 in the financial statements for more Reserve and Reserve Fund information.

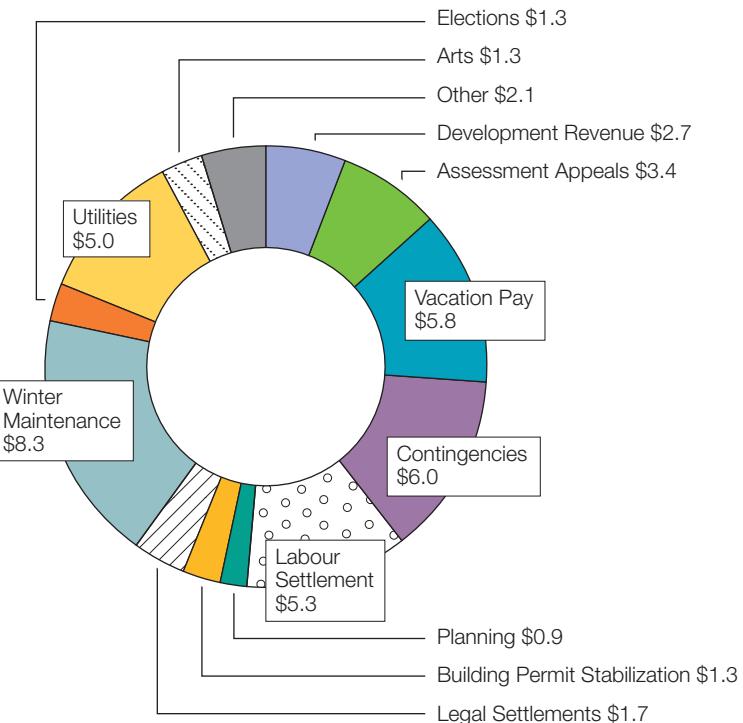
Reserves and Reserve Funds are established by Council. These funds are set aside to help offset future capital needs, obligations, pressures and costs. They are drawn upon to finance specific purpose capital and operating expenditures as designated by Council to minimize tax rate fluctuations due to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

Reserves and Reserve Fund balances at the end of 2014 totalled \$333.3 million (2013 \$308.8 million), an increase of \$24.5 million from the prior year. The Reserves and Reserve Fund totals do not include development charges and senior government grants that are reported as deferred revenue-obligatory reserve funds on the Statement of Financial Position.

### Reserves

Reserves, which are discretionary in nature, are generally used to offset major fluctuations in operating costs/revenues or to fund future contingent liabilities. Total Reserves in 2014 were \$45.1 million (2013 \$49.3 million), a decrease of \$4.2 million.

Reserves  
(in \$millions)



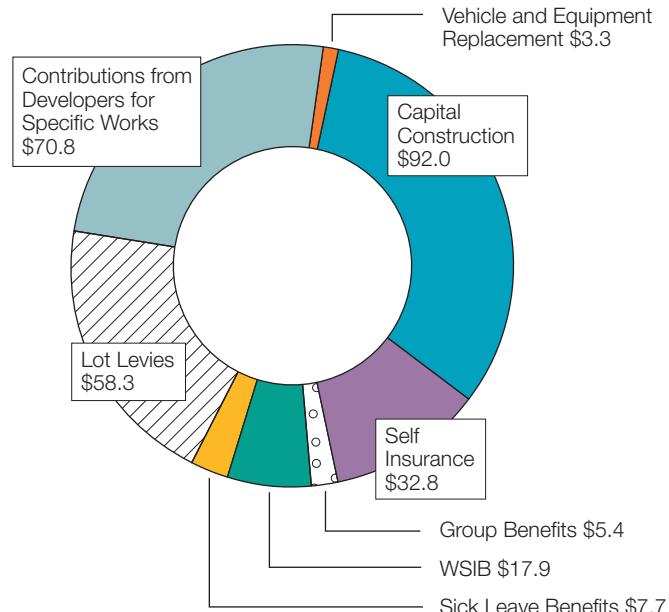
## Reserve Funds

Reserve Funds are non-discretionary, segregated and restricted to meet specific identified purposes for the municipality. Total Reserve Funds in 2014 were \$288.2 million (2013 \$259.6 million), an increase of \$28.6 million from the prior year.

The Reserve and Reserve Funds will help the City meet projected expenditure needs in the upcoming years. However, draws on Reserve and Reserve Funds in future years to support our growing capital infrastructure and maintenance needs will reduce these balances and therefore reduce the total accumulated surplus.

This has been anticipated for many years, recognizing that as the City matured, infrastructure renewal would require increased funding. Additional funding support is needed from senior levels of government, as well as ongoing increased annual contributions from the operating funds, in order to help sustain and invest in new and replacement infrastructure.

## Reserve Funds (in \$millions)



# Introduction to the Financial Statements

The accompanying Financial Statements have been prepared in accordance with the Municipal Act and based on the reporting standards set by the CPA Canada Public Sector Accounting Board.

The Consolidated Financial Statements and all other financial information included within this Financial Report are the responsibility of the management of the City of Mississauga. The City's Financial Statements have been prepared in accordance with the accounting principles and disclosure requirements of the CPA Canada Public Sector Accounting Standards Manual.

The Director of Finance and Treasurer is responsible for submitting audited financial statements annually to the Audit Committee and Council. These financial statements include the consolidated results of the City of Mississauga for the fiscal year ending December 31, 2014.

Finance staff are responsible for the coordination and completion of the annual financial statements in a timely, accurate and efficient manner, as well as providing support and related financial information to external auditors during the year-end audit.

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

The following audited financial statements have been included in this annual Financial Report:

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

# Independent Auditors' Report



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

We have audited the accompanying consolidated financial statements of **The Corporation of the City of Mississauga**, which comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the City of Mississauga as at December 31, 2014, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature of "KPMG LLP" is written in black ink. The signature is fluid and cursive, with "KPMG" being more formal and "LLP" being handwritten in a smaller script below it. A thin horizontal line extends from the end of the "KPMG" part of the signature.

Chartered Accountants,  
Licensed Public Accountants  
April 15, 2015  
Toronto, Canada

# **City of Mississauga**

## **Consolidated Statement of Financial Position**

as at December 31, 2014 with comparatives for 2013. (All dollar amounts are in \$000s.)

	2014 \$	2013 \$
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments	178,337	252,694
Taxes receivable (Note 2)	40,319	37,694
Accounts receivable (Note 2)	76,977	57,815
Loans and other receivables (Note 3)	2,489	3,188
Inventories for resale	430	402
Investments (Note 4)	742,845	668,907
Investment in Enersource Corporation (Note 5)	263,158	273,622
<b>Total Financial Assets</b>	<b>1,304,555</b>	<b>1,294,322</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	183,983	176,667
Deferred revenue - general	6,951	7,338
Deferred revenue - obligatory reserve funds (Note 6)	458,614	417,630
Employee benefits and other liabilities (Note 7)	198,691	189,891
Long-term debt (Note 8)	80,807	50,000
<b>Total Financial Liabilities</b>	<b>929,046</b>	<b>841,526</b>
<b>Net Financial Assets</b>	<b>375,509</b>	<b>452,796</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 9)	7,842,521	7,788,423
Inventories of supplies	6,770	6,270
Prepaid expenses	2,978	3,114
<b>Total Non-Financial Assets</b>	<b>7,852,269</b>	<b>7,797,807</b>
<b>Accumulated Surplus (Note 10)</b>	<b>8,227,778</b>	<b>8,250,603</b>

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

# City of Mississauga

## Consolidated Statement of Operations

for the year ended December 31, 2014 with comparatives for 2013. (All dollar amounts are in \$000s.)

	Budget 2014 \$	Actual 2014 \$	Actual 2013 \$
<b>REVENUES</b>			Note 18
Taxation (Note 11)	425,405	428,251	403,371
User charges	175,489	179,195	175,859
Recoveries from third parties	1,922	26,895	26,556
Funding transfers from other governments (Note 19)	1,352	3,048	2,382
Development and other contributions applied	-	58,047	59,816
Investment income	25,026	35,778	35,322
Penalties and interest on taxes	8,060	8,064	8,025
Contributed assets	-	26,746	24,038
Other	12,848	12,485	7,215
Equity in income of Enersource Corporation (Note 5)	-	2,650	19,522
<b>Total Revenues</b>	<b>650,102</b>	<b>781,159</b>	<b>762,106</b>
<b>EXPENSES</b>			
General government services	144,567	184,928	152,342
Protection services	118,467	120,476	114,335
Transportation services	305,906	304,361	288,397
Environmental services	12,249	12,064	13,883
Health services	344	555	416
Social and family services	528	486	465
Recreation and cultural services	150,759	159,539	146,718
Planning and development services	18,712	19,268	17,669
Loss on disposal of tangible capital assets	-	2,307	2,689
<b>Total Expenses</b>	<b>751,532</b>	<b>803,984</b>	<b>736,914</b>
<b>Annual Surplus/(Deficit)</b>	<b>(101,430)</b>	<b>(22,825)</b>	<b>25,192</b>
Accumulated surplus, beginning of year	8,250,603	8,250,603	8,225,411
<b>Accumulated Surplus, end of year (Note 10)</b>	<b>8,149,173</b>	<b>8,227,778</b>	<b>8,250,603</b>

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



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

for the year ended December 31, 2014 with comparatives for 2013. (All dollar amounts are in \$000s.)

	Budget 2014 \$	Actual 2014 \$	Actual 2013 \$
<b>Annual Surplus/(Deficit)</b>	<b>(101,430)</b>	<b>(22,825)</b>	<b>25,192</b>
Acquisition of tangible capital assets	-	(333,007)	(245,825)
Amortization	124,708	124,736	119,636
Loss on disposal of tangible capital assets (Note 9)	-	2,307	2,689
Transfer of assets under construction	-	151,866	24,525
	<b>23,278</b>	<b>(76,923)</b>	<b>(73,783)</b>
Acquisition of inventory of supplies	-	(6,770)	(6,270)
Acquisition of prepaid expenses	-	(2,978)	(3,144)
Consumption of inventory of supplies	-	6,270	7,118
Use of prepaid expenses	-	3,114	2,701
<b>Change in Net Financial Assets</b>	<b>23,278</b>	<b>(77,287)</b>	<b>(73,348)</b>
Net financial assets, beginning of year	452,796	452,796	526,144
<b>Net Financial Assets, End of Year</b>	<b>476,074</b>	<b>375,509</b>	<b>452,796</b>

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

# **City of Mississauga**

## **Consolidated Statement of Cash Flows**

for the year ended December 31, 2014 with comparatives for 2013. (All dollar amounts are in \$000s.)

	Actual 2014 \$	Actual 2013 \$
<b>CASH PROVIDED BY (USED IN): OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	(22,825)	25,192
<b>ITEMS NOT INVOLVING CASH</b>		
Amortization of tangible capital assets	124,736	119,636
Loss on disposal of tangible capital assets	2,307	2,689
Contributed assets	(26,746)	(24,038)
Change in employee benefits and other liabilities	8,800	3,334
Equity in income of Enersource Corporation	(2,650)	(19,522)
<b>CHANGE IN NON-CASH ASSETS AND LIABILITIES</b>		
Accounts receivable	(19,162)	(999)
Taxes receivable	(2,625)	8,342
Accounts payable and accrued liabilities	7,316	46,488
Deferred revenue – general	(387)	(939)
Deferred revenue – obligatory reserve funds	40,984	38,718
Inventories for resale	(28)	(36)
Inventories of supplies	(500)	848
Prepaid expenses	136	(413)
<b>Net Change in Cash and Short-term Investments from Operating Activities</b>	<b>109,356</b>	<b>199,300</b>

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

# **City of Mississauga**

## **Consolidated Statement of Cash Flows (continued)**

for the year ended December 31, 2014 with comparatives for 2013. (All dollar amounts are in \$000s.)

	Actual 2014 \$	Actual 2013 \$
<b>CAPITAL ACTIVITIES</b>		
Tangible capital asset additions	(306,261)	(221,787)
Transfer of assets under construction	151,866	24,525
<b>Net Change in Cash and Short-term Investments from Capital Activities</b>	<b>(154,395)</b>	<b>(197,262)</b>
<b>INVESTING ACTIVITIES</b>		
Increase in investments	(73,938)	(128,421)
Decrease (increase) in loans and other receivables	699	(2,206)
Dividends from Enersource Corporation	13,114	10,872
<b>Net Change in Cash and Short-term Investments from Investing Activities</b>	<b>(60,125)</b>	<b>(119,755)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of long-term municipal debt	36,607	50,000
Repayment of long-term municipal debt	(5,800)	-
<b>Net Change in Cash and Short-term Investments from Financing Activities</b>	<b>30,807</b>	<b>50,000</b>
<b>Net Change in Cash and Short-term Investments</b>	<b>(74,357)</b>	<b>(67,717)</b>
Cash and short-term investments, beginning of year	252,694	320,411
<b>Cash and Short-term Investments, End of Year</b>	<b>178,337</b>	<b>252,694</b>

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



## **City of Mississauga Notes to Consolidated Financial Statements**

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

### **1. Significant Accounting Policies**

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

#### **a) Basis of consolidation**

##### **(i) Consolidated entities**

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees, and local

boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City except for the City's Government Business Enterprise which is accounted for on the modified equity basis of accounting.

These entities and organizations include:

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

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

##### **(ii) Investment in a Government Business Enterprise**

The City's investment in Enersource Corporation is accounted for on a modified equity basis, consistent with GAAP as recommended by PSAB for investments in Government Business Enterprises. Under the modified equity basis, the

Government Business Enterprise's accounting policies are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income of Enersource Corporation in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the City may receive from Enersource Corporation will be reflected as reductions in the investment asset account.

##### **(iii) Accounting for Region and School Board transactions**

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

##### **(iv) Trust funds**

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

## **b) Basis of accounting**

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

## **c) Government grants**

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

## **d) Deferred revenue**

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

## **e) Investment income**

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

## **f) Cash and short-term investments**

Cash and short-term investments include highly liquid investments with a term to maturity of one year or less at acquisition.

## **g) Land held for resale**

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

## **h) Investments**

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss of value that is other than a temporary decline in value, the respective investment is written down to recognize the loss in the consolidated statement of operations.

## **i) Employee future benefits**

(i) The City provides certain employee benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and life insurance, extended health and dental benefits for early retirees.

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

For self-insured retirement and other employee future benefits that vest or accumulate over the periods 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 period when the events occur. Any actuarial gains or losses that are related to these benefits are recognized immediately in the period they arise.

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

## **j) 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 which includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their useful lives as follows:

ASSET	USEFUL LIFE – YEARS
Land	Unlimited
Land improvements	15 – 20
Buildings	40 – 50
Equipment, books and other	5 – 40
Linear – storm drainage	25 – 100
Linear – transportation	15 – 100
Vehicles	10 – 20

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

### **(ii) Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and also are recorded as revenue.

### **(iii) Works of art and cultural and historic assets**

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

### **(iv) Interest capitalization**

The City may capitalize interest costs associated with the acquisition or construction of tangible capital assets.

### **(v) Leased tangible capital assets**

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

### **(vi) Inventories of supplies**

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

## **k) Use of estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statement, and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, carrying value of tangible capital assets, provisions for accrued liabilities and obligations related to employee future benefits.

Actual results could differ from these estimates.

## **l) Adoption of budgets**

The 2014 operating and capital budgets, as approved by Council, were adopted by the City at the December 11, 2013 meeting.

## **m) Future accounting pronouncements**

These standards and amendments were not effective for the year ended December 31, 2014, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

(i) The PSAB has issued Section PS 3260, Liability for Contaminated Sites, that establishes the recognition, measurement, and disclosure requirements for contaminated sites when the government is responsible for, or accepts the responsibility for, the contamination, and the contamination exceeds existing environmental standards. This standard is effective for years beginning on or after April 1, 2014, and early adoption is encouraged.

(ii) Section PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments for public sector entities. The standard requires fair value measurement of derivatives and portfolio investments that are equity instruments quoted in an active market. All other non-derivative financial instruments will be measured at cost or amortized cost. A government can elect to record other financial assets or liabilities on a fair value basis, if they manage and evaluate the asset and liability groups on that basis. Unrealized gains and losses are presented in the new statement of re-measurement gains and losses. New requirements clarify when financial liabilities can be de-recognized. Disclosure of the nature and extent of risks arising from holding financial instruments is also required. This section is effective for fiscal years beginning on or after April 1, 2016. Early adoption is permitted.

(iii) Section PS2601, Foreign Currency Translation standard, was issued in June 2011 and replaces the existing Section PS2600. This standard has been revised to ensure consistency with the financial instruments standard. The standard requires that non-monetary items denominated in a foreign currency that are included in the fair value category are adjusted to reflect the exchange rate at the financial statement date. Unrealized exchange gains and losses are presented in the new statement of re-measurement gains and losses. This section is effective for fiscal years beginning on or after April 1, 2016. Early adoption is permitted.

(iv) Section PS1201, Financial Statement Presentation, was issued in June 2011. This standard requires entities to present a new statement of re-measurement gains and losses separate from the statement of operations. This new statement includes unrealized gains and losses arising from re-measurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This section is effective for fiscal years beginning on or after April 1, 2016 and applies when PS2601 and PS3450 are adopted.

## 2. Taxes Receivable and Accounts Receivable

Taxes receivable are reported net of valuation allowances of \$0 (2013 \$9,120). Accounts receivable are reported net of a valuation allowance of \$540 (2013 \$315).

## 3. Loans and other receivables

In December 2013, Heart House Hospice entered into a five-year lease agreement with the City in exchange for two acres of City parkland for the construction of a new hospice facility. The loan principal for this agreement is \$1,789 and the term of the lease is December 16, 2013 to December 1, 2018. Repayment of the loan is in quarterly installments commencing March 1 in the amount of \$133 which includes an annual interest rate of 2.50 per cent.

## 4. Investments

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

	2014		2013	
	COST \$	MARKET VALUE \$	COST \$	MARKET VALUE \$
Short-term notes and deposits	316,751	318,180	43,519	45,152
Government and government guaranteed bonds	331,760	368,424	503,305	501,790
Municipal bonds	94,334	102,530	122,052	124,167
Guaranteed investment certificates	-	-	31	31
<b>Total</b>	<b>742,845</b>	<b>789,134</b>	<b>668,907</b>	<b>671,140</b>



## 5. Investment in Enersource Corporation

The City has a 90 per cent interest in Enersource Corporation and is accounted for on the modified equity basis in these consolidated financial statements. Enersource Corporation serves as the electrical distribution utility for the City's residents and businesses. Other activities of Enersource Corporation are to provide energy services, billing services, street lighting services, retrofit multi-residential buildings to metered units and utility related construction.

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

The following table provides condensed financial information for Enersource Corporation for its 2014 fiscal year, together with comparative figures for 2013.

FINANCIAL POSITION	2014 \$	2013 \$
<strong>ASSETS</strong>		
Current	178,113	215,566
Capital	556,617	531,936
Other	35,124	30,723
<strong>Total Assets</strong>	<strong>769,854</strong>	<strong>778,225</strong>
<strong>LIABILITIES</strong>		
Current	135,864	138,839
Long-term debt	341,592	335,361
<strong>Total Liabilities</strong>	<strong>477,456</strong>	<strong>474,200</strong>
<strong>SHAREHOLDERS' EQUITY</strong>		
Share capital	175,691	175,691
Accumulated other comprehensive income	446	916
Retained earnings	116,261	127,418
<strong>Total Shareholders' Equity</strong>	<strong>292,398</strong>	<strong>304,025</strong>
<strong>Total Liabilities and Shareholders' Equity</strong>	<strong>769,854</strong>	<strong>778,225</strong>
<strong>RESULTS OF OPERATIONS AND NON-OPERATIONS</strong>		
Revenues	929,795	923,633
Expenses (including income tax provision)	926,851	901,942
<strong>Net Income</strong>	<strong>2,944</strong>	<strong>21,691</strong>
<strong>City's Share of Net Income</strong>	<strong>2,650</strong>	<strong>19,522</strong>

During the year, the City received a dividend of \$13,114 (2013 \$10,872) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in the following table for its 2014 fiscal year together with comparative figures for 2013.

INVESTMENT IN ENERSOURCE CORPORATION	2014 \$	2013 \$
<b>Opening Balance, Beginning of Year</b>	<b>273,622</b>	<b>264,972</b>
Equity in income of Enersource Corporation	2,650	19,522
City's share of dividend	(13,114)	(10,872)
<b>Closing Balance, End of Year</b>	<b>263,158</b>	<b>273,622</b>

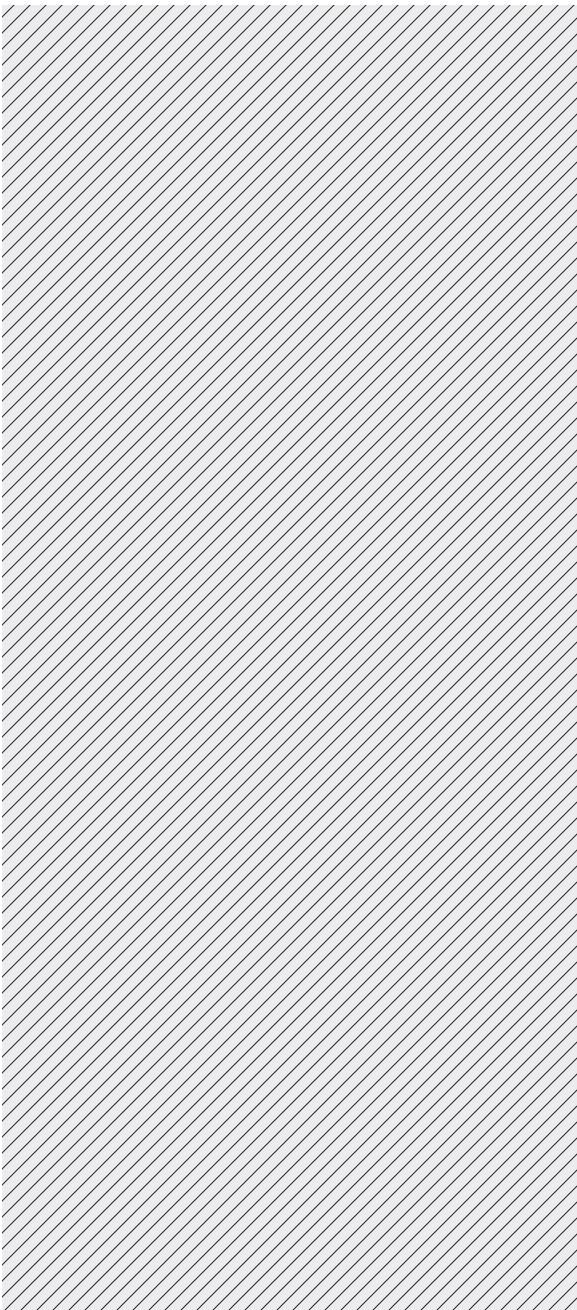
## 6. Deferred Revenue - Obligatory Reserve Funds

Revenues received that have been set aside for specific purposes by Provincial legislation, certain City by-laws, or agreements are included in deferred revenue and reported on the consolidated statement of financial position. Details of these deferred revenues are as follows:

	2014 \$	2013 \$
Development charges	175,069	176,631
Parkland	65,391	56,403
Bonus zoning	164	-
Provincial public transit funds	99,358	98,832
Federal public transit funds	38,408	21,182
Provincial gasoline tax	15,006	14,899
Federal gasoline tax	65,218	49,683
<b>Total Deferred Revenue – Obligatory Reserve Funds</b>	<b>458,614</b>	<b>417,630</b>

## Deferred Revenue – Obligatory Reserve Funds Continuity Schedule

SOURCE	OPENING BALANCE	RECEIVED	RECOGNIZED AS REVENUE	TRANSFERS	CLOSING BALANCE
Development charges	<b>176,631</b>	41,911	150	43,323	<b>175,069</b>
Parkland	<b>56,403</b>	15,778	-	6,790	<b>65,391</b>
Bonus zoning	-	164	-	-	<b>164</b>
Provincial public transit funds	<b>98,832</b>	3,358	-	2,832	<b>99,358</b>
Federal public transit funds	<b>21,182</b>	881	-	(16,345)	<b>38,408</b>
Provincial gasoline tax	<b>14,899</b>	20,226	12,897	7,222	<b>15,006</b>
Federal gasoline tax	<b>49,683</b>	40,317	-	24,782	<b>65,218</b>
<b>Total</b>	<b>417,630</b>	<b>122,635</b>	<b>13,047</b>	<b>68,604</b>	<b>458,614</b>



## 7. Employee Benefits and Other Liabilities

The employee benefits and other liabilities, reported on the consolidated statement of financial position, are made up of the following:

	2014 \$	2013 \$
WSIB	17,788	16,809
Accumulated sick leave benefit plan entitlements	11,162	10,844
Early retirement benefits	36,767	36,325
Post-employment benefits	8,929	7,843
Vacation pay	22,161	20,516
Developer charges credits	58,332	45,717
Other liabilities	43,552	51,837
<b>Total</b>	<b>198,691</b>	<b>189,891</b>

The City has established reserve funds of \$124,688 (2013 \$128,385) to mitigate the future impact of these obligations.

- a)** WSIB: The City has elected to be a Schedule 2 employer under the provisions of WSIB, and as such remits payments to the WSIB only as required to fund disability payments. A full actuarial study of this obligation was completed in December 2013, in accordance with the financial reporting guidelines established by PSAB.
- b)** Accumulated sick leave benefits accrue to certain employees of the City and are paid out either on approved retirement, or upon termination or death. The accrued benefit obligation and the net periodic benefit cost were determined by an actuarial valuation completed in December 2013, in accordance with the financial reporting guidelines established by PSAB.
- c)** Early retirement benefits are representative of the City's share of the cost to provide certain employees with extended benefits upon early retirement. The accrued benefit obligation and the net periodic benefit cost were determined by an actuarial valuation completed in December 2013, in accordance with the financial reporting guidelines established by PSAB.

**d)** Post-employment benefits are paid on behalf of any employee on long-term disability. The accrued benefit obligation and the net periodic cost were determined by an actuarial valuation completed in December 2013, in accordance with the financial reporting guidelines established by PSAB. Information about liabilities for defined benefit plans is as follows:

	2014				2013
	WSIB \$	SICK LEAVE \$	EARLY RETIREMENT \$	POST EMPLOYMENT \$	TOTAL \$
<b>Accrued Benefit Liability, Beginning of Year</b>	<b>16,809</b>	<b>10,844</b>	<b>36,325</b>	<b>7,843</b>	<b>71,821</b>
Service cost	2,456	960	1,303	1,695	<b>6,414</b>
Interest cost	856	762	1,380	351	<b>3,349</b>
Amortization of actuarial (gain)/loss	118	589	(632)	84	<b>159</b>
Benefit payments	(2,451)	(1,993)	(1,609)	(1,044)	<b>(7,097)</b>
<b>Accrued Benefit Liability, End of Year</b>	<b>17,788</b>	<b>11,162</b>	<b>36,767</b>	<b>8,929</b>	<b>74,646</b>
Unamortized actuarial (gain)/loss	2,086	5,126	(6,481)	526	<b>1,257</b>
<b>Actuarial valuation update, end of year</b>	<b>19,874</b>	<b>16,288</b>	<b>30,286</b>	<b>9,455</b>	<b>75,903</b>
Expected average remaining service life	12 yrs	13 yrs	13 yrs	8 yrs	n/a
					<b>71,821</b>
					<b>(283)</b>
					<b>71,538</b>
					<b>n/a</b>

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

	WSIB	SICK LEAVE	POST EMPLOYMENT	EARLY RETIREMENT
Expected inflation rate	2.00%	2.00%	2.00%	2.00%
Expected level of salary increases	n/a	3.00%	3.00%	3.00%
Interest discount rate	4.50%	4.75%	3.85%	4.75%
Expected health care increases	-1.25%	6.00%	6.00%	6.00%

**e) Developer charge credits** are liabilities and obligations that arise through the Development Charges Act. For the year ended December 31, 2014, the developer charge credit liability is \$58,332 (2013 \$45,717).

#### **f) Other pension plans**

The City makes contributions to OMERS, a multi-employer plan, on behalf of 4,675 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 \$52,500 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 9.3 per cent up to the annual maximum pensionable earnings of \$52,500 at a rate of 15.9 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2014 was \$33,903 (2013 \$32,732) for current service and is included as an expense on the consolidated statement of operations. Employees' contributions to OMERS in 2014 totalled \$33,956 (2013 \$32,816).

The City is current with all payments to OMERS; therefore, there is neither a surplus nor deficit with the pension plan contributions. However, at OMERS, the pension plan's funding deficit in 2014 dropped to \$7.1 billion (2013 \$8.6 billion). OMERS expects that investment returns as well as benefit reductions should return the plan to surplus by 2025.

OMERS has held contributions for both employees and employers at the 2014 rates for 2015 for employees with a normal retirement age of 65. For employees and employers with a normal retirement age of 60 (firefighters), OMERS has decreased contributions by 0.1 per cent on earnings up to and by 0.1 per cent for earnings over the annual maximum pensionable earnings for 2015. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, additional increases in the contributions may be required.

#### **8. Long-term Debt**

The long-term debt reported on the consolidated statement of financial position of \$80,807 was issued by the Region. Of the debt issued in 2013, \$44,200 is outstanding; all of the debt issued in 2014, \$36,607 is outstanding as at December 31, 2014.

Principal payments on the 2013 debt are payable on June 20th annually and principal payments on the 2014 debt are payable on June 10th.

Serial debenture debt has been approved by 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. Coupon rates range from 1.20 to 3.30 per cent.

Principal payments, by year of debt issuance, are repayable annually as follows:

(All dollar amounts in \$000s.)

	<b>2014</b> \$	<b>2013</b> \$
2015	4,322	5,700
2016	4,322	5,600
2017	3,821	5,500
2018	3,821	5,000
2019	3,821	4,800
Thereafter	16,500	17,600
<b>Total</b>	<b>36,607</b>	<b>44,200</b>

Interest expense and fees of \$1,588 (2013 \$624) are reported in the consolidated statement of operations.

## 9. Tangible Capital Assets

### a) Assets under construction

Assets under construction having a value of \$133,590 (2013 \$222,915) have not been amortized. Amortization of these assets will commence when the asset is put into service.

### b) Contributed tangible capital assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$26,746 (2013 \$24,038) comprised of infrastructure in the amount of \$189 (2013 \$1,625) and land in the amount of \$26,557 (2013 \$22,413).

### c) Works of art and historical treasures

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

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

The write-down of tangible capital assets during the year was \$0 (2013 \$0).

### e) Disposal of tangible capital assets

The costs of assets under construction are excluded in calculating the loss on disposal of tangible capital assets. The purchase cost of \$4,243 (land \$2,142; land improvements \$30; linear transportation \$184 and vehicles \$1,887) less the accumulated amortization of \$1,936 results in a loss on disposal of \$2,307 (2013 \$2,689).

## 2014 Tangible Capital Assets

Notes to Consolidated Financial Statements (All dollar amounts are in \$000s.)

	December 31, 2013	Additions	Disposals	December 31, 2014
COST	\$	\$	\$	\$
Land	5,037,144	37,295	2,142	5,072,297
Land improvements	146,436	9,275	30	155,681
Buildings	912,866	67,202	-	980,068
Equipment, books and other	215,181	22,356	-	237,537
Linear – storm drainage	768,485	21,905	-	790,390
Linear – transportation	1,798,253	102,381	184	1,900,450
Vehicles	277,417	10,052	1,887	285,582
Assets under construction	222,915	62,541	151,866	133,590
<b>Total</b>	<b>9,378,697</b>	<b>333,007</b>	<b>156,109</b>	<b>9,555,595</b>

### ACCUMULATED AMORTIZATION

Land improvements	77,869	5,881	30	83,720
Buildings	277,009	25,227	-	302,236
Equipment, books and other	132,287	16,741	-	149,028
Linear – storm drainage	196,541	9,930	-	206,471
Linear – transportation	752,504	44,957	184	797,277
Vehicles	154,064	22,000	1,722	174,342
<b>Total</b>	<b>1,590,274</b>	<b>124,736</b>	<b>1,936</b>	<b>1,713,074</b>

### NET BOOK VALUE

Land	5,037,144	-	-	5,072,297
Land improvements	68,567	-	-	71,961
Buildings	635,857	-	-	677,832
Equipment, books and other	82,894	-	-	88,509
Linear – storm drainage	571,944	-	-	583,919
Linear – transportation	1,045,749	-	-	1,103,173
Vehicles	123,353	-	-	111,240
Assets under construction	222,915	-	-	133,590
<b>Total</b>	<b>7,788,423</b>	<b>-</b>	<b>-</b>	<b>7,842,521</b>

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

## 10. Accumulated surplus

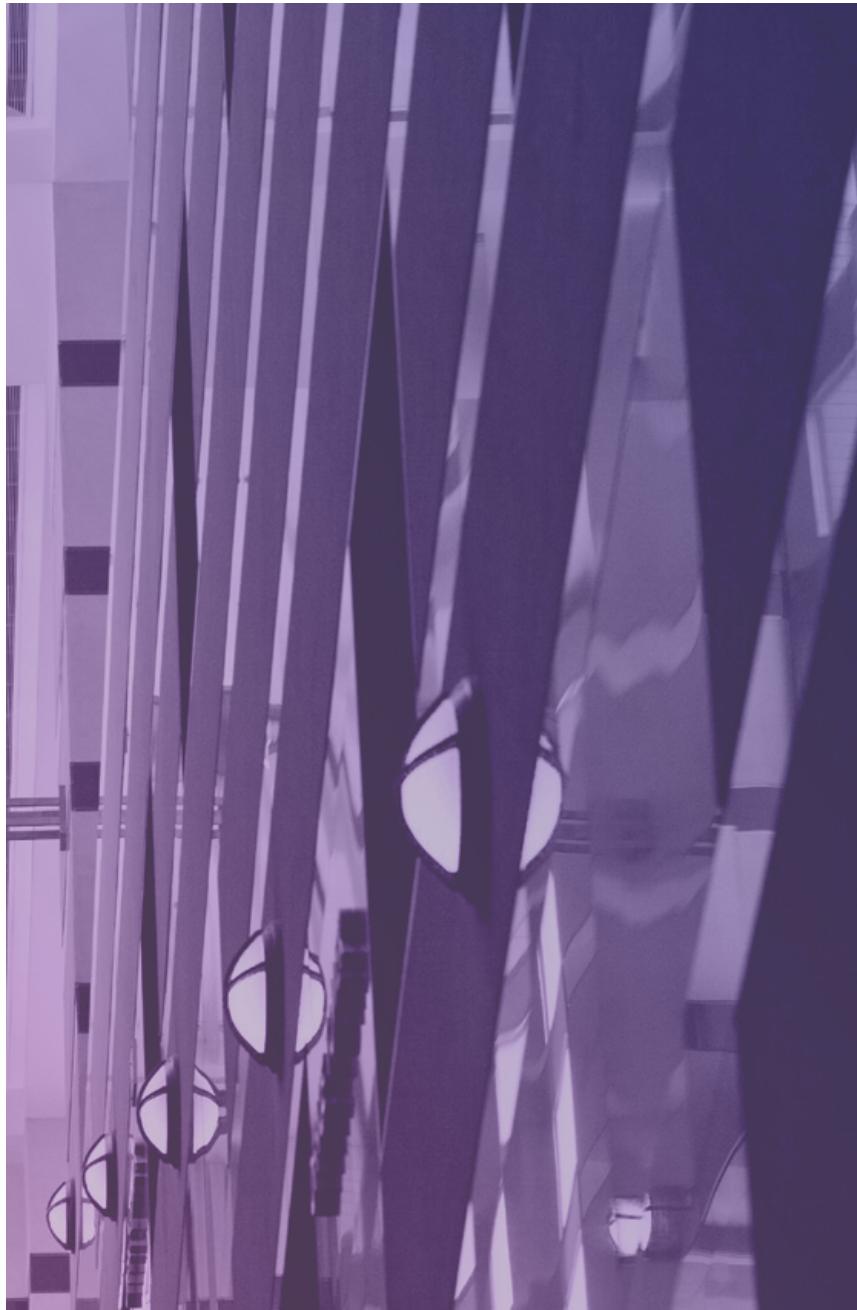
Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

<b>SURPLUS</b>	<b>2014</b>	<b>2013</b>
<b>INVESTED IN TANGIBLE CAPITAL ASSETS</b>	<b>\$</b>	<b>\$</b>
Invested in tangible capital assets	7,842,396	7,788,329
Business Improvement Area tangible capital assets	125	94
<b>Total Invested in Tangible Capital Assets</b>	<b>7,842,521</b>	<b>7,788,423</b>
Operating surplus	5,800	2,900
Unexpended capital	68,299	116,709
Long-term debt	(86,607)	(50,000)
Enersource Corporation	263,158	273,622
Unfunded employee benefits	(198,691)	(189,891)
<b>Total Surplus</b>	<b>7,894,480</b>	<b>7,941,763</b>

<b>RESERVE FUNDS SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Lot levies	58,336	58,910
Contributions from developers for specific works	70,847	69,825
Vehicle and equipment replacement	3,345	2,817
Capital construction	91,967	61,501
Self-insurance	32,756	34,350
Group benefits	5,390	5,209
WSIB	17,859	18,457
Sick leave benefits	7,678	8,508
<b>Total Reserve Funds</b>	<b>288,178</b>	<b>259,577</b>
<b>Total Accumulated Surplus</b>	<b>8,227,778</b>	<b>8,250,603</b>

### RESERVES SET ASIDE BY COUNCIL

Development revenue	2,730	2,730
Assessment appeals	3,379	5,195
Vacation pay	5,820	5,820
Contingencies	5,968	6,607
Labour settlements	5,266	5,266
Planning process update	918	927
Building permit revenue stabilization	1,249	49
Legal settlements	1,740	1,841
Winter maintenance	8,313	8,313
Elections	1,346	2,679
Commitments	398	858
Early retirement benefits	500	500
Arts	1,244	1,405
Bus shelter advertising	942	1,817
BIA Reserves	261	210
Utilities	5,046	5,046
<b>Total Reserves</b>	<b>45,120</b>	<b>49,263</b>



## 11. Taxation

Taxation revenue, reported on the consolidated statement of operations, is made up of the following:

	2014 \$	2013 \$
Municipal region and school property taxes	1,481,950	1,446,090
Payments in lieu of property taxes	38,978	35,482
<b>Net Property Taxes</b>	<b>1,520,928</b>	<b>1,481,572</b>
Payments to region and school boards	(1,092,677)	(1,078,201)
<b>Net Property Taxes and Payments in Lieu Available for Municipal Purposes</b>	<b>428,251</b>	<b>403,371</b>

## 12. Trust funds

Trust funds administered by the City amounting to \$585 (2013 \$534) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

## 13. Contingent liabilities

As at December 31, 2014, the City has been named as defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed the likelihood of exposure as being more likely than not and is able to reasonably assess the exposure, an amount is provided for in these consolidated financial statements.

## 14. Letter of comfort

In 1998, the City provided the Canadian Imperial Bank of Commerce (CIBC) with a Letter of Comfort for a line of credit of \$500 on behalf of the Living Arts Centre in Mississauga. The Letter of Comfort was a credit facility which served as security for repayment to CIBC. The City withdrew its support expressed in the Letter of Comfort.

## **15. Segmented information**

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional areas in the body of the consolidated financial statements. 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 comprised the following service areas: Mayor and Council, City Manager's Office, Internal Audit, Economic Development, Strategic Initiatives, Office of the City Clerk, Finance, Information Technology, Facilities and Property Management, Revenue, Materiel Management, Legal, Customer Service, and Communications. These divisions are responsible for by-laws and administrative policies, levying taxes, acquiring, managing City assets, ensuring effective financial management, planning and budgeting, monitoring financial and operating performance, and ensuring that high quality City service standards are met.

### **b) Protection Services**

The Protection Services segment is comprised of the following service areas: Fire Services including fire suppression, fire prevention programs, and fire inspection, By-law Enforcement, Animal Control, Vehicle and Business Licensing, Security, and Provincial Offences.

### **c) Transportation Services**

The Transportation Services segment is comprised of the following service areas: Roadway Services including road maintenance, public works, street cleaning, traffic operations, planning, engineering and development, Winter Control, Transit, and Street lighting.

### **d) Environmental Services**

The Environmental Services segment is comprised primarily of Storm Sewer Services. The City provides stormwater management to ensure the overall health and maintenance of creeks, rivers, and water channels in Mississauga. Water and Sanitary Sewer services are provided by the Region.

### **e) Health Services**

The Health Services segment is comprised primarily of cemetery maintenance and management.

### **f) Social and Family Services**

The Social and Family Services segment is comprised primarily of assistance to aged persons. Social and Family Services are handled directly by the Region of Peel. However, the City does offer limited programs and services to support and aid seniors in Mississauga.

### **g) Recreation and Cultural Services**

The Recreation and Cultural Services segment is comprised of the following service areas: Parks and Forestry, Recreation Programs, Recreation Facilities, Marinas and Golf Courses, Libraries, Museums and Other Cultural Services and Activities.

### **h) Planning and Development Services**

The Planning and Development Services segment is comprised of the following service areas: Planning and Zoning; Commercial and Industrial Developments, and Policy Planning. The Planning and Development Services manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods and the downtown through City planning and community development.

The segmented information was provided in accordance with the financial reporting guidelines established by PSAB (section PS2700). For additional information, see the Consolidated Schedule of Segment Disclosure.

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

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.

## 15. Segmented Information

Notes to Consolidated Financial Statements. (All dollar amounts are in \$000s.)

	2014									2014 Total \$	2013 Total \$
	General Government Services \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Recreation and Cultural Services \$	Planning and Development Services \$	Other \$		
<b>REVENUES</b>											
Taxation	427,212	-	-	-	-	-	-	1,039	-	428,251	403,371
User charges	4,735	27,601	94,508	291	150	182	48,044	3,684	-	179,195	175,859
Recoveries from third parties	179	(304)	23,575	16	-	-	3,418	11	-	26,895	26,556
Funding transfers from other governments	130	-	-	-	-	54	2,823	41	-	3,048	2,382
Development and other contributions applied	-	-	-	-	-	-	-	-	58,047	58,047	59,816
Investment income	16,986	-	-	-	16	-	22	-	18,754	35,778	35,322
Penalties and interest on taxes	8,064	-	-	-	-	-	-	-	-	8,064	8,025
Contributed assets	-	-	-	-	-	-	-	-	26,746	26,746	24,038
Other	1,040	162	1,171	-	-	37	699	291	9,085	12,485	7,215
Equity in income of Enersource Corporation	-	-	-	-	-	-	-	-	2,650	2,650	19,522
<b>Total Revenues</b>	<b>458,346</b>	<b>27,459</b>	<b>119,254</b>	<b>307</b>	<b>166</b>	<b>273</b>	<b>55,006</b>	<b>5,066</b>	<b>115,282</b>	<b>781,159</b>	<b>762,106</b>
<b>EXPENSES</b>											
Salary, wages and employee benefits	94,172	109,887	150,598	464	451	292	81,419	14,556	-	451,839	425,825
Long-term debt interest	1,588	-	-	-	-	-	-	-	-	1,588	624
Materials and supplies	3,304	2,811	37,561	316	76	66	11,493	511	-	56,138	53,080
Contracted services	40,261	1,245	31,788	1,363	20	6	18,265	1,347	-	94,295	65,376
Rents and financial expenses	30,670	2,586	15,990	1	8	2	17,817	527	-	67,601	65,430
External transfers to others	200	-	-	-	-	38	3,062	2,180	-	5,480	4,254
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	2,307	2,307	2,689
Amortization	14,733	3,947	68,424	9,920	-	82	27,483	147	-	124,736	119,636
<b>Total Expenses</b>	<b>184,928</b>	<b>120,476</b>	<b>304,361</b>	<b>12,064</b>	<b>555</b>	<b>486</b>	<b>159,539</b>	<b>19,268</b>	<b>2,307</b>	<b>803,984</b>	<b>736,914</b>
<b>Annual Surplus/(Deficit)</b>	<b>273,418</b>	<b>(93,017)</b>	<b>(185,107)</b>	<b>(11,757)</b>	<b>(389)</b>	<b>(213)</b>	<b>(104,533)</b>	<b>(14,202)</b>	<b>112,975</b>	<b>(22,825)</b>	<b>25,192</b>

## 16. Expenses by Object

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

	Budget 2014 \$	Actual 2014 \$	Actual 2013 \$
Salary, wages and employee benefits	445,575	451,839	425,825
Long-term debt interest and fees	-	1,588	624
Materials and supplies	55,365	56,138	53,080
Contracted services	49,310	94,295	65,376
Rents and financial expenses	61,985	67,601	65,430
External transfers to others	4,720	5,480	4,254
Loss on disposal of tangible capital assets	-	2,307	2,689
Debt principal	9,869	-	-
Amortization	124,708	124,736	119,636
<b>Total</b>	<b>751,532</b>	<b>803,984</b>	<b>736,914</b>

## 17. Provincial Offences Administration

The Ministry of the Attorney General of the Province of Ontario requires all municipal partners administering Provincial Offences Administration to disclose the year-end audited financial statements of the gross and net provincial offence revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding for the City's 2014 fiscal year with comparative figures for 2013:

	2014 \$	2013 \$
<b>REVENUES</b>		
Gross revenues	10,021	10,014
Less refunds	92	79
<b>Net Revenues</b>	<b>9,929</b>	<b>9,935</b>
<b>EXPENSES</b>		
Provincial charges	792	743
City operating expenses	3,627	3,580
<b>Total Expenses</b>	<b>4,419</b>	<b>4,323</b>
<b>Net Revenue</b>	<b>5,510</b>	<b>5,612</b>
<b>Net Contribution</b>	<b>5,510</b>	<b>5,612</b>



## 18. Budget Data

Budget data presented in these consolidated financial statements are based upon the 2014 operating and capital budgets as approved by Council and adopted by the City on December 11, 2013. Adjustments to budgeted values were required to provide comparative budget values based on the full accrual basis of accounting. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

	Budget Amount \$
<b>REVENUE</b>	
<b>Approved Operating Budget</b>	<b>671,617</b>
<b>ADJUSTMENTS</b>	
Assessment increase	1,256
Budget adjustments	(85)
Contributions from reserve funds	(30,611)
Enersource dividend	(12,000)
<b>Adjusted Operating Budget</b>	<b>630,177</b>
<b>Approved Capital Budget</b>	<b>174,666</b>
Adjustments for transfers from reserve funds	(165,258)
<b>Adjusted Capital Budget</b>	<b>9,408</b>
Reserve funds interest and other revenue	10,517
<b>Total Revenue</b>	<b>650,102</b>
<b>EXPENSES</b>	
<b>Approved Operating Budget</b>	<b>671,617</b>
<b>ADJUSTMENTS</b>	
Assessment increase	1,256
Budget adjustments	(85)
Transfers to Own	(45,964)
Amortization	124,708
<b>Adjusted Operating Budget</b>	<b>751,532</b>
<b>Approved Capital Budget</b>	<b>174,666</b>
<b>ADJUSTMENTS</b>	
Eliminate capital expense budget	(174,666)
<b>Adjusted Capital Budget</b>	<b>-</b>
<b>Total Expenses</b>	<b>751,532</b>
<b>Annual Deficit</b>	<b>(101,430)</b>

## 19. Funding Transfers from Other Governments

	2014 \$	2013 \$
General government services	130	48
Protection services	-	-
Transportation services	-	-
Environmental services	-	-
Health services	-	-
Social and family services	54	28
Recreation and cultural services	2,823	1,526
Planning and development services	41	120
Other	-	660
<b>Total Funding</b>	<b>3,048</b>	<b>2,382</b>

## 20. Commitments

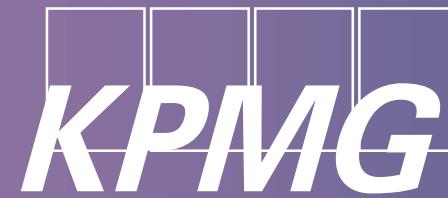
The City of Mississauga has entered into various operating leases for premises. Anticipated payments under such leases during the next five years are approximately as follows:

2015	\$3,284
2016	3,014
2017	2,109
2018	729
2019	132
<b>Total</b>	<b>\$9,268</b>

## 21. Comparative figures

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

# Independent Auditors' Report



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

We have audited the accompanying financial statements of the **trust funds** of The Corporation of the City of Mississauga, which comprise the statement of financial position as at December 31, 2014, the statement of operations for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the City of Mississauga as at December 31, 2014, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature of 'KPMG LLP' is written in black ink. A horizontal line extends from the bottom right of the signature.

Chartered Professional Accountants,  
Licensed Public Accountants  
April 15, 2015  
Toronto, Canada

# City of Mississauga

## Trust Funds Statement of Operations

for the year ended December 31, 2014 with comparatives for 2013 (All dollar amounts are in \$000s.)

	PERPETUAL CARE \$	ELECTION SURPLUS \$	TOTAL \$	2014	2013
<b>Revenues</b>					
Interest	16	0	16		15
Perpetual care receipts	51	0	51		30
Surplus election proceeds (Note 5)	0	0	0		0
<b>Total Revenues</b>	<b>67</b>	<b>0</b>	<b>67</b>		<b>45</b>
<b>Expenses</b>					
Surplus forfeited to City	0	0	0		3
Cemetery maintenance	16	0	16		15
<b>Total Expenses</b>	<b>16</b>	<b>0</b>	<b>16</b>		<b>18</b>
<b>Annual Surplus/(Deficit)</b>	<b>51</b>	<b>0</b>	<b>51</b>		<b>27</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>534</b>	<b>0</b>	<b>534</b>		<b>507</b>
<b>Accumulated Surplus, End of Year</b>	<b>585</b>	<b>0</b>	<b>585</b>		<b>534</b>

## Trust Funds Statement of Financial Position

as at December 31, 2014 with comparatives for 2013 (All dollar amounts are in \$000s.)

	PERPETUAL CARE \$	ELECTION SURPLUS \$	TOTAL \$	2014	2013
<b>Financial Assets</b>					
Cash	26	0	26		75
Due from City of Mississauga (Note 2)	53	0	53		30
Investments (Note 3)	506	0	506		429
<b>Net Financial Assets</b>	<b>585</b>	<b>0</b>	<b>585</b>		<b>534</b>
<b>Accumulated Surplus</b>	<b>585</b>	<b>0</b>	<b>585</b>		<b>534</b>

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



## **Trust Funds** **Notes to the Financial Statements**

for the year ended December 31, 2014 with comparatives for 2013  
(All dollar amounts are in \$000s.)

### **1. Significant Accounting Policies**

#### **Basis of Accounting**

Perpetual Care receipts are reported on the cash basis of accounting and interest income is reported on the accrual basis of accounting.

Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

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

This represents money collected by the City during the year and transferred to the Trust Fund on January 28, 2015.

### **3. Investments**

The total investments by the Trust Funds of \$506 (2013 \$429) reported on the Statement of Financial Position at cost, have a market value of \$540 (2013 \$431) at the end of the year.

### **4. Perpetual Care Fund**

The Perpetual Care Fund administered by the City is funded by the sale of cemetery plots. These funds are invested and earnings derived therefrom are used to perform perpetual care maintenance to the municipality's cemeteries. The operations and investments of the Funds are undertaken by the City in accordance with the regulations of the Funeral, Burial and Cremations Services Act.

### **5. Election Trust Fund**

The Election Surplus Fund, as per S.79(7) of the 1996 Municipal Elections Act states that if in the next regular election or in an earlier by-election, the candidate is nominated for an office on the same council, the Clerk shall pay the amount in trust to the candidate, with interest. As per S79(8), if subsection (7) does not apply, the amount becomes the property of the municipality.



# 2014 Statistics

City of Mississauga



# City of Mississauga Five-Year Financial Review

Unaudited

## Municipal Statistics

(All dollar amounts are in \$000s except per capita figures.)

FISCAL YEAR	2014	2013	2012	2011	2010
Population (Note 1)	759,000	754,000	743,000	741,000	736,000
Area in acres	72,200	72,200	72,200	72,200	72,200
Households	243,000	243,000	235,000	235,000	232,500
<b>EMPLOYEES (NOTE 2)</b>					
Full time	4,239	4,185	4,109	4,065	4,187
Per 1000 people	5.6	5.5	5.5	5.5	5.7
Part time and seasonal	3,211	3,446	3,343	3,178	3,203
Construction activity	\$1,170,860	\$942,335	\$856,857	\$806,127	\$451,806

## Tax Assessment Information

FISCAL YEAR	2014	2013	2012	2011	2010
Assessment Valuation Year	2012	2012	2008	2008	2008
<b>TAXABLE ASSESSMENT UPON WHICH THE YEAR'S RATES OF TAXATION WERE SET</b>					
Residential, farm, multi-residential	\$89,352,164	\$84,095,484	\$74,664,351	\$74,483,486	\$70,484,292
Commercial, industrial and other	29,801,625	28,629,494	28,208,837	26,247,111	24,071,666
<b>Total Taxable Assessment</b>	<b>\$119,153,789</b>	<b>\$112,724,978</b>	<b>\$106,873,188</b>	<b>\$100,730,597</b>	<b>\$94,555,958</b>
Commercial, industrial, and business as a percentage of taxable assessment	25.0%	25.4%	26.4%	26.0%	25.4%

Notes:

1. The population figures are as per the 2014 City's growth forecast, 2013 City's growth forecast, 2012 City's growth forecast and the 2011 Canada census.
2. Positions are stated in either full time or part time equivalents, as budgeted and exclude Enersource Corporation.

## Tax Rate Information

(All dollar amounts are in \$000s except per capita figures.)

RESIDENTIAL AND FARM	2014	2013	2012	2011	2010
for City purposes	0.293805%	0.290425%	0.284851%	0.278907%	0.277387%
for Regional purposes	0.411565%	0.424223%	0.437847%	0.452704%	0.463728%
for School purposes	0.203000%	0.212000%	0.221000%	0.231000%	0.241000%
<b>Total Tax Rate - Residential and Farm</b>	<b>0.908370%</b>	<b>0.926648%</b>	<b>0.943698%</b>	<b>0.962611%</b>	<b>0.982115%</b>
COMMERCIAL					
for City purposes	0.414211%	0.409446%	0.401587%	0.393207%	0.391065%
for Regional purposes	0.580231%	0.598076%	0.617284%	0.638230%	0.653772%
for School purposes	1.107083%	1.147477%	1.177386%	1.253034%	1.339544%
<b>Total Tax Rate - Commercial</b>	<b>2.101525%</b>	<b>2.154999%</b>	<b>2.196257%</b>	<b>2.284471%</b>	<b>2.384381%</b>
INDUSTRIAL					
for City purposes	0.461498%	0.456189%	0.447433%	0.438096%	0.435709%
for Regional purposes	0.646470%	0.666353%	0.687753%	0.711091%	0.728407%
for School purposes	1.361148%	1.399256%	1.421817%	1.499357%	1.585675%
<b>Total Tax Rate - Industrial</b>	<b>2.469116%</b>	<b>2.521798%</b>	<b>2.557003%</b>	<b>2.648544%</b>	<b>2.749791%</b>

## Tax Levies

(All dollar amounts are in \$000s except per capita figures.)

FISCAL YEAR	2014 \$	2013 \$	2012 \$	2011 \$	2010 \$
<b>PROPERTY TAX LEVIES</b>					
City portion	394,457	378,605	350,728	330,232	306,504
Regional portion	552,559	547,640	534,788	531,508	507,616
School Board portion	518,018	519,845	516,000	525,857	510,884
<b>Total Tax Levies</b>	<b>1,465,034</b>	<b>1,446,090</b>	<b>1,401,516</b>	<b>1,387,597</b>	<b>1,325,004</b>
<b>PROPERTY TAXES COLLECTED</b>					
City collection	391,947	386,947	362,502	322,545	285,894
Taxes transferred to the Region	552,559	547,640	534,788	531,508	507,616
Taxes transferred to the School Boards	518,018	519,845	516,000	525,857	510,884
<b>Total Taxes Collected</b>	<b>1,462,524</b>	<b>1,454,432</b>	<b>1,413,290</b>	<b>1,379,910</b>	<b>1,304,394</b>
<b>PROPERTY TAX ARREARS</b>					
Taxes receivable	40,319	37,694	46,036	50,863	66,552
Taxes receivable per capita	53	50	63	69	90
Percentage of current levy	2.8%	2.6%	3.3%	3.8%	5.0%
<b>CONSOLIDATED REVENUES</b>					
Property taxation	402,074	378,605	350,728	330,232	306,504
Taxation from other governments	26,177	24,766	23,576	23,427	22,508
User charges	179,195	175,859	171,957	155,238	146,477
Recovery charges	26,895	26,556	38,724	28,098	3,138
Government grants	3,048	2,382	5,305	51,171	48,687
Development contributions applied	58,047	59,816	14,579	81,036	148,194
Investment income	35,778	35,322	44,061	49,614	52,262
Penalties and interest on taxes	8,064	8,025	9,012	9,268	9,983
Contributed assets	26,746	24,038	30,873	32,019	13,779
Other	12,485	7,215	3,919	5,036	18,306
Equity in income of Enersource Corporation	2,650	19,522	9,588	25,091	15,933
<b>Total Revenues</b>	<b>781,159</b>	<b>762,106</b>	<b>702,322</b>	<b>790,230</b>	<b>785,771</b>
<b>Revenue Per Capita</b>	<b>1,029</b>	<b>1,011</b>	<b>945</b>	<b>1,066</b>	<b>1,068</b>

(All dollar amounts are in \$000s except per capita figures.)

### Consolidated Expenses By Function

	2014 \$	2013 \$	2012 \$	2011 \$	2010 \$
General government services	184,928	152,342	143,701	159,976	137,553
Protection services	120,476	114,335	108,309	103,162	101,819
Transportation services	304,361	288,397	274,632	267,489	250,980
Environmental services	12,064	13,883	12,108	11,775	11,775
Health services	555	416	72	93	68
Social and family services	486	465	524	627	610
Recreation and cultural services	159,539	146,718	145,202	139,425	126,843
Planning and development services	19,268	17,669	16,562	14,777	15,774
Loss on disposal of tangible capital assets	2,307	2,689	6,908	3,068	1,048
<b>Total Consolidated Expenses by Function</b>	<b>803,984</b>	<b>736,914</b>	<b>708,018</b>	<b>700,392</b>	<b>649,470</b>
<b>Annual Surplus/(Deficit)</b>	<b>(22,825)</b>	<b>25,192</b>	<b>(5,696)</b>	<b>89,838</b>	<b>136,301</b>
<b>Net Financial Assets</b>	<b>375,509</b>	<b>452,796</b>	<b>526,144</b>	<b>600,109</b>	<b>630,274</b>

### Capital Fund Information: Capital Financing

Development contributions applied	58,047	59,816	14,579	81,036	148,194
Government grants	996	707	3,679	49,229	47,115
Other	23,226	25,596	39,742	26,628	23,097
<b>Total Capital Financing</b>	<b>82,269</b>	<b>86,119</b>	<b>58,000</b>	<b>156,893</b>	<b>218,406</b>
<b>Current Year Unexpended Capital Financing</b>	<b>68,299</b>	<b>116,709</b>	<b>134,451</b>	<b>199,488</b>	<b>215,660</b>

**Expenses by Object:**  
**Consolidated Statement of Operations**

(All dollar amounts are in \$000s except per capita figures.)

FISCAL YEAR	2014 \$	2013 \$	2012 \$	2011 \$	2010 \$
Salary, wages and fringe benefits	451,839	425,825	407,029	404,876	379,183
Debt interest and fees	1,588	624	-	-	-
Materials and supplies	56,138	53,080	53,098	52,219	44,778
Contracted services	94,295	65,376	61,464	70,295	66,677
Rents and financial expenses	67,601	65,430	58,989	56,606	53,380
External transfers to others	5,480	4,254	3,938	3,558	4,066
Amortization	124,736	119,636	116,592	109,770	100,338
Loss on disposal of assets	2,307	2,689	6,908	3,068	1,048
<b>Total Consolidated Expenses</b>	<b>803,984</b>	<b>736,914</b>	<b>708,018</b>	<b>700,392</b>	<b>649,470</b>

**Municipal Debt Information: Long-Term Liabilities**

General municipal activities	80,807	50,000	-	-	-
Per capita	106	66	-	-	-

**Charges for Long-Term Liabilities**

General municipal activities	1,588	624	-	-	-
Per capita	2	1	-	-	-
<b>Debt Repayment Limit</b> (as determined by the Province of Ontario)	<b>158,083</b>	<b>147,700</b>	<b>137,000</b>	<b>142,265</b>	<b>122,653</b>

**Tangible Capital Assets**

Net book value	7,842,521	7,788,423	7,689,448	7,552,173	7,394,263
Amortization	124,736	119,636	116,592	109,770	100,338
<b>Operating Fund Transfers to Capital Reserve Fund</b>	<b>45,459</b>	<b>42,340</b>	<b>42,985</b>	<b>26,296</b>	<b>21,129</b>

(All dollar amounts are in \$000s except per capita figures.)

<b>ACCUMULATED SURPLUS</b>	<b>2014 \$</b>	<b>2013 \$</b>	<b>2012 \$</b>	<b>2011 \$</b>	<b>2010 \$</b>
Invested in tangible capital assets	7,842,521	7,788,423	7,689,448	7,552,173	7,394,263
Operating surplus	5,800	2,900	-	-	-
Unexpended capital	68,299	116,709	134,451	199,488	215,660
Enersource Corporation	263,158	273,622	264,972	267,667	213,525
Long-term debt	(86,607)	(50,000)	-	-	-
Business improvement associations	-	-	47	76	150
Unfunded employee benefits	(198,691)	(189,891)	(186,557)	(184,700)	(169,812)
Reserves	45,120	49,263	50,687	47,307	48,012
Reserve funds	288,178	259,577	272,363	279,713	331,477
<b>Total Accumulated Surplus</b>	<b>8,227,778</b>	<b>8,250,603</b>	<b>8,225,411</b>	<b>8,161,724</b>	<b>8,033,275</b>
<b>Trust Funds Surplus</b>	<b>585</b>	<b>534</b>	<b>507</b>	<b>454</b>	<b>447</b>

The statistics from 2009 onward are presented in accordance with the adoption of Public Sector Accounting Board (PSAB) sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets.

# **City of Mississauga**

## **10 Largest Corporate Property Taxpayers**

OWNER	ASSESSMENT VALUE \$
1 OMERS Realty Management	846,447,931
2 The Erin Mills Town Centre	296,516,000
3 3536785 Canada Inc.	200,753,000
4 Mississauga Complex Portfolio	139,435,500
5 HOOPP Realty Inc.	129,968,000
6 Ivanhoe Cambridge I Inc.	123,424,000
7 Select Properties Limited	116,098,500
8 Metrus Central Properties	108,454,001
9 First Capital (Meadowvale) Corp.	102,945,000
10 PCM Sheridan Inc.	100,976,000
<b>Top Ten Assessment Total</b>	<b>2,165,017,932</b>
<b>% of Total Industrial and Commercial Assessment</b>	<b>7.3%</b>
<b>% of Total Taxable Assessment</b>	<b>1.8%</b>
<b>Total Residential Assessment</b>	<b>89,352,163,647</b>
<b>Total Industrial and Commercial Assessment</b>	<b>29,801,625,191</b>
<b>Total Taxable Assessment</b>	<b>119,153,788,838</b>

## Contact Information

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E-mail:  
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If you need this information in an alternate format call 311 (or 905-615-4311 outside City limits).

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# 2014 Financial Report



MISSISSAUGA