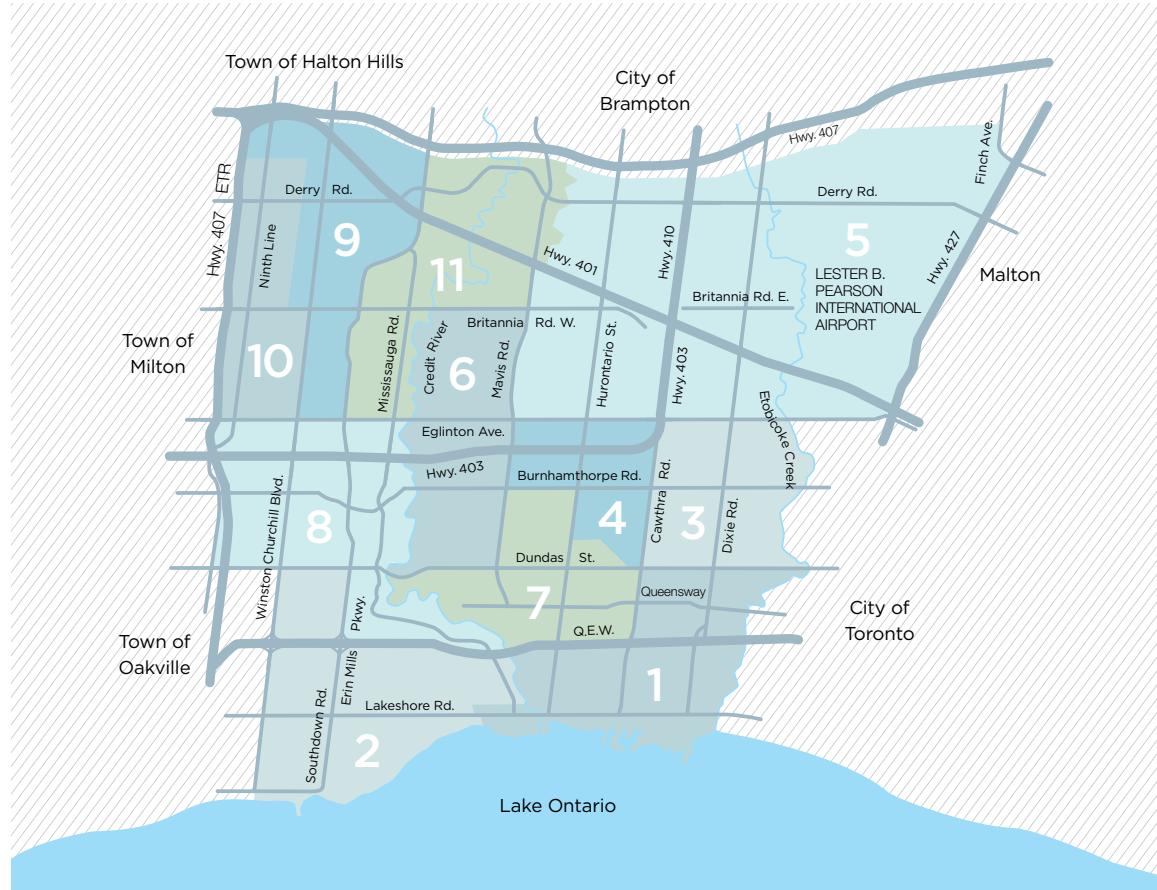


2018 Financial Report

The City of Mississauga, Ontario, Canada for the fiscal year ended December 31, 2018



City Council



M Bonnie Crombie
Mayor

1 Stephen Dasko
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 Dipika Damerla
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

2018 Financial Report

The 2018 Financial Report has been prepared in an electronic format and is available on the City's website at **mississauga.ca/finance**.

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.

The City of Mississauga
Financial Report 2018

**For the Fiscal Year Ended December 31, 2018
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.

mississauga.ca/finance

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Our Vision and Values

OUR VISION

“Mississauga will inspire the world as a dynamic, 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

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

QUALITY

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

EXCELLENCE

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

GFOA Award



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, 2017

Christopher P. Morill

Executive Director/CEO

CANADIAN AWARD FOR FINANCIAL REPORTING

For the 21st consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada presented the City of Mississauga with the Canadian Award for Financial Reporting for its 2017 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 is committed to high-quality reporting and will submit this report to the GFOA for the 2018 evaluation.



Message from the Mayor

On behalf of my fellow Members of Council, I am pleased to present the 2018 Financial Report for the City of Mississauga. The report is an opportunity for us to celebrate our strengths and accomplishments and is proof that Mississauga is a city in demand. It also highlights our progress towards building a city where people choose to live, play and work and where businesses choose to invest, scale-up and thrive.

Mississauga is open for business and encourages innovation in our growing number of sectors. Our economy is highly diversified as is our skilled workforce, giving our city a competitive edge. As a result, we are the business capital of Canada, with more businesses per capita than any other city. In the last year alone, more than 3,600 companies chose to invest and grow in Mississauga because of our city's bright and promising future. The impressive mix of companies includes Campbell Company of Canada, CBS Film and Television Studios, Cognizant, Fluidmaster, GlaxoSmithKline, MHI Canada Aerospace and Wayfair.

We are also proud to be the second-largest cluster of employment next to Toronto and are strides ahead of other cities in the Greater Toronto Area (GTA). Our local economy is strong and outpacing Ontario's in terms of job growth. Working closely with our business community, we were directly involved in creating more than 4,500 new jobs last year.

Mississauga is on the move. We are working to build regionally integrated transit that quickly and efficiently connects people across our city and beyond. Last year, we added 46,000 hours of MiWay service. We also started laying the groundwork on the Hurontario Light Rail Transit (LRT), which will form the north-south spine of our transit system. This line is vital to our economic success and will help connect tens of thousands of people a day to prosperity. In addition, we continued to advocate for all-day, two-way service on all three Mississauga GO Transit lines, especially the Milton line. This expanded service is essential for our economic growth, quality of life, ability to attract new business and remain competitive.

With a population approaching 800,000, we are no longer a suburban, bedroom community on the outskirts of Toronto. As we urbanize, we are shifting our focus to building up, not out. Future development needs to keep pace with our growth. With the community's support, we are already managing that development responsibly. Last year, residents provided valuable feedback on several projects - Clarkson Transit Station Area Study, Lakeshore Connecting Communities, Meadowvale Townhouse and Apartment Areas Character Study, Reimagining the Mall, as well as Shaping Ninth Line. This valuable input is helping to shape our future as we work to build more liveable, walkable, master-planned communities.

As a mature city, we're naturally going to face some challenges. Tackling housing affordability, and in particular, housing prices, remained one of our top priorities in 2018. We made steady progress on the 40 action items in Making Room for the Middle, our affordable housing strategy to create more housing for middle-class families. Over the next year, we will continue to make progress on our plan to incentivize developers to build more affordable housing that works for our residents.

Mississauga is working. As Mayor, I am proud of the progress we've already made towards becoming a vibrant, modern world-class city. Mississauga is a place where the world comes to work, businesses want to invest and where people come to succeed.

Still, there is work to be done. We must continue to invest in transit and infrastructure while delivering value and excellent service. Our goal, now and in the future, is a Mississauga where your children and grandchildren can go to school, get a degree, a good-paying job and afford to live and raise their families for generations to come.

In the next year and beyond, by working together, Council, City staff, businesses and residents, we will continue to grow and shape our city. No matter where you are in the world, people will know Mississauga by name.

Bonnie Crombie

Bonnie Crombie, MBA, ICD.D
Mayor

Mississauga Quick Facts (2018)

LOCATION

- Located within the Greater Toronto Area (GTA)
- Adjacent (west) to City of Toronto on the north shores of Lake Ontario
- Area: 113 square miles (292 km²); 72,200 acres (29,000 hectares)

POPULATION

- Canada's sixth-largest city: 775,000 (2018)
- Projected Population: 878,000 (2041)

EMPLOYMENT

- Employees in Mississauga: 438,168 (2017)
- Employees in GTA: 2.6 million (2016 Census Profile, employed persons)
- Labour Pool in GTA: 4.3 million (2016 Census Profile, persons 15 years and above)
- 75 Fortune 500 companies have their Canadian head offices or major divisional offices located in Mississauga
- 53 Financial Post Top 500 companies have their Canadian head offices or major divisional offices located in Mississauga

TRANSPORTATION

AIRPORT

- Toronto Pearson International Airport, Canada's busiest airport, located in Mississauga, is among the top 30 busiest airports in the world

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 providing approximately 40 million rides annually
- 82 routes; 7 express routes, 57 regular routes and 18 school routes. MiWay connects with the Toronto Transit Commission (TTC), 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

- University of Toronto Mississauga (UTM)
- Sheridan College Institute of Technology and Advanced Learning – Hazel McCallion Campus

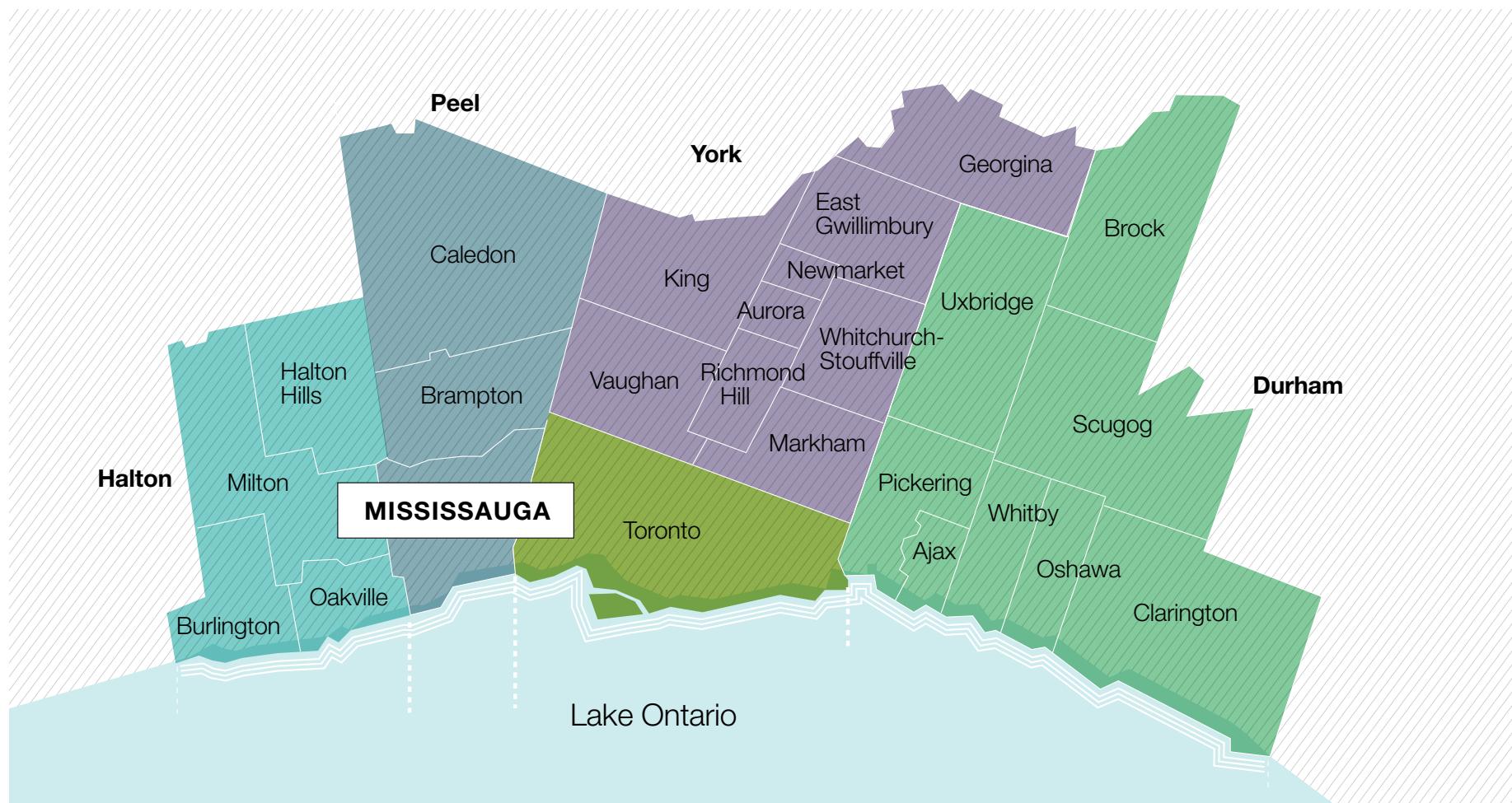
WITHIN COMMUTING DISTANCE

- 15 major universities and 17 technical colleges

PROPERTY TAX RATES (2018 RATES)

- **Industrial:** 2.224154 per cent
- **Commercial:** 1.984042 per cent
- **Residential:** 0.823476 per cent
- **Multi-Residential:** 1.118168 per cent

Mississauga and GTA Municipalities





Message from the City Manager and Chief Administrative Officer

Accountability is important to us. Each year, we publish a report card on our business operations over the last 12 months. The 2018 Financial Report highlights key programs and activities that reflect the progress we made towards achieving our strategic and financial goals.

A municipal government operates much like a service industry. In Mississauga, we invest approximately 97 per cent of the operating budget to deliver the valued and essential services that residents rely on every day. In our most recent Citizen Satisfaction Survey, residents told us they were satisfied with the direction that the City is heading. Eighty nine per cent said they were satisfied with the quality of life in Mississauga and 76 per cent were satisfied with City government.

Mississauga's business planning and budgeting process allows us to maintain our reputation for excellence in financial management. For the 29th year in a row, we received a Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) and we received their award for excellence in financial reporting for the 21st straight year. We also earned our 15th consecutive 'AAA-Stable' credit rating from Standard & Poor's Ratings Services.

Staff met the challenge of identifying efficiencies and streamlining processes while maintaining service levels through our corporate Lean Program. Through dedication, innovation and continuous improvement we have saved taxpayers more than \$55 million since 2009. In addition, Mississauga earned the 2018 Continuous Improvement Excellence

Award from Leading Edge Group for our progress and commitment to sustainable, continuous improvement over the last three years.

Staff successfully administered the municipal elections and a new Council was sworn in last December. We also introduced a four per cent Municipal Accommodation Tax (MAT) which will help to fund tourism-related activities in Mississauga.

Along with the successes and achievements in 2018, we faced challenges. As in past years, balancing the costs of building a 21st century city and providing the services that residents expect was top of mind. The stormwater management program remained critical in responding to issues resulting from climate change. In addition, the costs to maintain assets and infrastructure keep increasing as buildings, roads, bridges and vehicles age or reach the end of their useful life.

For 2019, Mississauga is in stable financial shape. Our Long-Range Financial Plan shows that we are in a strong position to maintain current service levels over the next 10 years. As we continue to invest in growing our city, we are committed to making sure our priorities align with the five pillars of our Strategic Plan — move, belong, connect, prosper and green.

Janice M. Baker, FCPA, FCA
City Manager and Chief Administrative Officer
City of Mississauga

Corporate Organizational Structure



JANICE M. BAKER, FCPA, FCA
City Manager and
Chief Administrative Officer

RESPONSIBILITIES:

- Economic Development Office
- Internal Audit
- Legal Services



Gary Kent, CPA, CGA, ICD.D
Commissioner, Corporate Services
and Chief Financial Officer

RESPONSIBILITIES:

- Facilities & Property Management
- Finance
- Human Resources
- Information Technology
- Legislative Services & Office of the City Clerk
- Revenue & Materiel Management
- Strategic Communications

Paul A. Mitcham, P. Eng., MBA
Commissioner, Community Services

RESPONSIBILITIES:

- Culture
- Fire & Emergency Services
- Library
- Parks, Forestry & Environment
- Recreation

Andrew Whittemore, M.U.R.P
Commissioner, Planning and Building

RESPONSIBILITIES:

- City Planning Strategies
- Development & Design
- Building

Geoff Wright, P. Eng., MBA
Commissioner, Transportation and Works

RESPONSIBILITIES:

- Enforcement
- Infrastructure Planning & Engineering
- LRT Project Office
- MiWay
- Traffic Management & Municipal Parking
- Works Operations & Maintenance

2018

Accomplishments and Successes



Delivering Existing Services

CORPORATE SERVICES

- Responded to more than 254,500 calls; 55,690 online service requests and 6,240 Pingstreet service requests through the 3-1-1 Citizen Contact Centre
- Reached approximately 33,500 subscribers with the City of Mississauga eNewsletter
- Delivered City's annual print newsletter to 230,777 homes
- Supported more than 13 million page views on the City of Mississauga website
- Issued 3,245 marriage licenses and performed 369 civil ceremonies
- Engaged approximately 260,000 followers across all City social media accounts combined
- Live streamed 90 Committee meetings
- Supported the 2018 municipal elections by operating 166 voting locations, allowing 119,229 residents to cast ballots
- Provided more than 1.05 million items for loan through 18 libraries
- Provided free Wi-Fi at 95 City facilities including libraries, community centres, marinas and arenas
- Supported 15 Council and 137 Committee meetings

PLANNING AND BUILDING

- Issued more than 3,880 construction permits with a value of \$1.85 billion
- Completed approximately 78,000 building, plumbing, heating and sign inspections
- Introduced ePlans which resulted in a 33 per cent reduction in the review time for development applications and reduced overall processing time by 11 per cent
- Processed 4,495 ePlans online building permit applications

COMMUNITY SERVICES

- Performed 9,263 fire safety inspections to ensure buildings are safe and comply with the Ontario Fire Code
- Delivered public education sessions on fire safety to more than 13,800 residents
- Responded to approximately 29,000 fire and emergency incidents
- Hosted 131 performances and activities at Meadowvale Theatre
- Hosted 51 events over 135 event days and attracted more than 677,300 visitors to Mississauga Celebration Square
- Delivered more than 761 cultural programs and classes to more than 4,656 participants
- Supported 32 buskers to perform at 10 locations throughout the city
- Received 13.3 million visits to recreational facilities
- Received 100,000 visits to after-school drop-in sessions
- Engaged more than 10,000 people at 60 environmental education and outreach activities

TRANSPORTATION AND WORKS

- Provided 1.58 million service transit hours through MiWay
- Provided more frequent service, improved GO Transit connections and improved service on the Mississauga Transitway
- Introduced two new MiWay weekday express routes in 2018: Route 104 - Derry Express and Route 100 - Airport Express, which travels across the Mississauga Transitway to meet the needs of customers
- Investigated approximately 1,500 tall grass and weeds concerns
- Responded to 40,000 by-law and animal care requests

CITY MANAGER'S OFFICE

- Contributed to creating and retaining more than 4,500 jobs through the Economic Development Office
- Held 92 business and economic development events attracting more than 2,255 attendees

Implement Cost Containment Strategies

CORPORATE SERVICES

- Won the Government Finance Officers Association Canadian Award for Financial Reporting for the 21st consecutive year
- Awarded 15th straight 'AAA - Stable' credit rating from Standard & Poor's Ratings Services
- Received 29th consecutive *Distinguished Budget Presentation Award* from the Government Finance Officers Association (GFOA)
- Received the *2018 Continuous Improvement Excellence Award* from Leading Edge Group
- Achieved \$6.1 million in cost savings and cost avoidance through the corporate Lean Program
- Introduced four per cent Municipal Accommodation Tax (MAT) which will help to fund tourism-related activities in Mississauga
- Saved \$180,000 in cellular voice and data contracts

COMMUNITY SERVICES

- Saved \$250,000 in third-party management for the Paramount Fine Foods Centre

TRANSPORTATION AND WORKS

- Saved \$150,000 in winter maintenance contracts
- Saved \$100,000 in commissions for transit fare media

CITY MANAGER'S OFFICE

- Secured \$287,588 in provincial funding to deliver entrepreneurship training and grant programs

Maintain Our Infrastructure

CORPORATE SERVICES

- Received Energy Star certification for the Civic Centre, making it one of the first facilities in Canada to be certified
- Piloted solar energy heating system at Lions Club of Credit Valley outdoor pool
- Modernized pathway lighting system in Duncairn Downs Park with solar lights
- Installed LED lighting enhancements at Celebration Square as part of the Civic Lighting Project

COMMUNITY SERVICES

- Performed more than 390,000 hours of maintenance for the care of the city's parkland and open space, including approximately 505 parks, 368 sports fields and 11 publicly-owned cemeteries
- Maintained 327 kilometres of bike lanes, multi-use trails and off-road trails
- Launched a pilot program to convert dog waste into renewable energy and fertilizer, while preventing the waste from entering the recycling containers within parks

- Opened the Small Arms Inspection Building (SAIB) as a cultural hub offering a variety of programming
- Maintained 42 pieces of City-owned public art

TRANSPORTATION AND WORKS

- Received \$2.3 million from the Government of Ontario to improve cycling networks
- Secured \$58 million from the Government of Canada as part of the Public Transit Infrastructure Fund
- Maintained 5,660 lane kilometres of road network
- Installed more than one kilometre of new sidewalks and 10 kilometres of multi-use trails
- Installed new concrete landing pads at 20 locations
- Maintained 3,400 bus stops, 1,200 bus shelters and 500 buses
- Replaced traffic signal controllers at all 777 signalized intersections

Advancing our Strategic Vision

CORPORATE SERVICES

- Won a *MISA Ontario (Municipal Information Systems Association of Ontario) Excellence in Municipal Systems Award* in partnership with the University of Toronto Mississauga, Sheridan College and CANARIE
- Became one of only 10 Canadian cities to win an *International Organization for Standardization 37120 (ISO 37120)* platinum-level certification from the World Council on City Data (WCCD)

PLANNING AND BUILDING

- Launched the Meadowvale Townhouse and Apartment Areas Character Study to invite community input on future growth in the neighbourhood
- Launched the Clarkson Transit Station Area Study to look at future development to support transit around the Clarkson GO Station
- Celebrated the 35th anniversary of the *Mississauga Urban Design Awards (MUD)* program, making it the longest-running program of its kind in Ontario

COMMUNITY SERVICES

- Approved more than \$3.7 million in funding for 2018 Culture and Community Grant Programs
- Offered social services and supports at all 18 libraries to address homelessness in the community
- Hosted more than 1,000 athletes and 300 volunteers in 18 sports at the Ontario 55+ Summer Games
- Dedicated Meadowvale Rink 1 in honour of Johnny Bower
- Led the City's response to climate change
- Planted 62,175 trees and shrubs as part of the One Million Trees program

TRANSPORTATION AND WORKS

- Hosted the 2018 Tour de Mississauga for the 11th year
- Completed the Cycling Master Plan

CITY MANAGER'S OFFICE

- Supported a business community of more than 94,395 registered businesses



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, 2018. 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 (CPSAB).

This Financial Report communicates to residents, businesses and all stakeholders the details of the City's 2018 financial performance, and related information about significant financial policies and processes.

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

Mississauga's traditionally strong financial leadership in business planning, financial management and service delivery continued in 2018. Guided by the 2018 Business Plan & Budget, the City delivered services well and cost-effectively throughout the year. The City's finances were sound throughout the year and at year-end.

Transit is one of the most important services the City provides, getting residents, commuters and visitors where they need to go. Transit accounted for nearly one quarter of Mississauga's 2018 operating expenses. MiWay buses provided 40.2 million rides to people during 2018 while helping to ease road congestion and minimize vehicle emissions. By adding 46,000 new service hours, MiWay brought its total hours of service for the year to 1.58 million.

MiWay introduced two new weekday express routes in 2018: Route 104 - Derry Express and Route 100 - Airport Express, which travels across the Mississauga Transitway. The new routes are meeting growing passenger demand on these key commuter corridors.

Throughout 2018, Mississauga continued planning with Metrolinx as that provincial agency moved forward with its Hurontario Light Rail Transit (LRT) project.

Seeking input on emerging plans and feedback on activity keeps the City focused on the best ways to serve stakeholder needs, wants and aspirations. The City issued at least 26 invitations to the public to learn more, help shape plans or share their opinions during 2018.

Mississauga administered a program to control fall cankerworm and gypsy moths in trees in 2018. The program included aerial spraying of an organic pesticide in six wards from May 23-June 1 and was evaluated in October as highly successful.

The City opened a new cultural hub, the Small Arms Inspection Building (SAIB), in June. Mississauga hosted the 2018 Ontario 55+ Summer Games in August, where more than 1,000 enthusiastic participants aged 55 or older from across Ontario competed in activities such as pickleball, cycling, euchre, and tennis. In October the City administered the municipal election, as it does every four years.

Mississauga's ongoing, diligent planning and cost management allowed Council to minimize the 2018 property tax increase while maintaining existing services and service levels. In all services the City provides, our attention to minimizing tax resulted in \$3.1 million in cost savings and new revenue in 2018. The 2018 increase to Mississauga property owners on their total tax bill was 2.74 per cent, with 1.58 per cent being the City's portion and 1.16 per cent going to the Region of Peel and education.

Support from other levels of government helps the City minimize property tax. In 2018 the federal government's Public Transit Infrastructure Fund (PTIF) provided the City of Mississauga \$35.9 million to help accelerate municipal investments to support the expansion and rehabilitation of transit systems. For stormwater rehabilitation, through the Clean Water and Wastewater Fund program, the City received \$1.37 million and \$0.69 million from the federal and provincial governments respectively. In 2018, Mississauga received the final instalment of \$4.14 million from federal government funds related to the Canada 150 initiative, which supported infrastructure rebuilding and Canada's sesquicentennial celebrations.

Mississauga's infrastructure assets were valued at approximately \$8.18 billion (net book value) in 2018. We keep our City vital and resilient by maintaining these assets, managing debt responsibly and planning

for the future. To do this, Mississauga again budgeted and collected a dedicated capital infrastructure and debt repayment levy in 2018 as part of the overall tax levy.

The capital infrastructure and debt repayment levy is an example of the prudent financial management that contributes to the City's financial strength. A Financial Condition Assessment performed by BMA Management Consulting in 2018 showed improvement in the City's financial condition over the past four years in virtually every performance metric.

Like most municipalities we face a major challenge managing our infrastructure gap: that is, the difference between the current replacement value of City infrastructure and the value of our capital reserves, including current contributions. While the infrastructure levy helps, we need additional revenue sources that are predictable and sustainable, now and in the longer term.

Our long-range financial planning confirms this need. The first Long-Range Financial Plan (LRFP) was presented to Council in June 2016. Its annual update is now part of our ongoing planning and budgeting work. While it shows the City is in a strong financial position to maintain current service levels over the next 10 years, it also illustrates the need to secure additional sources of revenue to address the challenges and opportunities coming our way.

One such new source of revenue came into being on April 1, 2018, when Mississauga began collecting a new tax – the Municipal Accommodation Tax (MAT). The revenue from this tax will be used to promote and support tourism. The MAT applies to stays of a continuous period of 30 days or less in a motel, hotel, lodge, inn, bed and breakfast, dwelling unit or any other place that provides short-term accommodation. In 2018 the MAT delivered \$9 million of revenue to Mississauga.

The City's stormwater charge is a major contributor to Mississauga's longer-term financial security. It was administered for the third full year in 2018. The revenue from the charge (\$42.2 million in 2018) exclusively funds operating and capital expenses within the City's stormwater management program. The program exists to safeguard all private and public property in Mississauga by expanding the City's extensive stormwater management system and keeping it in good working order, now and in the future. The charge to all property owners appears on the Region of Peel water bill.

In 2018, a dedicated levy again supported the Emerald Ash Borer (EAB) management program. Mississauga's forests and trees are treasured infrastructure assets that have aesthetic, environmental and real value. In 2018 – the sixth year of our planned 10-year program – we spent \$6.7 million protecting the canopy from this destructive pest. The program's

spending to date is \$30.6 million, with a total spend of \$53 million expected over the program's life.

Mississauga's historically conservative approach to using debt continued in 2018. The City issued \$46.3 million of debt to help fund capital investments that look after our infrastructure, bringing the total debt balance to \$181 million at year-end. This amount of debt is substantially below the debt capacity that provincial regulation allows for Ontario municipalities.

The City's excellent debt management led to its earning an 'AAA-Stable' credit rating from Standard & Poor's Ratings Services in 2018 for the 15th consecutive year. We are able to borrow at a lower cost and invest in financial instruments that will earn a higher rate of return because we achieve this highest-possible rating.

The City of Mississauga owns 90 per cent of Enersource Corporation. Enersource co-owns the electricity provider for Mississauga formerly known as Enersource Hydro Mississauga, now known as Alectra. In 2018, this ownership had a value of \$502.4 million (2017 \$485 million), an increase of \$17.4 million over 2017. This change is largely due to the annual investment earnings and dividends from Alectra.

A steadfast commitment to deliver the right services well and economically to the people and institutions we serve is in the City of Mississauga's DNA. Although we face ongoing pressures from inflation, growing demand to expand transit and other services, emergencies and the requirement to maintain our capital infrastructure investments, our property tax rates and services are delivering considerable value for money. Guided by Council's direction, an inspiring strategic plan and a well-grounded financial plan and budget, we look forward to another year of operational and financial success in 2019.



Jeffrey J. Jackson, MBA, CPA, CA
Director of Finance and Treasurer

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 the significant budget, economic and political pressures it faces, the City of Mississauga utilizes a corporation-wide business planning process. The end result is 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 Chartered Professional Accountants of Canada (CPA Canada) Public Sector Accounting Standards Manual.

AUDIT COMMITTEE

The Audit Committee comprises four members of Council, appointed annually by Council and includes 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 objective and independent review of management practices through the internal and external audit functions.

The City's Budget Process

THE PLANNING HORIZON

Mississauga plans activities and programs through three planning horizons: the current budget year; a four-year period; and a 10-year period (forecast). Effective planning through all horizons ensures that the City:

- delivers value for tax dollars, with a focus on continuous improvement
- is fiscally responsible; manages resources efficiently and effectively
- invests in the City's future to enhance the high quality of life that residents enjoy today

THE CITY'S APPROACH TO PLANNING AND BUDGETING

The City's Vision and Strategic Plan are the starting point for our annual business planning and budgeting cycle. The Strategic Plan has five pillars: **move, belong, connect, prosper** and **green**, which guide our activities and progress toward achieving the Vision. The pillars are the basis of several plans such as the Cycling Master Plan; the Transportation Demand Management Master Plan; the Climate Change Action Plan; the Future Directions Master Plan for Community Services; and the City's Long-Range Financial Plan.

The City uses a combination of tax funds, user fees, investment income and other revenue to pay for its array of services.

Management of the City's services is organized into administrative "Service Areas." These Service Areas contribute the individual plans that make up the overall City Business Plan and Budget.

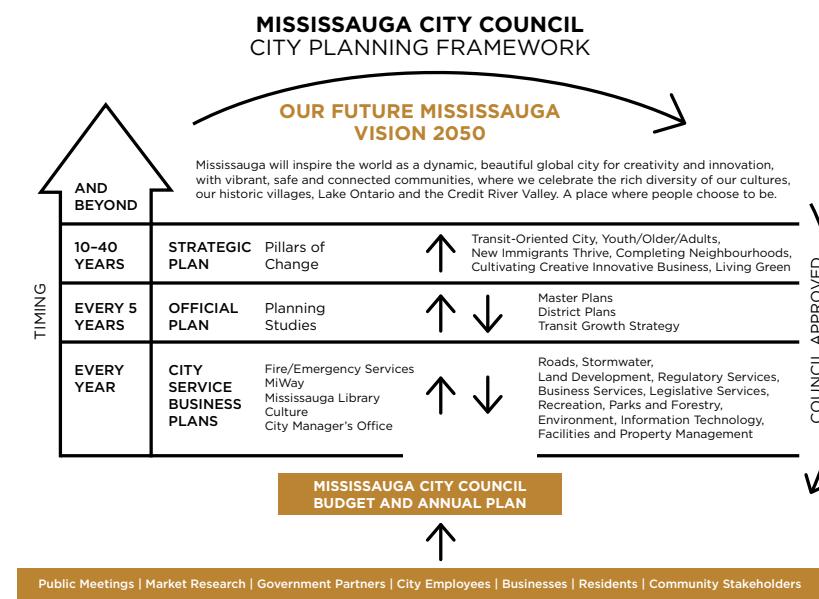
PRIORITIES FOR BUSINESS PLANNING

The City strives to deliver value for money and sound financial stewardship in the development of the annual Business Plan and Budget. All Service Areas prepare individual business plans in line with the following four corporate priorities:

1. Deliver the Right Services
2. Implement Cost Containment Strategies
3. Maintain our Infrastructure
4. Advance on our Strategic Vision

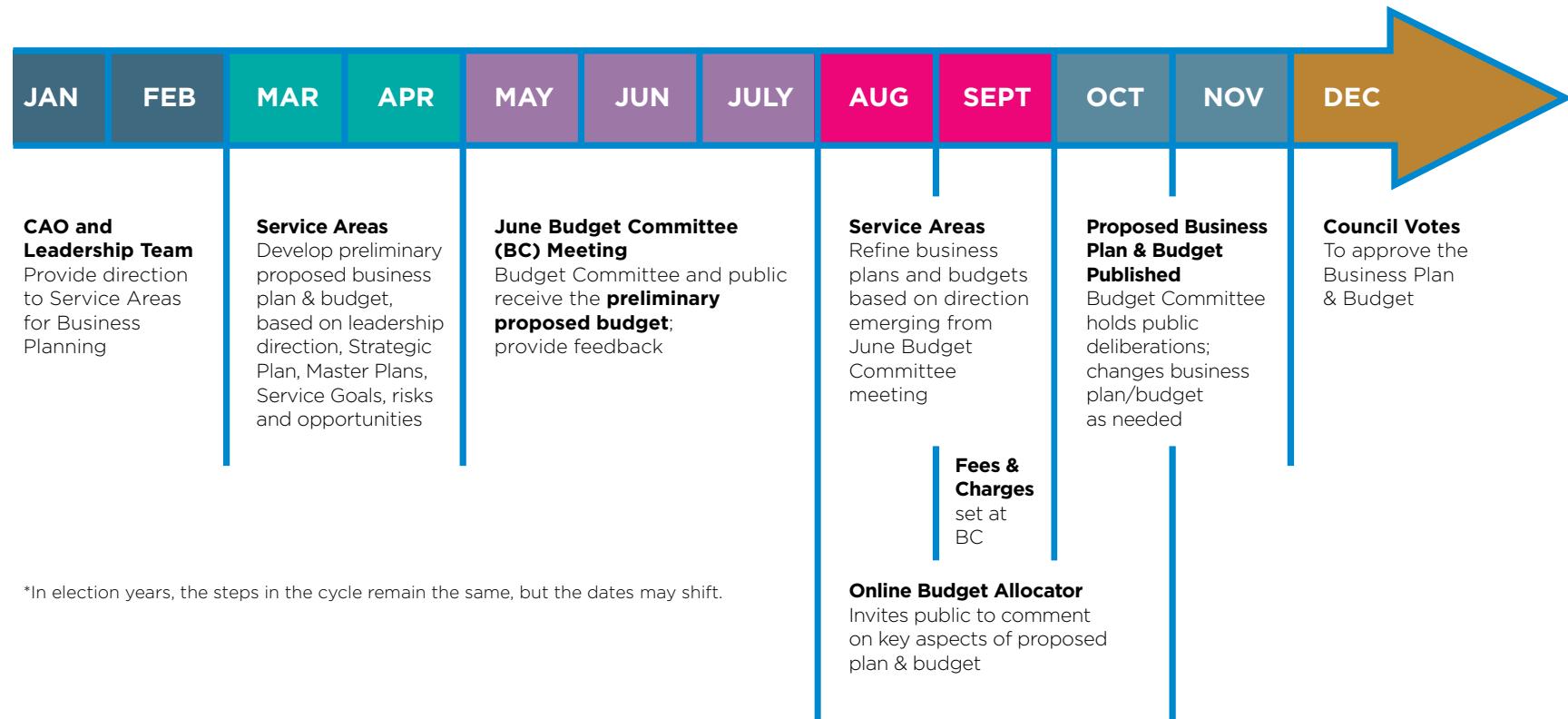
THE PLANNING PROCESS

Mississauga's business planning process is guided by its vision, strategic plan, master plans and priorities. These directional documents are established through consultation with constituents and ultimately vetted by their elected Council.



Preparing Mississauga's Business Plan And Budget

TIMELINE FOR NON-ELECTION YEARS*



*In election years, the steps in the cycle remain the same, but the dates may shift.

Reconciliation of the City's Budget to Audited Financial Statements

The City's annual budget is prepared on a cash basis for the purpose of calculating the property tax levy. The audited financial statements are prepared differently. The audited financial statements are prepared on an accrual accounting basis under the Public Sector Accounting and Reporting Guidelines. To achieve accordance with generally accepted accounting principles (GAAP), there are certain budgeted revenues and expenses within the financial statements that need to be eliminated for financial reporting purposes. To do this, a number of elimination entries such as transfers between funds, debt principal repayments, and dividend receipts are made. In addition to these eliminations, there are a few other non-budgeted adjustments included to help align with actual numbers. Some of these non-budgeted adjustments include BIA consolidations, amortization of capital assets, and Reserve Fund interest.

The chart below helps break down the reconciliation between the City's budget and the audited financial statements. Please refer to Notes 13 and 14 in the audited financial statements for budgets and actuals by Service Area.

Reconciliation of City's budget to audited financial statements (\$000)

REVENUES BY SERVICE AREA

SERVICE AREA	2018 APPROVED OPERATING REVENUE BUDGET	2018 BUDGET ADJUSTMENTS	TAX LEVY AND RESERVE FUND INTEREST BUDGET	ELIMINATION OF OPERATING TRANSFERS & DIVIDENDS	ADJUSTED CAPITAL BUDGET	BIAs	2018 ADJUSTED FINANCIAL STATEMENT BUDGET	2018 ACTUAL PER FINANCIAL STATEMENTS
	\$	\$	\$	\$	\$		\$	\$
Business Services	2,802	189		(521)			2,469	2,504
City Manager's Office	665	907		(315)			1,257	1,436
Culture	2,009	0					2,009	2,710
Environment	0	0					0	53
Facilities & Property Management	466	194					660	1,038
Financial Transactions	108,856	7,400	485,183	(49,404)			552,035	623,389
Fire & Emergency Services	1,952	0					1,952	2,453
Information Technology	812	0					812	895
Land Development Services	12,916	0		(80)			12,836	19,531
Legislative Services	14,399	(1,200)		(2,936)			10,263	10,166
Mayor & Members of Council	0	205		(205)			0	0
Mississauga Library	1,949	0					1,949	2,074
MiWay	106,142	(0)		(16,660)			89,482	93,160
Parks & Forestry	4,524	0			1,034		5,558	5,596
Recreation	48,777	(314)					48,462	51,122
Regulatory Services	15,234	0					15,234	15,530
Roads	12,651	0		(150)			13,535	16,623
Stormwater	40,214	0					40,215	41,856
Non-budgeted			13,986			393	41,380	165,521
Total Revenues	374,368	7,380	499,169	(70,272)	1,034	393	812,074	1,055,657

EXPENSES BY SERVICE AREA

SERVICE AREA	2018 APPROVED OPERATING EXPENSE BUDGET & ALLOCATION	2018 BUDGET ADJUSTMENTS	AMORTIZATION	ELIMINATION OF OPERATING TRANSFERS & DEBT PRINCIPAL REPAYMENT	ELIMINATION OF OPERATING ALLOCATION	BIA\$	2018 ADJUSTED FINANCIAL STATEMENT BUDGET	2018 ACTUAL PER FINANCIAL STATEMENTS
	\$	\$	\$	\$	\$	\$	\$	\$
Business Services	33,258	103		(262)			33,099	32,750
City Manager's Office	13,556	30		(128)			13,459	13,954
Culture	10,328	(34)		(198)	(31)		10,064	10,199
Environment	1,491	0		(200)	(7)		1,284	1,406
Facilities & Property Management	22,409	67		(20)	1,454		23,910	23,429
Financial Transactions	143,236	7,657		(113,080)		422	38,236	79,791
Fire & Emergency Services	108,243	(174)		(50)	(1,015)		107,004	107,885
Information Technology	28,373	244			1,506		30,123	30,428
Land Development Services	22,396	(4)		(626)			21,766	20,705
Legislative Services	11,025	24					11,049	9,134
Mayor & Members of Council	4,859	205					5,063	4,679
Mississauga Library	29,470	(80)		(63)	(430)		28,897	28,118
MiWay	184,834	80		(125)	(1,345)		183,459	184,131
Parks & Forestry	37,668	774		(486)	195		38,152	38,176
Recreation	75,813	(372)		(124)	2		75,319	76,607
Regulatory Services	15,596	35			(143)		15,488	15,546
Roads	76,651	(1,045)		(495)	(186)		74,909	74,868
Stormwater	40,215	0		(30,568)			9,647	11,531
Non-budgeted			135,136				135,138	171,508
Total Expenses	859,420	7,512	135,136	(146,426)	0	422	856,066	934,845
Annual Surplus/(Deficit) per Consolidated Statement of Operations							(43,992)	120,812

Refer to Note 13 and 14 in the Audited Financial Statements for more detail.

2018 Financial Year in Review



2018 Financial Year in Review

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 Public Sector Accounting Board (PSAB) of CPA Canada.

There are four required consolidated financial statements: the consolidated statement of financial position, the consolidated statement of operations, the consolidated statement of change in net financial assets, and the consolidated statement of cash flows. These consolidated financial statements provide information on the cost of all the City activities, how they were financed, investing activities and the assets and liabilities of the City. The 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 2018 financial results of the City.

Consolidated Statement of Financial Position

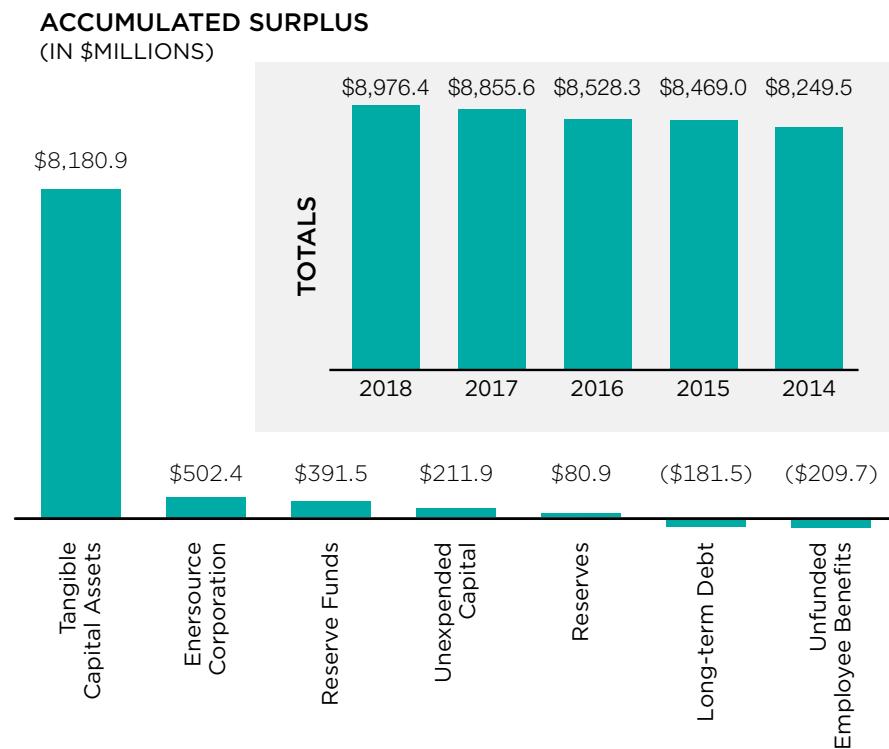
The consolidated statement of financial position highlights four key figures that together describe the financial position of a government:

(a) the cash resources of the government; (b) the net financial asset position, calculated as the difference between financial assets and financial liabilities; (c) the non-financial assets that are normally held for service provision such as tangible capital assets; and, (d) the accumulated surplus/(deficit) (or in private sector terms, retained earnings: not termed so by governments 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 Public Sector Accounting Board (PSAB), these funds are no longer individually 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 all tangible capital assets and financial resources of the City.

Accumulated Surplus

The City's accumulated surplus for fiscal year 2018 is \$8.98 billion (2017 \$8.86 billion). The City's 2018 accumulated surplus (Note 9) is comprised of the following balances:



(\$000s)

ITEM	2018 ACTUAL	2017 ACTUAL
Tangible Capital Assets	8,180,906	8,113,738
Enersource Corporation	502,361	485,034
Reserve Funds	391,546	322,549
Unexpended Capital	211,874	228,092
Reserves	80,870	71,317
Long-term Debt	(181,491)	(155,895)
Unfunded Employee Benefits	(209,650)	(209,231)
Total Accumulated Surplus	8,976,416	8,855,604

Financial Assets

Financial assets in 2018 were \$1.78 billion (2017 \$1.65 billion), an increase of \$0.12 billion from the prior year.

FINANCIAL ASSETS (IN \$MILLIONS)



ITEM	REF. #	(\$000s)		\$ CHANGE VS PRIOR YEAR	
		2018 ACTUAL	2017 ACTUAL	% CHANGE	
Cash	1	110,925	131,819	(20,894)	(16%)
Taxes receivable	2	45,567	33,978	11,589	34%
Accounts receivable	3	96,795	130,051	(33,256)	(26%)
Loans and other receivables	4	500	550	(50)	(9%)
Inventories for resale	5	173	225	(52)	(23%)
Investments	6	1,020,141	872,367	147,774	17%
Investment in Enersource	7	502,361	485,034	17,327	4%
Total Financial Assets		1,776,462	1,654,024	122,438	

REFERENCES:

1. Cash

- What it is:** Cash is the money available on demand to pay for operational and capital expenses.
- Why it's important:** The City maintains its cash balances to finance daily operations, payments for other levels of government, as well as future investments.
- Difference between 2018 and 2017 (\$20.9 million decrease):** The exact amount of cash on hand on any given day fluctuates based on the timing of receipts and disbursements.

2. Taxes Receivable

- What it is:** Taxes receivable are any uncollected property taxes as at December 31. The tax levy is applied in June with due dates in July, August, and September.
- Why it's important:** Property tax is the single-largest source of revenue for the municipality. When collected, City property tax becomes the cash to fund daily disbursements. The City has diligent collection practices and has historically achieved a high rate of collection success (97-98 per cent).
- Difference between 2018 and 2017 (\$11.6 million increase):** This number varies year to year based on when people pay their residential and commercial property taxes. Penalty and interest charges are applied on all overdue accounts.

3. Accounts Receivable

- **What it is:** This category represents various types of receivables from across all City operations, excluding the City portion of property taxes.
- **Why it's important:** In addition to property taxes, the City recovers funds from operations fees and charges such as recreation and facility bookings, and from third parties to recover items like damage expenses and HST rebates.
- **Difference between 2018 and 2017 (\$33.3 million decrease):** The current year accounts receivable balance is significantly lower than last year's primarily due to the timing of collection and receipts. The major contributors to the decrease include school boards receivables for property tax adjustments (\$13.0 million less than last year), other year-end accruals (\$34 million less than last year). Other increases in other receivable accounts categories accounted for the balance of change. The reduction in receivables can be seen in the growth of cash and investments.

4. Loans and Other Receivables

- **What it is:** From time to time, the City enters into special contractual arrangements approved by Council that may include loans. The City currently has one special purpose loan (20 year), made for the Vic Johnston Community Centre development project. This loan is scheduled to be paid off in 2028.
- **Why it's important:** These receivables are categorized separately from other receivables because they have been created by special arrangement.
- **Difference between 2018 and 2017: (\$50 thousand decrease):** Each December, a payment of \$50,000 is applied against the Vic Johnston Community Centre loan.

5. Inventories for Resale

- **What it is:** The value of owned items on hand intended for resale by various City Service Areas (e.g., snack bar items, beer and liquor, pro shop items) as at December 31.
- **Why it's important:** These items have value: their eventual sale yields cash for City operations.
- **Difference between 2018 and 2017 (\$52 thousand decrease):** This net decrease is due to general increases and decreases in inventory across all categories.

6. Investments

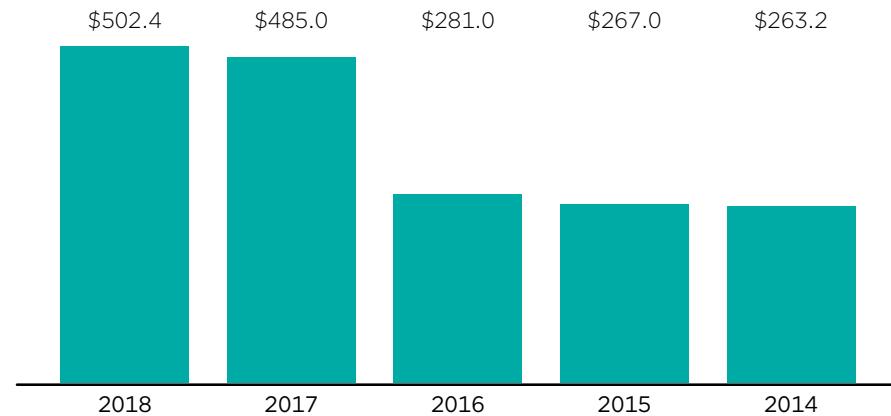
- **What it is:** Cash that is not being used immediately for disbursements is considered for investing to earn a higher rate of return. Investments can be short or long term.

- **Why it's important:** Certain eligible investments can earn a higher rate of return than bank deposits.
- **Difference between 2018 and 2017 (\$147.8 million increase):** Investment balances fluctuate with cash flow requirements, and the timing of receipts and disbursements.

7. Investment in Enersource

- **What it is:** The City is a 90 per cent shareholder in Enersource Corporation. Accordingly, this number represents 90 per cent of Enersource's bottom line at December 31 (this calculation is called a modified equity consolidation). Enersource in turn is a 31 per cent owner of Alectra and Enersource Corporation carries on no other business.
- **Why it's important:** This investment elevates the City's financial position. It also generates dividend income, which helps support City operations and in that way helps moderate the property tax rate.
- **Difference between 2018 and 2017 (\$17.3 million increase):** This net increase is the share of net income from operations of \$30.2 million less the dividend paid to the City of \$12.9 million.

**INVESTMENT IN ENERSOURCE CORPORATION
(IN \$MILLIONS)**



Financial Liabilities

Financial liabilities in 2018 were \$991.3 million (2017 \$922.4 million), an increase of \$68.9 million from the prior year.

FINANCIAL LIABILITIES (IN \$MILLIONS)



ITEM	REF. #	(\$000s)		\$ CHANGE VS PRIOR YEAR	% CHANGE
		2018 ACTUAL	2017 ACTUAL		
Accounts Payable and Accrued Liabilities	1	183,942	213,260	(29,318)	(14%)
Deferred revenue - general	2	10,021	9,742	279	3%
Deferred revenue - obligatory reserve funds	3	406,224	334,252	71,972	22%
Employee benefits and other liabilities	4	209,650	209,231	419	0%
Long-term debt	5	181,491	155,895	25,596	16%
Total Financial Liabilities		991,328	922,380	68,948	

REFERENCES:

1. Accounts Payable and Accrued Liabilities

- **What it is:** These are monies the City owes for goods, services, payroll, and/or third-party transfers as at December 31.
- **Why it's important:** These payables represent outstanding obligations as at December 31. As payables are drawn down, the City's cash position is also drawn down.
- **Difference between 2018 and 2017 (\$29.3 million decrease):** The timing of payments and year-end accruals affect these liabilities and the City's cash position.

2. Deferred Revenue - General

- **What it is:** Deferred revenues are payments received today that are to be recognized as revenue when the related activity takes place in the future. Examples include recreation registrations, facility bookings and transit advertising.

- **Why it's important:** Deferred revenues allow for payments to be received today for future operations.
- **Difference between 2018 and 2017 (\$279 thousand increase):** Normal, ongoing fluctuations – primarily in transit and recreation (memberships, recreation programs, facility bookings) – are responsible for the increase. There were no extraordinary contributors to this balance.
- **3. Deferred Revenue - Obligatory Reserve Funds**
- **What it is:** This liability is deferred revenue initially collected through special restrictive agreements to be used for a purpose specified through agreement or legislation. Examples of these types of funds include Development Charge funds, Cash in Lieu of Parking and Parkland funds, Bonus Zoning, provincial and federal public transit funds, and provincial and federal gas tax funds.

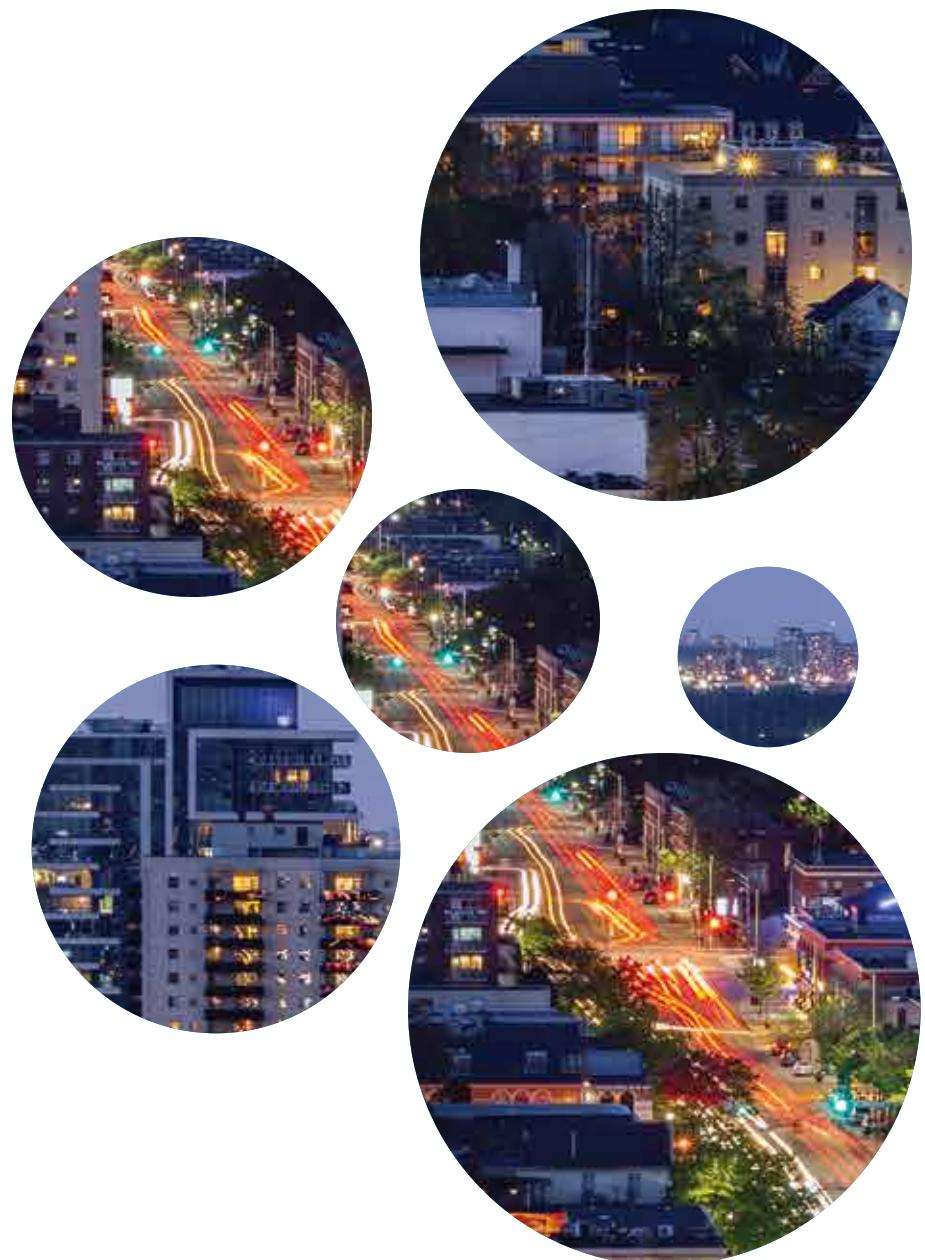
- **Why it's important:** Generally these types of revenues are initially collected in dedicated Reserve Funds and reclassified to deferred revenue-obligatory reserve funds at year-end for financial statement reporting requirements. These deferred revenues are converted into revenues when related capital expenses have been incurred.
- **Difference between 2018 and 2017 (\$72 million increase):**
The growth in liability was due to growth in the balances of various obligatory Reserve Funds. This growth was partially offset by a decrease in unspent development charge funds in capital projects. As the deferred revenue account reduces, corresponding revenue will show on the Statement of Operations (development contributions applied).

4. Employee Benefits and Other Liabilities

- **What it is:** These are actuarial liability assessments for worker's compensation, sick leave benefits, disability benefits, vacation pay, and legal and insurance related items. They represent future obligations but are reported in present-value terms.
- **Why it's important:** This category represents future liabilities. Expenses for these liabilities will incur in the future; however, they must be reported in the financial statement to provide an accurate financial position for the City at a point in time. The City engages with an external actuarial evaluation every three years to review these liabilities. The amount may be refreshed annually if there are any significant changes to the membership program or legislation.
- **Difference between 2018 and 2017 (\$419 thousand increase):**
Increases in the actuarial assessments for WSIB, vacation, sick leave, and early retirement were offset by decreases in post-employment and developer contribution credit liabilities occurring because of changes in trends and claims. Together, all resulted in a net increase in this category.

5. Long-Term Debt

- **What it is:** This is the amount of long-term debt being used to help fund investment in capital infrastructure.
- **Why it's important:** Debt is one key way the City funds capital infrastructure requirements. The City uses debt conservatively. The property tax base alone is not enough to support future capital infrastructure demands.
- **Difference between 2018 and 2017 (\$25.6 million increase):**
In 2018, \$46.3 million of new debt was added. This new debt was offset by a pay down of \$20.7 million in prior-year debt.



Non-Financial Assets

Non-financial assets in 2018 were \$8.19 billion (2017 \$8.12 billion), an increase of \$67.3 million. Non-financial assets are comprised primarily of tangible capital assets, as well as inventories of supplies, and prepaid expenses.

ITEM	REF. #	(\$000s)		\$ CHANGE VS PRIOR YEAR	
		2018 ACTUAL	2017 ACTUAL	% CHANGE	
Tangible Capital Assets	1	8,180,906	8,113,738	67,168	1%
Inventories of supplies	2	7,616	6,670	946	14%
Prepaid Expenses	3	2,760	3,552	(792)	(22%)
Total Non-Financial Assets		8,191,282	8,123,960	67,322	

REFERENCES:

1. Tangible Capital Assets

- What it is:** This is the City's investment in capital infrastructure such as buildings, roads, stormwater infrastructure, vehicles, and equipment. Every year, the City prepares a capital budget to address new capital projects and renovations to existing capital assets. These capital projects become assets when the project goes into service or is completed. The City also has an operating budget to address ongoing maintenance requirements for capital assets.
- Why it's important:** The City's tangible capital assets are the result of its investment in capital infrastructure, and support all the services and programs the City provides.
- Difference between 2018 and 2017 (\$67.2 million increase):**

The increase in tangible capital assets is attributable to new capital projects being completed and going into service. Once the asset is in service, amortization begins.

2. Inventories of Supplies

- What it is:** These are the various City-wide inventories to supply on-demand operating needs. Examples of these inventories include salt and sand inventories, fire equipment inventories, traffic signal inventories, and central store inventories.
- Why it's important:** These inventories are required for various types of City operations.
- Difference between 2018 and 2017 (\$946 thousand increase):**

The increase was attributable to a growth in salt and sand inventory of \$452 thousand and growth in traffic signal inventory of \$443 thousand. Other increases and decreases in other inventory categories accounted for the balance of change.

3. Prepaid Expenses

- What it is:** Prepaid expenses are payments made in the current year that pertain to future year expenses. Some of the major prepaid accounts include Recreation memberships, facility bookings, prepaid investment interest, prepaid debt fees, and prepaid postage.
- Why it's important:** Prepaid expenses allow for the matching of expenses with revenues when the event takes place. Prepaid expense balances are drawn down as related revenues are received or the expense year has been met.
- Difference between 2018 and 2017 (\$792 thousand decrease):**

The net decrease resulted from routine increases/decreases in prepaid expenses across all categories.

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.

The City's annual budget is prepared on a cash basis to calculate the property tax levy. The audited financial statements are prepared differently, and are prepared on an accrual accounting basis under the Public Sector Accounting and Reporting Guidelines. To achieve accordance with generally accepted accounting principles (GAAP), there are certain budgeted revenues and expenses within the financial statements that need to be eliminated for financial reporting purposes. To do this, a number of elimination entries such as transfers between funds, debt principal repayments,

and dividend receipts are made. In addition to these eliminations, there are a few other non-budgeted adjustments included to help align with actual numbers. Some of these non-budgeted adjustments include BIA consolidations, amortization of capital assets, and Reserve Fund interest.

Please refer to the Budget Overview section within this Report for a reconciliation between the annual budget and audited financial statements.

REVENUES

Total revenues in 2018 were \$1.06 billion (2017 \$1.17 billion), a decrease of \$117.5 million.

ITEM (\$000s)	REF.#	2018 ACTUAL	2018 ADJUSTED BUDGET	2017 ACTUAL	2018 CHANGE VS ADJUSTED BUDGET		2018 CHANGE VS PRIOR YEAR ACTUAL	
					% CHANGE	% CHANGE	% CHANGE	% CHANGE
Taxation	1	525,782	521,734	500,149	4,048	1%	25,633	5%
Municipal Accommodation Tax	2	8,990	7,400		1,590	21%	8,990	
User charges	3	258,215	236,990	249,043	21,225	9%	9,172	4%
Recoveries from third parties	4	9,324	6,245	8,990	3,079	49%	334	4%
Funding transfers from other governments	5	34,964	1,802	42,927	33,162		(7,963)	(19%)
Development and other contributions applied	6	73,265	0	90,547	73,265		(17,282)	(19%)
Investment income	7	35,305	28,472	37,628	6,833	24%	(2,323)	(6%)
Penalties and interest on taxes	8	9,805	8,120	9,133	1,685	21%	672	7%
Contributed assets	9	49,581	0	11,732	49,581		37,849	323%
Other Revenues	10	20,158	1,311	6,099	18,847	1,438%	14,059	231%
City Share of net income in Enersource Corporation	11	30,268	0	14,194	30,268		16,074	113%
City Share of equity in gain on exchange of Investment in Enersource Holdings Inc.	12	0	0	202,734	0		(202,734)	(100%)
Total Revenues		1,055,657	812,074	1,173,176	243,583		(117,519)	

REFERENCES:

Note re: Difference between Actual and Budget: where actual revenue exceeds budgeted revenue, the variance is described as a surplus against budget; where revenue is under budget, the variance is described as a deficit against budget.

1. Taxation

- **What it is:** Taxation refers to the City's property taxation revenues. It includes property taxes and payments in lieu of taxes.
- **Why it's important:** Property tax is the City's single-largest source of revenue.
- **Difference between 2018 and 2017 (\$25.6 million increase):** Two things influence this number: assessment growth, and the annual Business Plan & Budget. In 2018, assessment growth was 0.457 per cent (0.444 per cent in 2017). For the 2018 Business Plan & Budget, Council approved a 4.6 per cent increase over 2017 in total taxation revenue, which translated to an overall 1.6 per cent increase on the total residential tax bill. An increase (\$1.3 million) in payments in lieu of taxes (PILT) accounts for the rest of the change.
- **Difference between Actual and Budget (\$4.0 million surplus):** The variance is due to additional supplementary taxes and payments in lieu of taxes.

2. Municipal Accommodation Tax

- **What it is:** A mandatory 4 per cent Municipal Accommodation Tax (MAT) effective April 1, 2018 that applies to the purchase of accommodations provided for a continuous period of 30 days or less in a motel, hotel, lodge, inn, bed and breakfast, dwelling unit or any place that provides accommodation. Online private short-term rentals through Airbnb are also subject to the MAT starting on October 1, 2018.
- **Why it's important:** It is a new revenue tool that provides the City with an opportunity to generate funds that will be used for future tourism-related initiatives.
- **Difference between 2018 and 2017 (\$9.0 million increase):** This is a new fee in 2018.
- **Difference between Actual and Budget (\$1.6 million surplus):** The surplus in this newly budgeted revenue is due to higher than estimated occupancy rates.

3. User Charges

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

- **Why it's important:** User fees contribute significantly to covering service costs. User fees are the second-largest source of City revenue in 2018.

- **Difference between 2018 and 2017 (\$9.2 million increase):**

There were three key contributors to this increase: general fees increased by \$2.9 million; transit fares by \$4.9 million; and building permits by \$2.8 million. Provincial Offence fines decreased by \$1.5 million. Increases and decreases in other user fee categories accounted for the balance of the net increase.

- **Difference between Actual and Budget (\$21.2 million surplus):** \$18.4 million of this surplus relates to various City-wide general fees (\$8.1 million); transit revenue (\$4.9 million); licenses and permits (\$4.9 million); by-law fines (\$0.5 million). The remaining balance (\$2.8 million) is attributed to increases and decreases versus budget in other departmental user fee areas.

4. Recoveries from Third Parties

- **What it is:** Occasionally there is City work that a third party will ultimately pay for. For example, if the City and Region were involved together in a capital project (i.e., road construction) and the City were handling payments on the project, the Region would repay the City for the Region's share of the project's capital costs.
- **Why it's important:** From time to time, the City performs additional work on behalf of third parties such as the Region of Peel, Metrolinx, or an insurance company. Any work performed on behalf of third parties is recoverable by the City.
- **Difference between 2018 and 2017 (\$0.3 million increase):** This amount varies from year to year based on the timing of capital work performed on behalf of third parties.
- **Difference between Actual and Budget (\$3.1 million surplus):** Higher than expected capital recoveries account for this surplus against budget.

5. Funding transfers from other governments

- **What it is:** The City receives grants and funding from other levels of government for many types of services and initiatives.
- **Why it's important:** While these transfers represent a small portion of the overall City revenue, it is valuable revenue that helps pay for City programs and services.
- **Difference between 2018 and 2017 (\$8.0 million decrease):** There was a modest decrease in some provincial-related grants in 2018.
- **Difference between Actual and Budget (\$33.2 million surplus):** Surpluses against budget of \$1.0 million occurred for grants for libraries, seniors, tourism, heritage and environment. The balance of the surplus (\$32.2 million) relates to non-budgeted capital

government funding such as Public Transit Investment Fund (PTIF) and the Clean Water and Wastewater Fund (CWWF).

6. Development and Other Contributions

- **What it is:** In the year, if capital-related expenses are incurred that correspond to deferred revenue-obligatory reserve funds that the City holds, dollars are brought into the revenue stream from those funds to offset those capital expenses.
- **Why it's important:** Development and other contributions help fund capital projects.
- **Difference between 2018 and 2017 (\$17.3 million decrease):** Deferred Revenue – Obligatory Funds increased in 2018 from governmental contractual funding. More funding was received in relation to funding of capital projects in 2018 resulting in the decrease in revenue from the prior year.
- **Difference between Actual and Budget (\$73.3 million surplus):** The entire amount in this category shows as surplus because this category is not included in the budget.

7. Investment Income:

- **What it is:** This is the investment income contribution to the operating budget and reserve funds from the City funds investment portfolio.
- **Why it's important:** Investment income helps to grow City funds.
- **Difference between 2018 and 2017 (\$2.3 million decrease):** The reduction in investment income reflects a general decline in interest rates on available investment products.
- **Difference between Actual and Budget (\$6.8 million surplus):** There was a \$6.8 million surplus in investment income from the City Funds Portfolio. The surplus relates to a higher rate of interest and higher Reserve Fund balances than projected.

8. Penalties and Interest on Taxes

- **What it is:** This revenue results from penalties and interest charged on overdue property tax accounts.
- **Why it's important:** Penalties and interest on taxes help to offset any costs associated with untimely property tax payment.
- **Difference between 2018 and 2017 (\$0.7 million increase):** There was a modest increase in 2018 in penalty and interest revenues over those of 2017. Revenues are dependent on the timing of property tax payments.
- **Difference between Actual and Budget (\$1.7 million surplus):** There was a surplus of \$1.7 million, a positive variance to the budget of 20.8 per cent.

9. Contributed Assets

- **What it is:** This revenue category includes assets assumed by the City (such as land under roads, land under infrastructure and general infrastructure) through development agreements.
- **Why it's important:** Contributed assets are important because they form part of the City's capital infrastructure but the City does not pay for them. Developers have paid for these assets through their development agreements.
- **Difference between 2018 and 2017 (\$37.8 million increase):** Contributed assets vary from year to year depending on the agreements reached and when the developer transfers the asset to the City through development agreements.
- **Difference between Actual and Budget (\$49.6 million surplus):** The entire amount in this category shows as surplus because this category is not included in the budget.

10. Other Revenues

- **What it is:** These are miscellaneous and one-time revenues received by the City.
- **Why it's important:** Other revenues help support and fund City programs and services.
- **Difference between 2018 and 2017 (\$14.1 million increase):** This number routinely fluctuates due to its miscellaneous nature. Generally these revenues are one-time revenues and not sustainable.
- **Difference between Actual and Budget (\$18.8 million surplus):** The surplus is mainly composed of unbudgeted sales of City capital assets for \$11.0 million, and capital recoveries of \$3.4 million. The balance relates to various City-wide miscellaneous revenue increases and decreases versus budget.

11. City Share of Net Income in Enersource Corporation

- **What it is:** The City is a 90 per cent shareholder in Enersource Corporation. This number represents 90 per cent of Enersource's bottom line at December 31 (this calculation is called a modified equity consolidation). Enersource in turn is a 31 per cent owner of Alectra Inc. and Enersource Corporation carries on no other business.
- **Why it's important:** Enersource income elevates the City's financial position and thereby moderates the property tax rate.
- **Difference between 2018 and 2017 (\$16.1 million increase):** The City has 90 per cent ownership in Enersource Corporation and therefore applies 90 per cent to Enersource's Shareholders Equity. The change in year-over-year shareholder's equity is in the Investment in Enersource balance, in the statement of financial position.

- Difference between Actual and Budget (\$30.3 million surplus):**
The entire amount shows as a variance because City share of net income in Enersource Corporation is not a budgeted item.

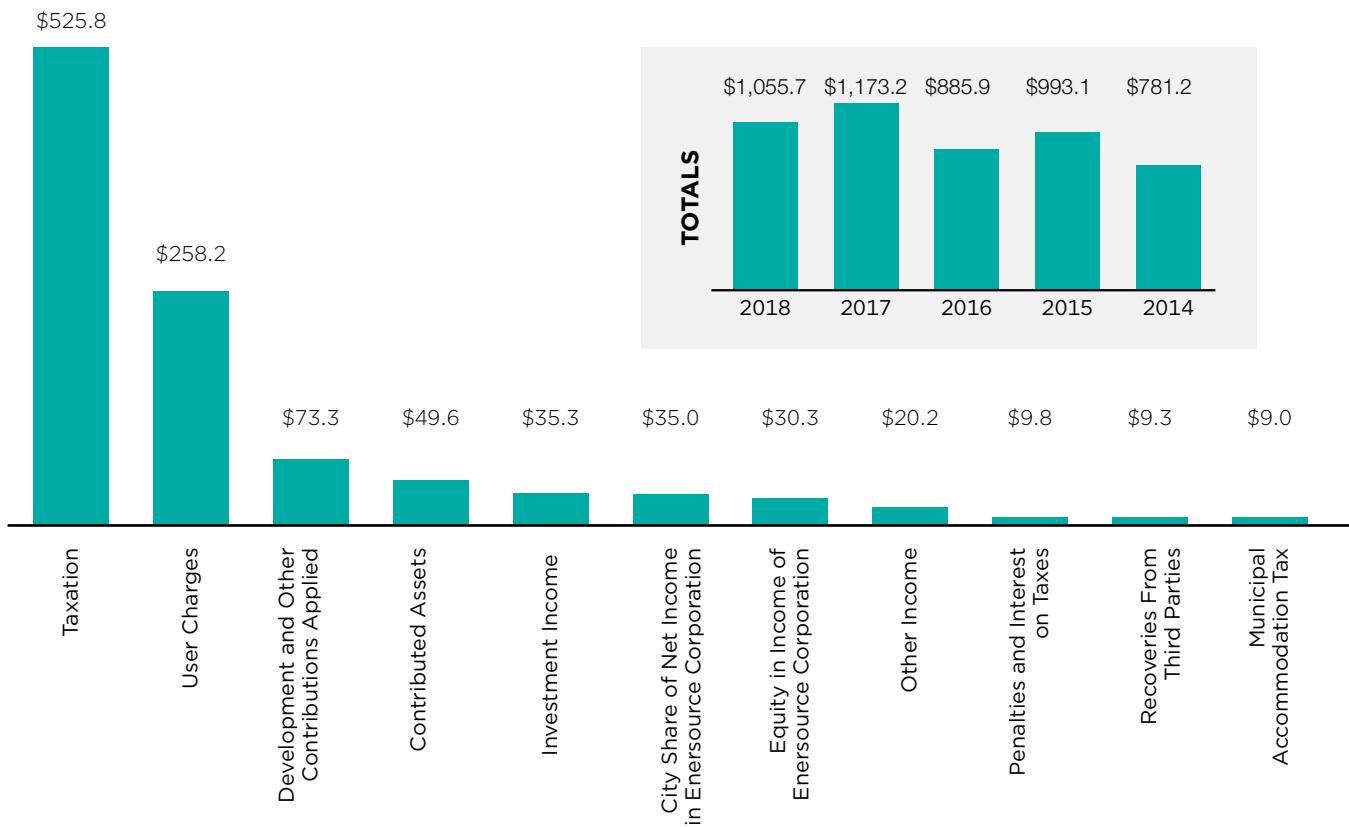
12. City Share of Equity in Gain on Exchange of Investment in Enersource Holdings Inc.

- What it is:** On January 31, 2017, through a series of transactions Enersource Corporation became owner of 31 per cent of Alectra Inc., an entity created through the merger of certain hydro holding companies. The transactions included Enersource Corporation exchanging all its ownership in its operating companies for the ownership in the newly created merged entity of Alectra. In 2017, Enersource earnings were less than this year due to financial costs relating to the Alectra merger.

- Why it's important:** This transaction created a gain on the investments which is reflected in the financial statements.
- Difference between 2018 and 2017 (\$202.7 million decrease):**
Enersource Holdings Inc. merged into Alectra Inc. on January 31, 2017. There were no additional gains or losses on investment recognized in 2018.
- Difference between Actual and Budget (\$0 million surplus):**
This is not a budgeted item.

CONSOLIDATED REVENUES BY TYPE

(IN \$MILLIONS)



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 2018 were \$934.8 million (2017 \$845.9 million), an increase of \$89.0 million.

ITEM (\$000s)	REF.#	2018 ACTUAL	2018 ADJUSTED BUDGET	2017 ACTUAL	\$ CHANGE VS ADJUSTED BUDGET		\$ CHANGE VS PRIOR YEAR	% CHANGE
					% CHANGE			
Salaries, wages, and employee benefits	1	513,720	515,412	491,101	(1,692)	(0.3%)	22,619	5%
Long-term debt interest and fees	2	4,467	4,573	3,015	(106)	(2%)	1,452	48%
Materials and supplies	3	64,613	58,717	60,231	5,896	10%	4,382	7%
Contracted services	4	81,490	56,161	78,141	25,329	45%	3,349	4%
Rents and financial expenses	5	72,899	75,213	70,085	(2,314)	(3%)	2,814	4%
External transfers to others	6	7,194	10,854	6,814	(3,660)	(34%)	380	6%
Loss on disposal of tangible capital assets	7	49,994	0	2,544	49,994		47,450	1,865%
Amortization	8	140,468	135,136	133,942	5,332	4%	6,526	5%
Total Expenses		934,845	856,066	845,873	78,779		88,972	

REFERENCES:

Note re: Difference between Actual and Budget: where actual expenses exceed budgeted expenses, the variance is described as a deficit against budget (shown as a positive number); where actual expenses are under budget, the variance is described as a surplus against budget (shown as a negative number).

1. Salaries, Wages, and Employee Benefits

- What it is:** This figure represents salary, wage and benefit costs for all full-time, part-time and contract employees, plus the current year impacts for actuarial benefit assessments of WSIB, sick leave, disability benefits and post-retirement benefits.
- Why it's important:** People are the number one resource required to deliver City services, so this category has a corresponding size.
- Difference between 2018 and 2017 (\$22.6 million increase):** This anticipated increase was largely due to labour contract settlements, pay adjustments and increased benefit and WSIB costs.

• Difference between Actual and Budget (\$1.7 million surplus):

An operating surplus of \$6.8 million occurred due to position vacancies and delays in new hires. This surplus was offset by non-budgeted costs such as Public Sector Accounting Board (PSAB) benefit adjustments (\$3.2 million) and ineligible salaries for TCA (\$2.3 million). The balance relates to various City-wide labour-related expense increases and decreases versus budget.

2. Long-Term Debt Interest and Fees

- What it is:** This figure represents all debt management and interest fees associated with the City's debt.
- Why it's important:** Debt is a source of funding for capital projects. Provincial legislation allows municipalities to carry debt equivalent to 25 per cent of own-source revenue: Mississauga is substantially below this ceiling, at just three per cent in 2018.

- **Difference between 2018 and 2017 (\$1.5 million increase):**
Some debt principal was paid down in 2018 (\$20.7 million) and some new debt was added (\$46.3 million). The net increase in debt is what drove the year-over-year increase in the long-term debt interest and fees category.
- **Difference between Actual and Budget (\$0.1 million surplus):**
A surplus was generated in this category because of the timing within the year between the budgeted and the actual issuance of debt.

3. Materials and Supplies

- **What it is:** Materials and supplies include vehicle fuel and all other general operating materials and supplies needed for service and program delivery.
- **Why it's important:** These materials are necessary to keep day-to-day operations running without interruption.
- **Difference between 2018 and 2017 (\$4.4 million increase):**
There were a few key contributors to the net increase in 2018 over 2017. Higher per-litre diesel fuel costs (\$3.7 million), vehicle maintenance costs (\$1.7 million) and general operating materials across all departments (\$1.9 million) were the main contributors to the increase. These increases were partially offset by the reduction of ineligible capital expenses for TCA of \$2.6 million. Net increases and decreases in other City-wide material categories and non-capitalized expenses accounted for the balance of the change.
- **Difference between Actual and Budget (\$5.9 million deficit):**
The deficit in this category is largely the result of two changes: increases in transportation-related costs, including higher-than-budgeted diesel fuel costs (\$2.8 million) and non-budgeted ineligible materials, supplies and transportation for TCA (\$3.3 million). The balance relates to various City-wide material-related expense increases and decreases versus budget.

4. Contracted Services

- **What it is:** The City contracts with third parties for some professional and capital project management services.
- **Why it's important:** Contracted services can bring a level of expertise to the City that the City may not have, or augment resources to support a specific initiative. The City can also sometimes achieve economies of scale (i.e., lower prices) through contracts and professional services agreements.
- **Difference between 2018 and 2017 (\$3.3 million increase):**
General increases and decreases in City-wide contracted services accounted for the growth. Sidewalk and walkway repair (\$3.5 million) was the main contributor to the increase.

- **Difference between Actual and Budget (\$25.3 million deficit):**

The deficit against budget is mainly due to the non-budgeted ineligible contracted services for TCA (\$24.0 million). The balance relates to other City-wide increases and decreases.

5. Rents and Financial Expenses

- **What it is:** This category includes many different types of financially related expenses, including staff development, communication costs, occupancy-related costs, property tax adjustments, insurance costs, banking costs, and equipment and maintenance costs.
- **Why it's important:** These expenses represent the overhead-type costs that help support City services and programs.
- **Difference between 2018 and 2017 (\$2.8 million increase):** A net increase resulted from a combination of increases and decreases in this expense category. The main contributors to the increase were insurance related costs of \$0.7 million, stormwater adjustment of \$3.2 million, TCA ineligible expense reclassification of \$0.7 million, equipment costs of \$0.8 million, and PSAB liability expenses of \$2.7 million. These increases were also offset by a property tax adjustments decrease of \$6.4 million. Various increases and decreases in other City-wide categories accounted for the balance of the change.
- **Difference between Actual and Budget (\$2.3 million surplus):**
A surplus against budget occurred due to lower-than-planned claim settlements and insurance premiums (\$4.0 million) and the timing of tax appeals decisions rendered by the Assessment Review Board (\$0.8 million). This was offset by lower spending on equipment and maintenance costs (\$0.7 million); and non-budgeted non-capitalized expenses (\$1.5 million). The balance relates to other City-wide increases and decreases.

6. External Transfers to Others

- **What it is:** The City provides defined grants and funding to third parties who contribute to the accomplishment of its vision and objectives.
- **Why it's important:** These dollars support many organizations that contribute to the well-being and success of our thriving city.
- **Difference between 2018 and 2017 (\$0.4 million increase):** The increase reflects a planned increase in spending.
- **Difference between Actual and Budget (\$3.7 million surplus):** The surplus showing in this category is attributable to arts and festival spending being lower than planned.

7. Loss on Disposal of Tangible Capital Assets

- **What it is:** From time to time, the City sells assets or disposes of assets no longer in use. When the asset net book value exceeds the sale price, a loss occurs.
- **Why it's important:** If a loss results from the disposal of an asset, the City records it.
- **Difference between 2018 and 2017 (\$47.4 million increase):** Loss on disposal of assets varies from year to year depending on the identification and disposal of assets.
- **Difference between Actual and Budget (\$50.0 million deficit):** The full amount shows as a deficit against budget because loss on disposal of assets is not a budgeted item.

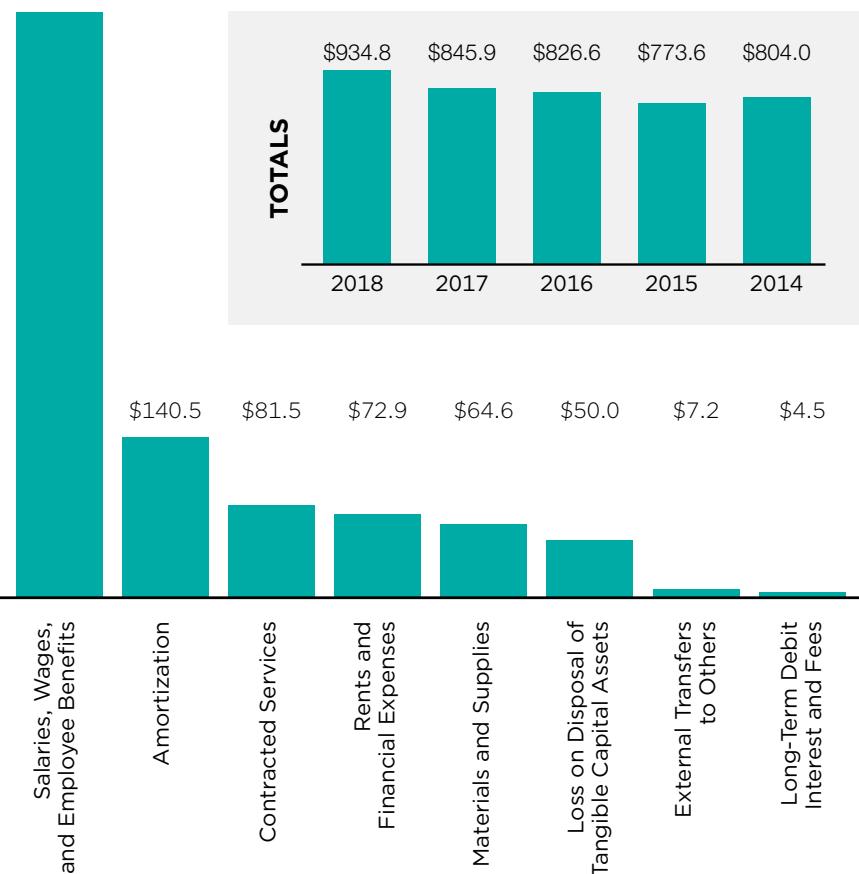
8. Amortization

- **What it is:** Capital assets lose value over time. The expense of this loss is amortized over the life of the asset. Different amortization percentages apply to different asset categories, as their useful lives differ in length.
- **Why it's important:** Amortization allows the net value of assets (vs their cost value) to be represented on the financial statements.
- **Difference between 2018 and 2017 (\$6.5 million increase):** The total amortization amount increases as the City's capital assets grow.
- **Difference between Actual and Budget (\$5.3 million deficit):** Amortization is not included in the annual operating budget; however, for the purpose of the financial statements an estimate is included to match up against the expense. In this instance, the expenditure was lower than the estimate due to the timing of capitalization of expenses and unplanned disposals.

CONSOLIDATED EXPENSES BY TYPE

(IN \$MILLIONS)

\$513.7



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.

AMORTIZATION VERSUS TRANSFERS TO CAPITAL RESERVE FUND

(IN \$MILLIONS)



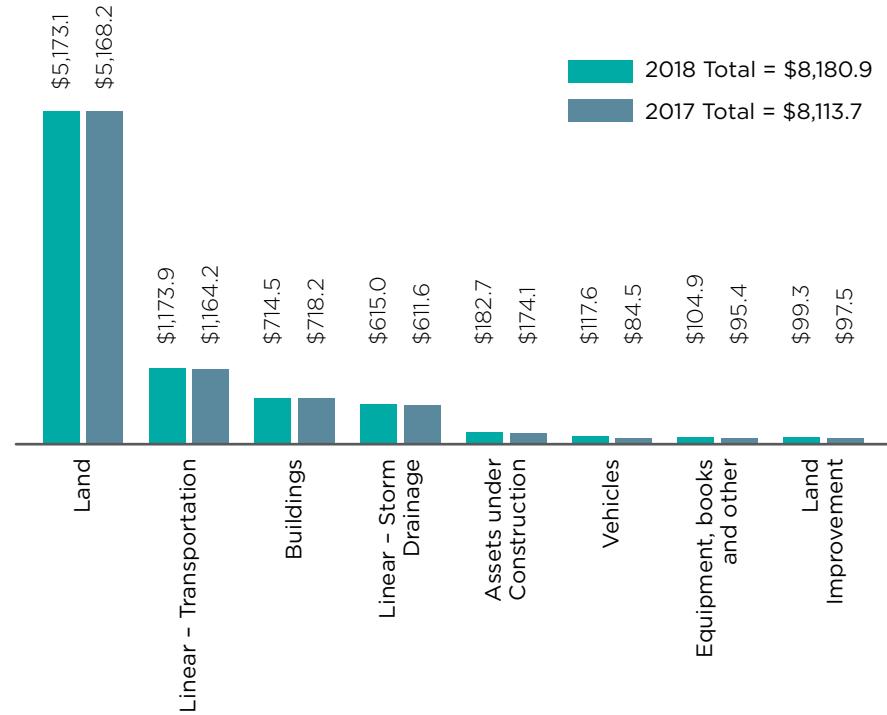
Tangible Capital Assets Overview

All City assets as at the end of 2018 have been inventoried, valued and recorded in an Asset Registry for accounting and reporting purposes.

The City's net book value of tangible capital assets at the end of 2018 was \$8.18 billion (2017 \$8.11 billion). Refer to Note 8 in the audited financial statements for a detailed breakdown of tangible capital asset activity.

The annual amortization expense in 2018 was \$140.5 million (2017 \$133.9 million).

TANGIBLE CAPITAL ASSETS NET BOOK VALUE BY CATEGORY (IN \$MILLIONS)

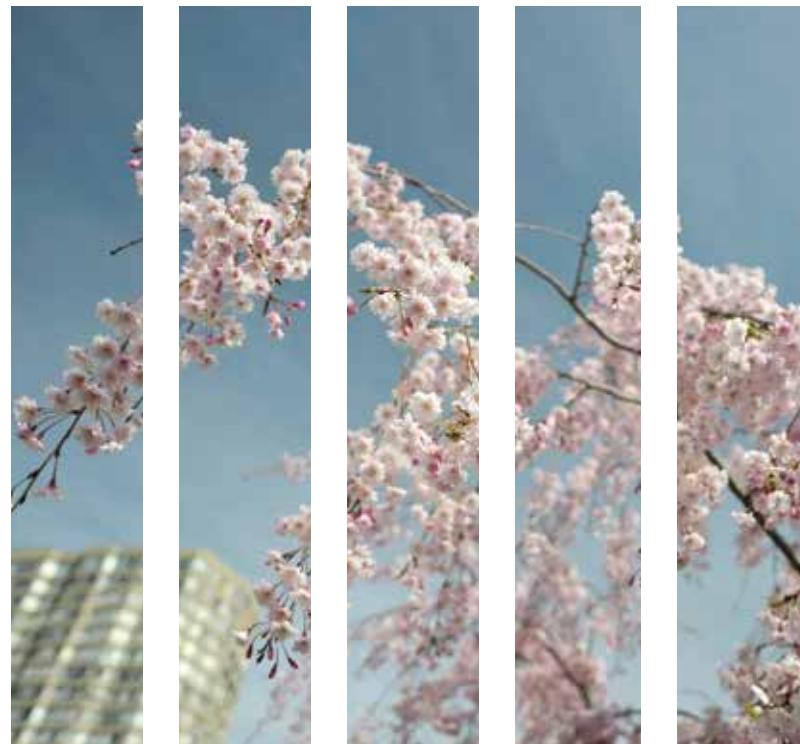


Reserves and Reserve Funds Overview

Although Reserves and Reserve Funds are not formally reported directly in the financial statements, they are key 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 9 in the audited 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 2018 totalled \$472.4 million (2017 \$393.9 million), an increase of \$78.5 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 2018 were \$80.9 million (2017 \$71.3 million), an increase of \$9.6 million.



Reserve Funds

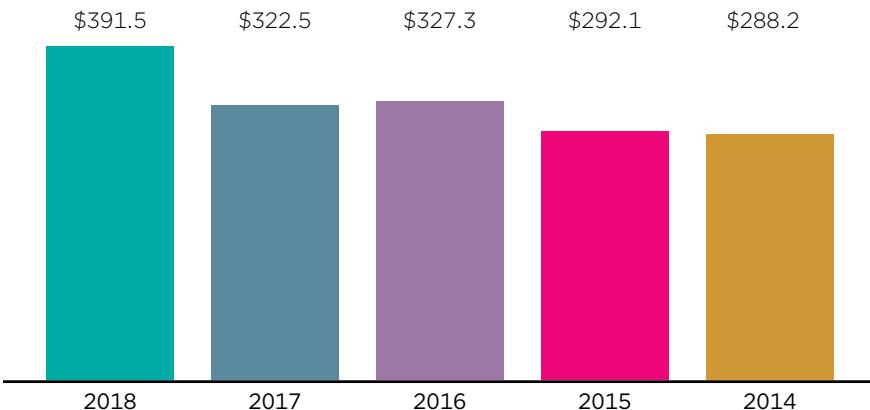
Reserve Funds are non-discretionary, segregated and restricted to meet specific identified purposes for the municipality.

Total Reserve Funds in 2018 were \$391.5 million (2017 \$322.5 million), an increase of \$68.9 million from the prior year.

The Reserve and Reserve Funds will help the City meet projected expenditure needs in the coming 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 future surplus reduction 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)**



The Corporation of the City of Mississauga Consolidated Financial Statements

December 31, 2018



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 ended December 31, 2018.

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

OPINION

We have audited the consolidated financial statements of the Corporation of the City of Mississauga (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2018, and its consolidated results of operations, 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.

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

The logo consists of the letters "KPMG" in a bold, italicized, black font, followed by "LLP" in a smaller, regular black font. A thin black horizontal line extends from the right side of the "G" towards the bottom right.

Chartered Professional
Accountants, Licensed
Public Accountants
April 12, 2019
Vaughan, Canada

CITY OF MISSISSAUGA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at December 31, 2018 with comparatives for 2017. (All dollar amounts are in \$000)

FINANCIAL ASSETS	2018 \$	2017 \$
Cash	110,925	131,819
Taxes receivable (Note 2)	45,567	33,978
Accounts receivable (Note 2)	96,795	130,051
Loans and other receivables	500	550
Inventories for resale	173	225
Investments (Note 3)	1,020,141	872,367
Investment in Enersource Corporation (Note 4)	502,361	485,034
Total Financial Assets	1,776,462	1,654,024
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	183,942	213,260
Deferred revenue - general	10,021	9,742
Deferred revenue - obligatory reserve funds (Note 5)	406,224	334,252
Employee benefits and other liabilities (Note 6)	209,650	209,231
Long-term debt (Note 7)	181,491	155,895
Total Financial Liabilities	991,328	922,380
Net Financial Assets	785,134	731,644
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	8,180,906	8,113,738
Inventories of supplies	7,616	6,670
Prepaid expenses	2,760	3,552
Total Non-Financial Assets	8,191,282	8,123,960
Accumulated Surplus (Note 9)	8,976,416	8,855,604
Contractual Rights (Note 19)		
Commitments (Note 20)		
Subsequent Event (Note 21)		

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, 2018 with comparatives for 2017. (All dollar amounts are in \$000)

	(NOTE 15) BUDGET 2018 \$	ACTUAL 2018 \$	ACTUAL 2017 \$
REVENUES (NOTES 13 AND 14)			
Taxation (Note 10)	521,734	525,782	500,149
Municipal Accommodation Tax	7,400	8,990	-
User charges	236,990	258,215	249,043
Recoveries from third parties	6,245	9,324	8,990
Funding transfers from other governments (Note 18)	1,802	34,964	42,927
Development and other contributions applied	-	73,265	90,547
Investment income	28,472	35,305	37,628
Penalties and interest on taxes	8,120	9,805	9,133
Contributed assets	-	49,581	11,732
Other	1,311	20,158	6,099
City's Share of Net Income in Enersource Corporation (Note 4)	-	30,268	14,194
City's Share of Equity in Gain on Exchange of Investment in Enersource Holdings (Note 4)	-	-	202,734
Total Revenues	812,074	1,055,657	1,173,176
EXPENSES (NOTE 13)			
General government services	175,582	196,251	192,616
Protection services	134,086	133,209	125,684
Transportation services	332,440	337,530	319,164
Environmental services	20,527	22,998	19,647
Health services	584	557	616
Social and family services	540	648	484
Recreation and cultural services	168,863	170,252	162,518
Planning and development services	23,444	23,406	22,600
Loss on disposal of tangible capital assets	-	49,994	2,544
Total Expenses (Note 14)	856,066	934,845	845,873
Annual Surplus/(Deficit)	(43,992)	120,812	327,303
Accumulated surplus, beginning of year	8,855,604	8,855,604	8,528,301
Accumulated Surplus, end of year (Note 9)	8,811,612	8,976,416	8,855,604

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, 2018 with comparatives for 2017. (All dollar amounts are in \$000)

	BUDGET 2018 \$	ACTUAL 2018 \$	ACTUAL 2017 \$
Annual Surplus/(Deficit)	(43,992)	120,812	327,303
Acquisition of tangible capital assets (Note 8)	-	(318,719)	(337,256)
Amortization (Note 8)	135,136	140,468	133,942
Loss on disposal of tangible capital assets (Note 8)	-	49,994	2,544
Transfer of assets under construction (Note 8)	-	61,089	107,582
	91,144	53,644	234,115
Acquisition of inventory of supplies	-	(7,616)	(6,670)
Acquisition of prepaid expenses	-	(2,760)	(3,552)
Consumption of inventory of supplies	-	6,670	6,901
Use of prepaid expenses	-	3,552	2,391
Change in Net Financial Assets	91,144	53,490	233,185
Net Financial Assets, beginning of year	731,644	731,644	498,459
Net Financial Assets, end of year	822,788	785,134	731,644

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, 2018 with comparatives for 2017. (All dollar amounts are in \$000)

	2018 \$	2017 \$
Cash Provided By (Used In): Operating Activities		
Annual surplus/(deficit)	120,812	327,303
Items Not Involving Cash		
Amortization of tangible capital assets	140,468	133,942
Loss on disposal of tangible capital assets	49,994	2,544
Contributed assets	(49,581)	(11,732)
Change in employee benefits and other liabilities	419	(1,025)
Equity in income of Enersource Corporation	(30,268)	(216,928)
Change in Non-Cash Assets and Liabilities		
Accounts receivable	33,256	(55,922)
Taxes receivable	(11,589)	2,633
Accounts payable and accrued liabilities	(29,318)	37,348
Deferred revenue - general	279	729
Deferred revenue - obligatory reserve funds	71,972	8,957
Inventories for resale	52	59
Inventories of supplies	(946)	231
Prepaid expenses	792	(1,161)
Net Change in Cash from Operating Activities	296,342	226,978

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, 2018 with comparatives for 2017. (All dollar amounts are in \$000)

CAPITAL ACTIVITIES	2018 \$	2017 \$
Tangible capital asset additions	(269,138)	(325,524)
Transfer of assets under construction	61,089	107,582
Net Change in Cash from Capital Activities	(208,049)	(217,942)
INVESTING ACTIVITIES		
Increase in investments	(147,774)	(15,425)
Decrease in loans and other receivables	50	50
Dividends from Enersource Corporation	12,941	12,906
Net Change in Cash from Investing Activities	(134,783)	(2,469)
FINANCING ACTIVITIES		
Issuance of long-term debt	46,270	38,853
Repayment of long-term debt	(20,674)	(17,405)
Net Change in Cash from Financing Activities	25,596	21,448
Net Change in Cash	(20,894)	28,015
Cash, beginning of year	131,819	103,804
Cash, end of year	110,925	131,819

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

CITY OF MISSISSAUGA NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All dollar amounts are in \$000)

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

These entities and organizations included in the reporting entity are:

- City of Mississauga Public Library Board
- Clarkson Village 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 transfers

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

d) Taxation revenue

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

e) Municipal accommodation tax revenue

Municipal accommodation tax revenue is recognized as revenue in the period that the tax is levied on accommodations charges by accommodations providers.

f) 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.

g) Development charges

Development charges are charges imposed on land development or redevelopment projects. Fees are set out in a City by-law, which conforms to the requirements of the Development Charges Act, 1997. Development charges are collected when an above grade building permit is issued and recognized in revenues when used to fund the growth-related portion of qualifying capital projects.

h) 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.

i) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with original dates to maturity of 90 days or less.

j) Loans and other receivables

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

k) 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.

l) Investments

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

m) 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.

n) Loan guarantees

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

o) Contaminated sites

Contaminated sites are defined as the result of contamination being introduced that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

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

p) 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 as revenue at their fair market value at the date of receipt.

(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) LEASED TANGIBLE CAPITAL ASSETS

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

(v) INVENTORIES OF SUPPLIES

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

q) 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

r) Adoption of budgets

The 2018 operating and capital budgets, as approved by Council, were adopted by the City at the November 22, 2017 meeting.

s) Adoption of new accounting policies

The City has adopted the following PSAB Standards effective January 1, 2018:

(i) Assets (PS 3210), provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained.

For the year ended December 31, 2018, all material assets have been disclosed and reported within this definition.

(ii) Contingent Assets (PS 3320), introduces a definition for possible assets arising from existing conditions or situations involving uncertainty which will be ultimately resolved when one or more future events occur that are not wholly within the government's control. Disclosure of a contingent asset is required under this standard when the occurrence of a confirming future event is likely.

Government funding established through an agreement and not yet received at December 31, 2018 are included in receivables and do not fall within this standard.

(iii) Contractual Rights (PS 3380), requires disclosure of information pertaining to future rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Note 20 provides disclosure regarding the nature, extent and timing of contractual rights.

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

For the year ended December 31, 2018, there are no such related party transactions to disclose. The City has a number of Corporate controls, guidelines and policies to mitigate risk that related party transactions are not identified or non-compliant, including policies covering conflicts of interest, use of City resources, and standard of behaviour.

(v) Inter-Entity Transactions (PS 3420), provides guidance on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of this new standard deal with the measurement of these transactions.

All City transactions are recorded at the exchange amount, being the amount agreed to by both parties. For the year ended December 31, 2018, there were no material inter-entity transactions to disclose.

t) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2018, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

(i) PS 3430, Restructuring Transactions, requires that assets and liabilities in restructuring transactions be measured at their carrying amount. It also prescribes financial statement presentation and disclosure requirements. This standard is effective for fiscal periods beginning on or after April 1, 2018 (the City's December 31, 2019 year-end).

(ii) PS 1201, Financial Statement Presentation, was issued in June, 2011. This standard requires entities to present a new statement of remeasurement gains and losses separate from the consolidated statement of operations and accumulated surplus. This new statement includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This section is effective for fiscal years beginning on or after April 1, 2019 and applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted (the City's December 31, 2020 year-end).

(iii) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has been

deferred and is now effective for fiscal periods beginning on or after April 1, 2021 (the City's December 31, 2022 year-end).

(iv) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2021 (the City's December 31, 2022 year-end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.

2. TAXES RECEIVABLE AND ACCOUNTS RECEIVABLE

Taxes receivable are reported net of valuation allowances of \$170 (2017 \$796). Accounts receivable are reported net of a valuation allowance of \$3,544 (2017 \$425).

3. INVESTMENTS

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

2018	COST \$	MARKET VALUE \$
Bank deposit notes and finance paper	186,031	185,949
Government and government-guaranteed bonds	708,731	720,271
Municipal bonds	125,379	127,272
Total	1,020,141	1,033,492

2017	COST \$	MARKET VALUE \$
Bank deposit notes and finance paper	64,886	64,179
Government and government-guaranteed bonds	673,729	694,634
Municipal bonds	133,752	139,847
Total	872,367	898,660

4. INVESTMENT IN ENERSOURCE CORPORATION

The City has a 90 per cent interest in Enersource Corporation which is accounted for on the modified equity basis in these consolidated financial statements. Through its wholly owned subsidiary, Enersource Holdings Inc. (Enersource Holdings), Enersource Corporation was the electrical distribution utility for the City's residents and businesses until January 31, 2017. Other activities of Enersource Corporation's subsidiaries included the provision of energy services, billing services, street lighting services, retrofit multiresidential buildings to metered units and utility related construction.

On January 31, 2017, as part of a series of unrelated transactions, Enersource Corporation (the Corporation or Enersource) disposed of its wholly-owned subsidiary, Enersource Holdings. On the same date, Enersource Holdings amalgamated with PowerStream Holdings Inc. (PowerStream) and Horizon Holdings Inc. (Horizon) to form Alectra Inc. (Alectra). Alectra's primary businesses are to distribute electricity to customers in municipalities in the greater golden horseshoe area as well as provide non-regulated energy services. In consideration for its disposition of Enersource Holdings, the Corporation received a 31 per cent ownership interest in Alectra's issued and outstanding common shares.

As a result of the Alectra formation on January 31, 2017, the Corporation derecognized its investment in Enersource Holdings at cost and recognized its initial 31 per cent equity interest in Alectra at fair value resulting in a gain on disposition of \$225,260 recorded in the Enersource Statement of Comprehensive Income in 2017.

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

The following table provides condensed financial information for Enersource Corporation for its 2018 fiscal year, together with comparative figures for 2017:

FINANCIAL POSITION	2018 \$	2017 \$
Assets: Current	4,378	3,634
Investment in Alectra Inc.	609,060	593,079
Other	405	422
Total Assets	613,843	597,135
Liabilities: Current	39	83
Non-current liabilities	55,625	58,125
Total Liabilities	55,664	58,208
Shareholders' Equity: Share capital	175,691	175,691
Accumulated other comprehensive income/(loss)	(1,672)	(3,532)
Retained earnings	384,160	366,768
Total Shareholders' Equity	558,179	538,927
Total Liabilities and Shareholders' Equity	613,843	597,135
Results of Operations and Non-Operations:		
Revenues	35,177	108,513
Expenses (including income tax provision)	1,546	92,742
Net Income	33,631	15,771
City's Share of Net Income in Enersource Corporation	30,268	14,194
City's Share of Equity in Gain on Exchange of Investment in Enersource Holdings	-	202,734

During the year, the City received a dividend of \$12,941 (2017 \$12,906) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in the following table for its 2018 fiscal year together with comparative figures for 2017.

INVESTMENT IN ENERSOURCE CORPORATION	2018 \$	2017 \$
Opening Balance, Beginning of Year	485,034	281,012
City's Share of Net Income in Enersource Corporation	30,268	14,194
City's Share of Equity in Gain on Exchange of Investment in Enersource Holdings	-	202,734
City's share of dividend	(12,941)	(12,906)
Closing Balance, End of Year	502,361	485,034

5. 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:

	2018 \$	2017 \$
Development charges	167,117	138,424
CIL Parkland	103,974	70,982
CIL Parking	6,692	5,945
Bonus zoning	2,239	1,540
Provincial public transit funds	17,495	12,269
Federal public transit funds	2,302	1,985
Provincial gasoline tax	17,053	14,378
Federal gasoline tax	89,352	88,729
Total Deferred Revenue - Obligatory Reserve Funds	406,224	334,252

Deferred Revenue - Obligatory Reserve Funds Continuity Schedule

SOURCE	OPENING BALANCE \$	RECEIPTS AND INTEREST APPLIED \$	RECOGNIZED AS REVENUE \$	CLOSING BALANCE \$
Development charges	138,424	76,336	47,643	167,117
CIL Parkland	70,982	41,126	8,134	103,974
CIL Parking	5,945	1,653	906	6,692
Bonus zoning	1,540	1,359	660	2,239
Provincial public transit funds	12,269	5,226	-	17,495
Federal public transit funds	1,985	537	220	2,302
Provincial gasoline tax	14,378	19,335	16,660	17,053
Federal gasoline tax	88,729	51,113	50,490	89,352
Total	334,252	196,685	124,713	406,224

6. 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:

	2018 \$	2017 \$
WSIB	28,630	26,406
Sick leave benefits	14,414	13,614
Early retirement benefits	39,488	38,640
Post-employment benefits	9,279	10,313
Vacation pay	24,989	24,667
Developer charge credits	57,682	60,383
Contaminated sites liability	606	600
Other liabilities	34,562	34,608
Total	209,650	209,231

The City has established reserve funds of \$136,210 (2017 \$135,841) 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 2016, in accordance with the financial reporting guidelines established by PSAB.
- b) 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 2016, 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 2016, 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 2016, in accordance with the financial reporting guidelines established by PSAB. Information about liabilities for defined benefit plans is as follows:

	WSIB \$	SICK LEAVE \$	EARLY RETIREMENT \$	POST EMPLOYMENT \$	2018 TOTAL \$	2017 TOTAL \$
Accrued Benefit Liability, Beginning of Year	26,406	13,614	38,640	10,313	88,973	85,104
Service cost	3,402	1,493	1,633	255	6,783	7,482
Interest cost	1,353	825	1,416	208	3,802	3,718
Amortization of actuarial (gain)/loss	1,084	1,115	(357)	(555)	1,287	962
Benefit payments	(3,615)	(2,633)	(1,844)	(942)	(9,034)	(8,293)
Accrued Benefit Liability, End of Year	28,630	14,414	39,488	9,279	91,811	88,973
Unamortized actuarial (gain)/loss	8,695	6,467	(2,771)	(3,449)	8,942	10,230
Actuarial valuation update, end of year	37,325	20,881	36,717	5,830	100,753	99,203
Expected average remaining service life	10 yrs	12 yrs	12 yrs	8 yrs	n/a	n/a

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	EARLY RETIREMENT	POST EMPLOYMENT - HEALTH AND DENTAL	POST EMPLOYMENT - LIFE INSURANCE
Expected inflation rate	1.75%	1.75%	1.75%	1.75%	1.75%
Expected level of salary increases	n/a	2.75%	2.75%	2.75%	2.75%
Interest discount rate	4.00%	4.00%	4.00%	3.50%	3.50%
Expected health care increases	4.75%	n/a	4.75%	4.75%	n/a

e) Other pension plans: The City makes contributions to OMERS, a multi-employer plan, on behalf of 4,792 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 \$55,900 at a rate of 14.6 per cent for earnings greater than the annual maximum pensionable earnings.

Contributions for employees with a normal retirement age of 60 (firefighters) are being made at a rate of 9.2 per cent up to the annual maximum pensionable earnings of \$55,900 at a rate of 15.8 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2018 was \$41,328 (2017 \$37,770) for current service and is included as an expense on the consolidated statement of operations. Employees' contributions to OMERS in 2018 totalled \$41,331 (2017 \$37,894).

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 2018 dropped to \$4.2 billion (2017 \$5.4 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 2016 rates for 2018 for employees with a normal retirement age of 65 and for employees and employers with a normal retirement age of 60 (firefighters). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, additional increases in the contributions may be required.

f) Developer charge credits are liabilities and obligations that arise through the Development Charges Act. For the year ended December 31, 2018, the developer charge credit liability is \$57,682 (2017 \$60,383).

7. LONG-TERM DEBT

The long-term debt reported on the consolidated statement of financial position of \$181,491 was issued by the Region. Of the debt issued in 2013, \$22,400 is outstanding; of the debt issued in 2014, \$20,321 is outstanding, of the debt issued in 2015, \$28,000 is outstanding; of the debt issued in 2016, \$30,000 is outstanding; of the debt issued in 2017, \$34,500 is outstanding; all of the debt issued in 2018, \$46,270 is outstanding as at December 31, 2018.

Principal payments on the 2013 debt are payable on June 20th annually; principal payments on the 2014 debt are payable on June 10th; principal payments on the 2015 debt are payable on August 20th; principal payments on the 2016 debt are payable on June 1st; principal payments on the 2017 debt are payable on September 28th; and principal payments on the 2018 debt are payable on March 27th.

Serial debenture debt has been approved by Council by-law. The annual principal and interest payments required to service this liability are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing. Coupon rates range from 1.30 to 3.30 per cent.

Principal payments are repayable annually as follows:

	TOTAL \$
2019	24,448
2020	24,109
2021	24,612
2022	25,427
2023	23,255
Thereafter	59,640
Total	181,491

Interest expense and fees of \$4,467 (2017 \$3,015) are reported in the consolidated statement of operations.



8. TANGIBLE CAPITAL ASSETS

a) Assets under construction

Assets under construction having a value of \$182,674 (2017 \$174,075) 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 \$49,581 (2017 \$11,732) comprising infrastructure in the amount of \$1,629 (2017 \$167) and land in the amount of \$47,952 (2017 \$11,565).

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 (2017 \$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 \$88,864 (2017 \$7,372) (land \$46,061; buildings \$66; land improvements \$754; linear transportation \$4; linear storm drainage \$0 and vehicles \$41,979) less the accumulated amortization of \$38,870 (2017 \$4,828) results in a loss on disposal of \$49,994 (2017 \$2,544).

f) Interest capitalization

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

2018 TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2018. (All dollar amounts are in \$000)

COST	DECEMBER 31, 2017 \$	ADDITIONS \$	DISPOSALS \$	DECEMBER 31, 2018 \$
Land	5,168,192	50,948	46,061	5,173,079
Land improvements	198,432	9,851	754	207,529
Buildings	1,097,268	25,459	66	1,122,661
Equipment, books and other	270,853	31,552	-	302,405
Linear - storm drainage	848,675	14,593	-	863,268
Linear - transportation	2,100,608	59,054	4	2,159,658
Vehicles	291,087	57,574	41,979	306,682
Assets under construction	174,075	69,688	61,089	182,674
Total	10,149,190	318,719	149,953	10,317,956
ACCUMULATED AMORTIZATION	DECEMBER 31, 2017 \$	AMORTIZATION EXPENSE \$	DISPOSALS \$	DECEMBER 31, 2018 \$
Land	-	-	-	-
Land improvements	100,887	7,765	386	108,266
Buildings	379,065	29,128	37	408,156
Equipment, books and other	175,421	22,080	-	197,501
Linear - storm drainage	237,048	11,224	-	248,272
Linear - transportation	936,426	49,316	-	985,742
Vehicles	206,605	20,995	38,447	189,113
Assets under construction	-	-	-	-
Total	2,035,452	140,468	38,870	2,137,050
NET BOOK VALUE	DECEMBER 31, 2017 \$			DECEMBER 31, 2018 \$
Land	5,168,192			5,173,079
Land improvements	97,545			99,263
Buildings	718,203			714,505
Equipment, books and other	95,432			104,904
Linear - storm drainage	611,627			614,996
Linear - transportation	1,164,182			1,173,916
Vehicles	84,482			117,569
Assets under construction	174,075			182,674
Total	8,113,738			8,180,906

9. ACCUMULATED SURPLUS

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

SURPLUS	2018 \$	2017 \$
Invested in tangible capital assets	8,180,762	8,113,545
Business Improvement Area tangible capital assets	144	193
Total Invested in Tangible Capital Assets	8,180,906	8,113,738
Unexpended capital	211,874	228,092
Long-term debt	(181,491)	(155,895)
Enersource Corporation	502,361	485,034
Unfunded employee benefits	(209,650)	(209,231)
Total Surplus	8,504,000	8,461,738

RESERVES SET ASIDE BY COUNCIL	2018 \$	2017 \$
Fiscal Stability Reserve	46,773	41,542
Operating Reserves	27,059	23,202
Stormwater Reserve	6,684	6,306
BIA Reserves	354	267
Total Reserves	80,870	71,317

RESERVE FUNDS SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL	2018 \$	2017 \$
Tax Reserve Funds	174,385	131,333
Stormwater Reserve Funds	44,287	52,498
Lot Levy Reserve Funds	60,672	42,895
Insurance Reserve Funds	39,139	36,431
Employee Benefits Reserve Funds	36,399	35,386
Development Contributions	24,330	20,260
Other Reserve Funds	12,334	3,746
Total Reserve Funds	391,546	322,549
Total Accumulated Surplus	8,976,416	8,855,604

10. TAXATION

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

	2018 \$	2017 \$
Municipal, region and school property taxes	1,677,554	1,624,089
Payments in lieu of property taxes	33,355	31,627
Total Property Taxes Collected	1,710,909	1,655,716
Payments to Region and school boards	(1,185,127)	(1,155,567)
Net Property Taxes and Payments in Lieu Available for Municipal Purposes	525,782	500,149

11. TRUST FUNDS

Trust funds administered by the City amounting to \$900 (2017 \$820) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations. Trust funds comprises perpetual care (cemeteries) of \$900 (2017 \$820) and election trust funds of \$0 (2017 \$0).

12. CONTINGENT LIABILITIES & GUARANTEE

a) As at December 31, 2018, the City has been named as defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered

by insurance and where management has assessed the likelihood of exposure as being likely and is able to reasonably assess the exposure, an amount is provided for in these consolidated financial statements.

b) On February 1, 2017, through a series of transactions, Enersource Corporation became owner of 31 per cent of Alestra, an entity created through the merger of certain hydro holding companies. The transactions included Enersource Corporation exchanging all of its ownership in its operating companies for this ownership in the newly created merged entity of Alestra. Included in these transactions and as of the same date, the City entered into an arrangement to provide \$70M of loan guarantees to Enersource Corporation. The secured bank loan balance as at December 31, 2018 is \$55,625 (2017 \$58,125).

13. 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 Consolidated Statement of Operations. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) General Government Services

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

b) Protection Services

The Protection Services segment comprises the following service areas: Fire 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 comprises 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 comprises primarily 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 comprises primarily cemetery maintenance and management.

f) Social and Family Services

The Social and Family Services segment comprises primarily 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 comprises the following service areas: Parks & 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 comprises 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 area through City planning and community development.

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

14. SEGMENTED INFORMATION CONTINUED

Notes to Consolidated Financial Statements.

For the year ended December 31, 2018. (All dollar amounts are in \$000)

	2018									2018 Total \$	2017 Total \$
REVENUES	General Government Service \$	Protection Service \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Recreation and Cultural Services \$	Planning and Development Services \$	Other \$		
Taxation	8,990	—	—	—	—	—	—	1,364	—	525,782	500,149
Municipal Accommodation Tax	8,900	—	—	—	—	—	—	—	—	8,990	—
User charges	8,662	31,053	114,550	41,816	232	171	56,092	5,639	—	258,215	249,043
Recoveries from third parties	214	337	7,882	7	—	—	727	157	—	9,324	8,990
Funding transfers from other governments	2,353	10	20,943	6,263	3	52	5,114	226	—	34,964	42,927
Development and other contributions applied	—	—	—	—	—	—	—	—	73,265	73,265	90,547
Investment income	14,471	—	—	—	25	—	19	—	20,790	35,305	37,628
Penalties and interest on taxes	9,805	—	—	—	—	—	—	—	—	9,805	9,133
Contributed assets	—	—	—	—	—	—	—	—	49,581	49,581	11,732
Other	5,007	104	510	123	—	34	768	—	13,612	20,158	6,099
Equity in Enersource Corporation	—	—	—	—	—	—	—	—	30,268	30,268	216,928
Total Revenues	573,920	31,504	143,885	48,209	260	257	62,720	7,386	187,516	1,055,657	1,173,176
EXPENSES											
Salaries, wages and employee benefits	107,222	121,221	171,438	5,436	446	302	91,754	15,901	—	513,720	491,101
Long-term debt interest	4,345	—	—	122	—	—	—	—	—	4,467	3,015
Materials and supplies	6,215	3,546	39,557	335	69	35	13,985	871	—	64,613	60,231
Contracted services	31,081	1,110	35,014	2,550	35	4	8,746	2,950	—	81,490	78,141
Rents and financial expenses	29,044	3,308	15,827	3,329	7	4	20,662	718	—	72,899	70,085
External transfers to others	888	—	—	—	—	19	3,543	2,744	—	7,194	6,814
Loss on disposal of tangible capital assets	—	—	—	—	—	—	—	—	49,994	49,994	2,544
Amortization	17,456	4,024	75,694	11,226	—	284	31,562	222	—	140,468	133,942
Total Expenses	196,251	133,209	337,530	22,998	557	648	170,252	23,406	49,994	934,845	845,873
Annual Surplus (Deficit)	377,669	(101,705)	(193,645)	25,211	(297)	(391)	(107,532)	(16,020)	137,522	120,812	327,303

14. SEGMENTED BY SERVICE AREA

Segmented information by Service Area has been identified based upon lines of service provided by the City as presented in the City Budget Document. City services are provided by departments and their activities are reported by service areas. These services are not presented in the Consolidated Statement of Operations. Rather, they are reported as an additional note to relate back to the Budget book presentation. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) Business Services

Business Services includes five interrelated teams within the City. These teams all collaborate with and support every City service area. The group consists of Human Resources (HR), Finance, Communications, Corporate Performance and Innovation (CPI), and Revenue and Materiel Management.

b) Culture Services

Culture works collaboratively with a wide variety of partners to build strong cultural institutions, complete communities and stimulate a creative economy. The Culture Division has two sections: Culture and Heritage Planning and Culture Operations. Culture and Heritage Planning is responsible for heritage planning, culture planning, public art, policy development, research and digital engagement. Culture Operations delivers performing arts, film and television services, arts and culture programs, grants, civic and major events, manages operations of the Meadowvale Theatre, museums, and Mississauga Celebration Square (Celebration Square).

c) City Manager's Office

The City Manager's Office (CMO) co-ordinates efforts across all five City departments to ensure alignment with all of the City's key plans, including the Strategic Plan, the City Business Plan, the Economic Development Strategy and Corporate Policies. Internal Audit, Legal Services and Economic Development are part of the CMO.

d) Environmental Services

The Environment Division drives environmental sustainability in Mississauga by providing environmental strategic planning to develop plans, policies and programs that advance the City's environmental priorities; providing a framework for the City of Mississauga and the community to take action on climate change; providing an efficient waste program for City facilities; and, providing awareness and education for residents and City staff to take environmental action.

e) Facilities & Property Management

Facilities & Property Management provides expertise in property, asset and project management to maintain the City's infrastructure and support the safety and security of the public and City staff. The service provides facilities maintenance, building services and operations, facilities development and accessibility, capital planning and asset management, security services, realty services, and energy management.

f) Financial Transactions

The Financial Transactions area includes such items as bank and external audit charges; miscellaneous revenues and expenses such as discounts earned; risk management and insurance expenses; worker's compensation and rehabilitation; transfers; payments in lieu of property taxes from other levels of government; and special purpose levies.

g) Fire and Emergency Services

Fire and Emergency Services' mission is to protect life, property and the environment in Mississauga from all perils guided by the three lines of defense: public education, prevention and emergency response.

h) Information Technology Services

The Information Technology (IT) Service Area focuses on technology planning, service delivery, support, and operations to enable City services and drive efficiencies.

i) Land Development Services

The mission of Land Development Services is to provide strategic long-term planning within a legislated planning policy framework. This involves the creation of policies, plans, processing development applications and building permits and undertaking building inspections to ensure the health, safety and well-being of the public while ensuring high-quality customer service.

j) Legislative Services

The purpose of Legislative Services is to meet customers' diverse service needs by providing statutory and legislated service to the public, Council and other internal and external customers through a variety of service channels. Examples of the kind of work done by this service include Access and Privacy; Administrative Penalty System (APS) Dispute/Review; Council and Committee support; Provincial Offences Court Administration; and municipal elections.

k) Library Services

The Mississauga Library exists to provide library services to meet the life-long informational, educational, cultural and recreational needs of all citizens. The Library's 18 facilities provide physical spaces where the Library's services, programs and collections can be used and accessed. The Library also has a homebound service, and many online services and resources.

l) Mayor and Members of Council

The Council Budget includes the Mayor's Office and Council. This includes the 12 elected officials (Mayor and 11 ward councillors) and their support staff. In Ontario, elections take place every four years. The next election year is 2022.

m) Parks & Forestry

The Parks & Forestry Service provides an integrated approach to the planning, design, construction and ongoing maintenance of Mississauga's parks, woodlands, natural areas, boulevards, street trees and open space system. Services are delivered by a multidisciplinary team working co-operatively to meet the open space, outdoor recreational, urban forest and environmental needs of the community.

n) Recreation Services

Recreation's primary service is the delivery of various recreation programs. Recreation has 11 major community centres and 12 minor centres; 13 arenas representing 25 ice pads; 11 indoor pools (two shared with local school board); seven outdoor pools; 229 soccer fields and 125 baseball diamonds. In July 2018, the City took over control of Hershey Centre operations, now called the Paramount Fine Food Centre.

o) Regulatory Services

Regulatory Services achieve compliance with municipal by-laws and provide services in a safe and professional manner to maintain order, safety and community standards in the City.

p) Road Services

Roads Services is within the Transportation and Works department. The services of this area are delivered by the following three divisions: Transportation and Infrastructure Planning, Engineering and Construction, and Works Operations and Maintenance. These areas are responsible for the planning, design, construction, operation, maintenance and overall management of Mississauga's roadways, bridges, sidewalks and related infrastructure. Additional infrastructure that is managed as part of this service area includes traffic signals, street lighting, municipal parking, noise barriers, the cycling network and the City's fleet of vehicles (with the exception of transit and fire vehicles).

q) Stormwater Service

The Stormwater Service Area plans, develops, constructs, maintains and renew a stormwater system which protects property, infrastructure and the natural environment from erosion and flooding and enhances water quality.

r) Transit Services

Mississauga's transit service, MiWay, exists to provide a customer-focused transit service that offers safe, accessible, and efficient transportation options for all citizens.

s) Other

Other represents all other non-budgeted financial transactions which includes asset amortization, BIA consolidation, PSAB actuarial liability adjustments, Reserve Fund interest, development contributions applied, Enersource income, capital project revenues, and non-capitalized capital project expenses.



t) Revenues by Service Area

Notes to Consolidated Financial Statements.

For the year ended December 31, 2018. (All dollar amounts are in \$000)

SERVICE AREA	Property Tax and MAT* \$	User charges \$	Recoveries from third parties \$	Funding transfers from other governments \$	Development and other contributions applied \$	Investment income \$	Penalties and interest on taxes \$	Contributed assets \$	Other \$	Equity in Enersource Corporation \$	2018 Total \$	2018 Budget** \$	2017 Total \$
Business Services	—	2,410	—	—	—	—	97	—	(3)	—	2,504	2,469	2,426
City Manager's Office	—	1,199	—	224	—	—	—	—	13	—	1,436	1,257	603
Culture	—	2,157	157	161	—	—	—	—	235	—	2,710	2,009	2,214
Environment	—	16	—	35	—	—	—	—	2	—	53	—	6
Facilities & Property Management	—	704	—	—	—	—	—	—	334	—	1,038	660	926
Financial Transactions	534,772	6	—	—	—	14,465	9,708	49,581	14,857	—	623,389	552,035	538,723
Fire & Emergency Services	—	2,215	171	—	—	—	—	—	67	—	2,453	1,952	2,076
Information Technology	—	895	—	—	—	—	—	—	—	—	895	812	737
Legislative Services	—	10,158	—	—	—	—	—	—	8	—	10,166	10,263	12,880
Mississauga Library	—	1,214	—	858	—	1	—	—	1	—	2,074	1,949	2,147
Land Development Services	—	19,521	10	—	—	—	—	—	—	—	19,531	12,836	16,944
MiWay	—	91,343	1,717	—	—	—	—	—	100	—	93,160	89,482	89,529
Parks & Forestry	—	5,385	129	48	—	25	—	—	9	—	5,596	4,524	5,159
Recreation	—	49,055	—	1,458	—	25	—	—	584	—	51,122	48,462	49,569
Regulatory Services	—	15,494	—	—	—	—	—	—	36	—	15,530	15,234	15,127
Roads	—	11,581	5,155	7	—	—	—	—	(120)	—	16,623	13,535	15,624
Stormwater	—	41,726	7	—	—	—	—	—	123	—	41,856	40,215	40,625
Other	—	3,136	1,978	32,173	73,265	20,789	—	—	3,912	30,268	165,521	14,380	377,861
Total Revenues	534,772	258,215	9,324	34,964	73,265	35,305	9,805	49,581	20,158	30,268	1,055,657	812,074	1,173,176

*Municipal Accommodation Tax (MAT).

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

u) Expenses by Service Area

Notes to Consolidated Financial Statements.

For the year ended December 31, 2018. (All dollar amounts are in \$000)

SERVICE AREA	Salaries, wages and employee benefits \$	Long-term debt interest \$	Materials and supplies \$	Contracted services \$	Rents and financial expenses \$	External transfers to others \$	Loss on disposal of tangible capital assets \$	Amortization \$	2018 Total \$	2018 Budget* \$	2017 Total \$
Business Services	29,228	—	556	1,350	1,616	—	—	—	32,750	33,099	31,467
City Manager's Office	10,029	—	154	2,095	501	1,175	—	—	13,954	13,459	14,244
Mayor & Members Of Council	4,065	—	361	1	252	—	—	—	4,679	5,063	4,700
Culture	5,298	—	668	427	1,087	2,719	—	—	10,199	10,064	9,616
Environment	1,108	—	12	37	166	83	—	—	1,406	1,284	1,175
Facilities & Property Management	14,612	—	499	2,025	6,293	—	—	—	23,429	23,910	22,119
Financial Transactions	10,579	4,345	299	619	11,562	2,393	49,994	—	79,791	38,236	34,636
Fire & Emergency Services	102,904	—	2,830	118	2,033	—	—	—	107,885	107,004	100,546
Information Technology	22,365	—	137	57	7,869	—	—	—	30,428	30,123	25,820
Legislative Services	7,009	—	823	1,811	(509)	—	—	—	9,134	11,049	7,714
Mississauga Library	21,587	—	4,388	39	2,104	—	—	—	28,118	28,897	27,262
Land Development Services	19,637	—	328	236	504	—	—	—	20,705	21,766	20,410
MiWay	139,839	—	33,824	1,447	9,021	—	—	—	184,131	183,459	171,388
Parks & Forestry	24,650	—	5,809	4,505	3,212	—	—	—	38,176	38,152	36,078
Recreation	50,673	—	4,117	6,467	14,526	824	—	—	76,607	75,319	72,914
Regulatory Services	13,113	—	845	1,278	310	—	—	—	15,546	15,488	14,134
Roads	30,063	—	5,318	31,951	7,536	—	—	—	74,868	74,909	77,283
Stormwater	4,690	122	400	2,997	3,322	—	—	—	11,531	9,647	8,707
Other	2,271	—	3,245	24,030	1,494	—	—	140,468	171,508	135,138	165,660
Total Expenses	513,720	4,467	64,613	81,490	72,899	7,194	49,994	140,468	934,845	856,066	845,873

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

15. BUDGET DATA

Budget data presented in these consolidated financial statements are based upon the 2018 operating and capital budgets as approved by Council and adopted by the City on November 22, 2017. Adjustments to budgeted values were required to provide comparative budget values based on the full accrual basis of accounting. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

REVENUE	BUDGET AMOUNT
Approved Operating Budget	859,420
Adjustments:	
Assessment increase	131
Budget adjustments	7,382
Contributions from reserve funds	(57,522)
BIAs	1,806
BIAs contributions from reserve funds	(42)
City budgeted levy for BIAs	(1,371)
Enersource dividend	(12,750)
Adjusted Operating Budget	797,054
Approved Capital Budget	180,211
Adjustments for transfers from reserve funds	(132,907)
Adjustments for debt proceeds	(46,270)
Adjusted Capital Budget	1,034
Reserve funds interest and other revenue	13,986
Total Revenue	812,074

EXPENSES	BUDGET AMOUNT
Approved Operating Budget	859,420
Adjustments:	
Assessment increase	131
Budget adjustments	7,382
BIA transfers to own	(13)
Transfers to Own	(124,889)
BIA budgeted expenses	1,806
BIA budget on City's books	(1,371)
Amortization	135,136
Debt principal repayments, net of debt issuance	(21,536)
Adjusted Operating Budget	856,066
Approved Capital Budget	180,211
Adjustments:	
Eliminate capital expense budget	(180,211)
Adjusted Capital Budget	—
Total Expenses	856,066
Annual Deficit	(43,992)

16. EXPENSES BY OBJECT

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

	BUDGET 2018 \$	ACTUAL 2018 \$	ACTUAL 2017 \$
Salaries, wages and employee benefits	515,412	513,720	491,101
Long-term debt interest and fees	4,573	4,467	3,015
Materials and supplies	58,717	64,613	60,231
Contracted services	56,161	81,490	78,141
Rents and financial expenses	75,213	72,899	70,085
External transfers to others	10,854	7,194	6,814
Loss on disposal of tangible capital assets	—	49,994	2,544
Amortization	135,136	140,468	133,942
Total	856,066	934,845	845,873

17. PROVINCIAL OFFENCES ADMINISTRATION

The Ministry of the Attorney General in the Province of Ontario requires all municipal partners administering Provincial Offences Administration to disclose in the year-end audited financial statements the gross and net provincial offence revenues earned.

The following table provides condensed financial information required by the terms in the Memorandum of Understanding for the City's 2018 fiscal year with comparative figures for 2017:

REVENUES	2018 \$	2017 \$
Gross revenues	10,049	11,730
Less refunds	73	140
Net Revenues	9,976	11,590
EXPENSES		
Provincial charges	747	933
City's operating expenses	3,547	3,560
Total Expenses	4,294	4,493
Net Contribution	5,682	7,097

18. FUNDING TRANSFERS FROM OTHER GOVERNMENTS

	2018 \$	2017 \$
General government services	2,353	1,238
Protection services	10	—
Transportation services	20,943	33,289
Environmental services	6,263	671
Health services	3	5
Social and family services	52	59
Recreation and cultural services	5,114	7,028
Planning and development services	226	637
Total Funding	34,964	42,927

19. CONTRACTUAL RIGHTS

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

The City has a number of Federal and Provincial funding agreements with estimated future funding of \$225.5 million (for the period 2019 to 2023). The City has also entered into a number of third party contracts to provide shared services with estimated future recoveries of \$23.7 million (for the period 2019 to 2022). Future revenues from incoming lease agreements for City-owned properties are approximately \$14.6 million (for the period 2019 to 2025).

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:

	\$
2019	3,525
2020	2,788
2021	2,790
2022	2,421
2023	1,623
Total	13,147

21. SUBSEQUENT EVENT

On January 1, 2019, Alectra Inc. amalgamated with Guelph Hydro Electric Systems Inc. (GHESI). Alectra Inc. issued 485,000 Class G Common Shares to Guelph Municipal Holdings Inc. (GMHI) in consideration for all the issued and outstanding shares of GHESI. This common shares issuance by Alectra Inc. represents an effective 4.6 per cent interest in its aggregate issued and outstanding classes of common shares. The amalgamation is expected to result in more efficient and enhanced service delivery through lower operating costs, while providing significant benefits for communities and shareholders.

The new shareholder ownership structure as a result of this merger is as follows: Barrie Hydro Holdings – 8.4 per cent, Enersource Corporation – 29.6 per cent, Hamilton Utilities Corporation – 17.3 per cent, Markham Enterprises Corporation – 15 per cent, St. Catharines Hydro Inc. – 4.6 per cent, Vaughan Holdings Inc. – 20.5 per cent and GMHI – 4.6 per cent.

The accounting and valuation for the amalgamation is still being finalized. Consequently, disclosures regarding the amount of the purchased assets and liabilities cannot be determined.

21. COMPARATIVE FIGURES

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

Financial Statements of City of Mississauga (Trust Funds)

Year ended December 31, 2018



Independent Auditors' Report



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

OPINION

We have audited the financial statements of the trust funds of the Corporation of the City of Mississauga (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust funds of the Entity as at December 31, 2018, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo consists of the letters "KPMG" in a bold, italicized, black font, followed by "LLP" in a smaller, regular black font. A horizontal line extends from the end of the "G" towards the right.

Chartered Professional
Accountants, Licensed
Public Accountants
April 12, 2019
Vaughan, Canada

CITY OF MISSISSAUGA TRUST FUNDS STATEMENT OF FINANCIAL POSITION

as at December 31, 2018 with comparatives for 2017. (All dollar amounts are in \$000)

	2018			2017
	Perpetual Care \$	Election Surplus \$	Total \$	Total \$
FINANCIAL ASSETS				
Cash	34	—	34	16
Accounts Receivable	4	—	4	3
Due from City of Mississauga (Note 2)	55	—	55	67
Investments (Note 3)	807	—	807	734
Net financial Assets and Accumulated Surplus	900	—	900	820

CITY OF MISSISSAUGA TRUST FUNDS STATEMENT OF OPERATIONS

for the year ended December 31, 2018 with comparatives for 2017. (All dollar amounts are in \$000)

	2018			2017
	Perpetual Care \$	Election Surplus \$	Total \$	Total \$
REVENUES				
Interest	25	—	25	21
Receipts	80	—	80	89
Total Revenues	105	—	105	110
EXPENSES				
Cemetery maintenance	25	—	25	21
Total Expenses	25	—	25	21
Annual surplus	80	—	80	89
Accumulated surplus, beginning of year	820	—	820	731
Accumulated surplus, end of year	900	—	900	820

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

City of Mississauga – Trust Funds Notes to the Financial Statements

for the year ended December 31, 2018.
(All dollar amounts are in \$000)

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Mississauga trust funds 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). One significant aspect of the accounting policies adopted by the City is as follows:

a) Basis of Accounting

Perpetual Care revenue is reported on receipt and interest income is reported on the accrual basis of accounting. Expenditures are reported on the 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 fiscal year 2018 and transferred to the Trust Fund on January 29, 2019. The balance due from the City of Mississauga is non-interest bearing and due on demand.

3. INVESTMENTS

The total investments by the Trust Funds of \$807 (2017 \$734) reported on the statement of financial position at cost, have a market value of \$825 (2017 \$765) 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 Trust Fund is established in accordance with the 2016 Municipal Elections Act ("Act"). The Act states, per S.88.31(4), that if the financial statement or supplementary financial statement filed with the clerk shows a surplus and the campaign period has ended at the time the statement is filed, the candidate or registered third party shall, when the statement is filed, pay the surplus to the clerk. Per S.88.31(5), the clerk shall hold the amount paid under subsection (4) in trust for the candidate or registered third party.

Per S.88.31(8), for a candidate, the amount held in trust becomes the property of the municipality or local board, as the case may be, when all of the following conditions are satisfied:

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

Per S.88.31(9), for a registered third party, the amount held in trust becomes the property of the municipality when all of the following conditions are satisfied:

1. The campaign period has ended under paragraph 2 or 3 of section 88.28.

2. It is no longer possible to recommence the campaign period under paragraph 4 of section 88.28.
3. No compliance audit has been commenced.
4. The period for commencing a compliance audit has expired.
2016, c. 15, s. 62.

Per S.88.32(2), if the candidate or registered third party notifies the clerk in writing that he, she or it is incurring subsequent expenses relating to a compliance audit, the clerk shall return the amount of the surplus, with interest, to the candidate or registered third party.



2018 Statistics



FIVE-YEAR FINANCIAL REVIEW

(All dollar amounts are in \$000 except per capita figures, population, area in acres, households.)
UNAUDITED

FISCAL YEAR	2018	2017	2016	2015	2014
Municipality Statistics					
Population (Note 1)	775,000	772,000	768,000	764,000	759,000
Area in acres	72,200	72,200	72,200	72,200	72,200
Households	250,000	248,000	246,000	244,000	243,000
Employees (Note 2 & 3): Full time	4,299	4,206	4,165	4,154	4,088
Per 1000 people	5.5	5.4	5.4	5.4	5.4
Part time and seasonal	2,725	2,611	2,828	2,935	2,891
Construction Activity	1,850,388	1,262,657	1,316,524	1,285,935	1,170,860
 ASSESSMENT VALUATION YEAR					
Tax Assessment Information					
Taxable Assessment upon which the year's rates of taxation were set:		2016	2016	2012	2012
Residential, farm, multi-residential	115,124,305	107,373,242	99,923,106	94,770,331	89,352,164
Commercial, industrial and other	34,989,192	33,381,211	32,162,701	30,926,239	29,801,625
Total Taxable Assessment	150,113,497	140,754,453	132,085,807	125,696,570	119,153,789
Commercial, industrial, and business as a percentage of taxable assessment	23.3%	23.3%	23.3%	23.3%	23.3%

Notes:

1. Population figures for all years are as per the 2013 City's growth forecast.
2. Positions are stated in either full time or part time equivalents, as budgeted and exclude Enersource Corporation.
3. In 2018, the full time and part time employee counts for 2014 to 2017 have been restated.

Tax Rate Information: (per \$ of assessed value)

RESIDENTIAL AND FARM	2018	2017	2016	2015	2014
For City purposes	0.286885%	0.291654%	0.293370%	0.291960%	0.293805%
For Region purposes	0.366591%	0.378718%	0.392978%	0.401675%	0.411565%
For School purposes	0.170000%	0.179000%	0.188000%	0.195000%	0.203000%
Total Tax Rate - Residential and farm	0.823476%	0.849372%	0.874348%	0.888635%	0.908370%
COMMERCIAL					
For City purposes	0.423786%	0.423403%	0.413597%	0.411610%	0.414211%
For Region purposes	0.541529%	0.549796%	0.554027%	0.566288%	0.580231%
For School purposes	1.018727%	1.042947%	1.057399%	1.069252%	1.107083%
Total Tax Rate - Commercial	1.984042%	2.016146%	2.025023%	2.047150%	2.101525%
INDUSTRIAL					
For City purposes	0.462102%	0.464730%	0.460814%	0.458600%	0.461498%
For Region purposes	0.590490%	0.603461%	0.617276%	0.630936%	0.646470%
For School purposes	1.171562%	1.231495%	1.292875%	1.325843%	1.361148%
Total Tax Rate - Industrial	2.224154%	2.299686%	2.370965%	2.415379%	2.469116%

Notes:

1. Population figures for all years are as per the 2013 City's growth forecast.
2. Positions are stated in either full time or part time equivalents, as budgeted and exclude Enersource Corporation.
3. In 2018, the full time and part time employee counts for 2014 to 2017 have been restated.

(All dollar amounts are in \$000 except per capita figures, population, area in acres, households.)
UNAUDITED

FISCAL YEAR PROPERTY TAX INFORMATION	2018	2017	2016	2015	2014
Tax Levies: City portion	486,875	464,168	435,331	412,894	394,457
Region portion	619,985	600,566	583,140	568,055	552,559
School Board portion	552,368	542,496	533,942	522,754	518,018
Total Tax Levies	1,659,228	1,607,230	1,552,413	1,503,703	1,465,034
Taxes collected: City collection	475,286	466,801	440,252	411,681	391,947
Taxes Transferred to the Region	619,985	600,566	583,140	568,055	552,559
Taxes Transferred to the School Boards	552,368	542,496	532,344	522,754	518,018
Total Taxes collected	1,647,639	1,609,863	1,555,736	1,502,490	1,462,524
Tax arrears: Taxes Receivable	45,567	33,978	36,611	41,532	40,319
Taxes Receivable per capita	59	44	48	54	53
Percentage of current levy	2.7%	2.1%	2.4%	2.8%	2.8%
CONSOLIDATED REVENUES					
Property Taxation	494,118	470,189	440,719	419,469	402,074
Municipal Accommodation Tax (Note 4)	8,990	—	—	—	—
Taxation from other governments	31,664	29,960	29,922	27,156	26,177
User charges	258,215	249,043	239,900	191,970	179,195
Recovery charges	9,324	48,874	11,157	21,098	26,895
Government grants	34,964	3,043	3,887	2,458	3,048
Development contributions applied	73,265	90,547	69,217	228,687	58,047
Investment income	35,305	37,628	34,903	33,082	35,778
Penalties and interest on taxes	9,805	9,133	8,444	8,848	8,064
Contributed assets	49,581	11,732	18,595	34,266	26,746
Other	20,158	6,099	2,292	7,852	12,485
Share of net income in Enersource Corporation	30,268	14,194	26,855	18,226	2,650
Share of equity in gain on exchange of Investment in Enersource Holdings	—	202,734	—	—	—
Total Revenues	1,055,657	1,173,176	885,891	993,112	781,159
Revenue per capita	1,362	1,520	1,154	1,300	1,029

Notes:

4. Municipal Accommodation Tax (MAT) began in 2018.

(All dollar amounts are in \$000 except per capita figures, population, area in acres, households.)
UNAUDITED

FISCAL YEAR CONSOLIDATED EXPENSES BY FUNCTION	2018	2017	2016	2015	2014
General government services	196,251	189,336	184,821	164,177	184,928
Protection services	133,209	125,689	128,120	122,648	120,476
Transportation services	337,530	322,439	310,975	297,646	304,361
Environmental services	22,998	19,647	18,523	14,601	12,064
Health services	557	616	587	549	555
Social and family services	648	484	479	478	486
Recreation and cultural services	170,252	162,217	160,458	151,861	159,539
Planning and development services	23,406	22,901	21,561	21,095	19,268
Loss on disposal of tangible capital assets	49,994	2,544	1,074	505	2,307
Total Consolidated Expenses by Function	934,845	845,873	826,598	773,560	803,984
Annual Surplus/(Deficit)	120,812	327,303	59,293	219,552	(22,825)
Net Financial Assets	785,134	731,644	498,459	491,864	375,509
CAPITAL FUND INFORMATION					
Capital Financing: Development contributions applied	73,265	90,547	69,138	228,687	58,047
Government grants	37,152	42,793	484	465	996
Other	3,742	4,035	14,454	18,324	23,226
Total Capital Financing	114,159	137,375	84,076	247,476	82,269
Current Year Unexpended Capital Financing	211,874	228,092	177,975	190,431	68,299

(All dollar amounts are in \$000 except per capita figures, population, area in acres, households.)
UNAUDITED

FISCAL YEAR CONSOLIDATED EXPENSES BY OBJECT	2018	2017	2016	2015	2014
Salary, wages and fringe benefits	513,720	491,101	485,697	459,483	451,839
Debt interest and fees	4,467	3,015	2,751	2,077	1,588
Materials and supplies	64,613	60,231	55,230	51,528	56,138
Contracted services	81,490	78,141	76,384	67,200	94,295
Rents and financial expenses	72,899	70,085	68,728	61,860	67,601
External transfers to others	7,194	6,814	6,621	5,763	5,480
Amortization	140,468	133,942	130,113	125,144	124,736
Loss on disposal of assets	49,994	2,544	1,074	505	2,307
Total Consolidated Expenses	934,845	845,873	826,598	773,560	803,984
MUNICIPAL DEBT INFORMATION					
Long-Term Liabilities: General municipal activities	181,491	155,895	134,447	110,785	80,807
Per capita	234	202	175	145	106
Charges for Long-Term Liabilities: General municipal activities	4,467	3,015	2,751	2,042	1,588
Per capita	5.76	3.91	3.58	2.67	2.09
Debt Repayment Limit (as determined by the Province of Ontario)	172,748	161,612	160,623	159,687	158,083
TANGIBLE CAPITAL ASSETS					
Net Book Value	8,180,906	8,113,738	8,020,550	7,966,189	7,864,199
Amortization	140,468	133,942	130,113	125,144	124,736
Operating Fund Transfers to Capital Reserve Fund	88,545	65,508	48,247	48,069	45,459

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.

The 2014 Tangible Capital Asset inventories, presented in the 2015 Consolidated Financial Statements have been adjusted to reflect an immaterial correction of an understatement of land in prior years. The amount previously reported as tangible capital assets as at December 31, 2014 has been increased by \$21,678.

(All dollar amounts are in \$000 except per capita figures, population, area in acres, households.)
UNAUDITED

FISCAL YEAR ACCUMULATED SURPLUS	2018	2017	2016	2015	2014
Invested in tangible capital assets	8,180,906	8,113,738	8,020,550	7,966,189	7,864,199
Operating surplus	—	—	—	—	—
Unexpended capital	211,874	228,092	177,975	190,431	68,299
Enersource Corporation	502,361	485,034	281,012	266,959	263,158
Long-term debt	(181,491)	(155,895)	(134,447)	(110,785)	(80,807)
Unfunded Employee benefits	(209,650)	(209,231)	(210,256)	(197,982)	(198,691)
Reserves	80,870	71,317	66,157	62,077	45,120
Reserve Funds	391,546	322,549	327,310	292,119	288,178
Total Accumulated Surplus	8,976,416	8,855,604	8,528,301	8,469,008	8,249,456
Trust Funds	900	820	731	664	585

UNEMPLOYMENT RATE	2018	2017	2016	2015	2014
Percentage of unemployment	6.0%	6.4%	7.0%	7.0%	8.0%

TOP EMPLOYERS 1,000+ EMPLOYEES

Accenture Inc.	Dufferin-Peel Catholic District School Board	Region of Peel
Air Canada	Federal Express Canada Ltd.	Reha Enterprises Ltd.
Alectra Utilities	GlaxoSmithKline Inc.	Royal Bank of Canada
Bank of Montreal	Greater Toronto Airport Authority (GTAA)	SNC Lavalin Nuclear/Candu Energy Inc.
Bell Canada	Hewlett-Packard (Canada) Co.	Sobeys Inc.
BlackBerry Limited	Maple Leaf Consumer Foods	TD Canada Trust
Canada Post	McDonald's Corp.	Tim Hortons
Canada Revenue Agency	Microsoft Canada Co.	Trillium Health Partners
Canadian Imperial Bank of Commerce	Peel District School Board	Tyco Integrated Fire And Security
City of Mississauga	Pouchmakers Canada Inc.	University of Toronto Mississauga (UTM)
Finastrata		Walmart Inc.

10 LARGEST CORPORATE PROPERTY TAXPAYERS

OWNER	ASSESSMENT VALUE \$
1 Orlando Corporation	\$2,688,686,431
2 OMERS Realty Management	\$1,367,739,600
3 The Great-West Life Assurance	\$539,046,503
4 2725312 CANADA Inc.	\$493,685,004
5 The Erin Mills Town Centre	\$446,364,984
6 Chiefton Investments Ltd.	\$341,434,536
7 HOOPP Realty Inc.	\$290,849,748
8 BCIMC Realty Corp.	\$271,663,353
9 Canadian Property Holdings	\$246,857,000
10 Lord Realty Holdings Ltd.	\$208,997,500
Total - Assessment Total	\$6,895,324,659
% of Total Industrial and Commercial Assessment	19.8%
% of Total Taxable Assessment	4.6%
Total Residential Assessment	\$115,277,340,595
Total Industrial and Commercial Assessment	\$34,836,156,692
Total Taxable Assessment	\$150,113,497,287

City of Mississauga Members of Council

CONTACT INFORMATION

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e-mail: public.info@mississauga.ca

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

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