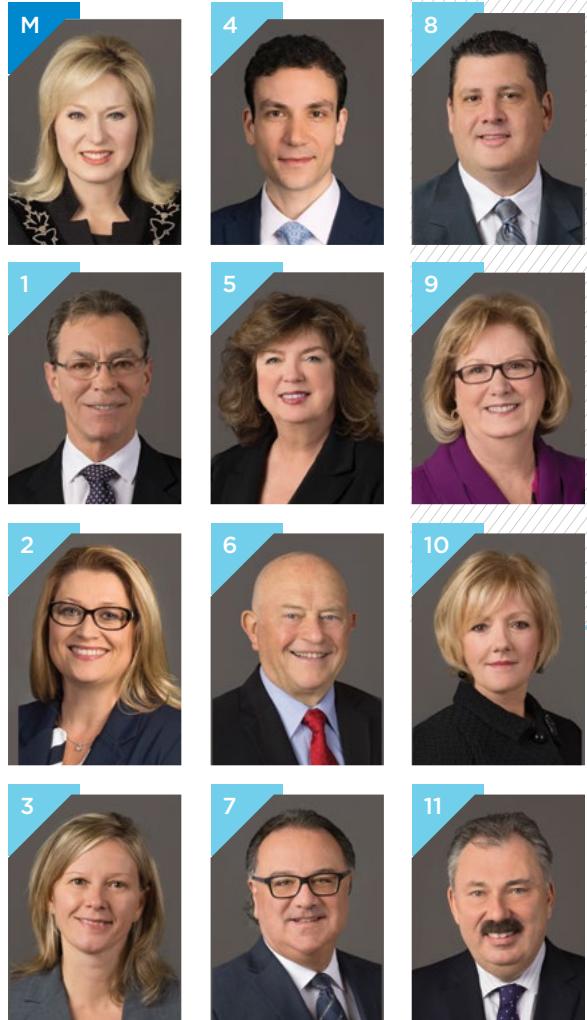




2016
**FINANCIAL
REPORT**



CITY COUNCIL



M Bonnie Crombie
Mayor

1 Jim Tovey
Ward 1 Councillor

2 Karen Ras
Ward 2 Councillor

3 Chris Fonseca
Ward 3 Councillor

4 John Kovac
Ward 4 Councillor

5 Carolyn Parrish
Ward 5 Councillor

6 Ron Starr
Ward 6 Councillor

7 Nando Iannicca
Ward 7 Councillor

8 Matt Mahoney
Ward 8 Councillor

9 Pat Saito
Ward 9 Councillor

10 Sue McFadden
Ward 10 Councillor

11 George Carlson
Ward 11 Councillor

2016 FINANCIAL REPORT

The 2016 Financial Report has been prepared in an electronic format and is available on the City's website at www.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 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 2016

**For the Fiscal Year Ended December 31, 2016
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.

www.mississauga.ca/finance

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OUR VISION AND VALUES



Our vision

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

Our values

TRUST

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

QUALITY

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

EXCELLENCE

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

GFOA AWARD



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, 2015

A handwritten signature in black ink, appearing to read "Jeffrey R. Evans".

Executive Director/CEO

Canadian Award for Financial Reporting

For the 19th 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 2015 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 2016 evaluation.

MESSAGE FROM THE MAYOR

On behalf of Members of Council, I am pleased to present our 2016 Financial Report. This is a great opportunity to showcase and report on our accomplishments, successes and how much the City of Mississauga has progressed.

As the sixth-largest municipality in Canada, Mississauga has grown year after year. Our city continues to be in demand with more than 86,000 businesses, including over 70 Fortune 500 companies, employing 425,850 people. We are seeing constant investments in our city, as evidenced by the City issuing \$1.3 billion in construction value for the second consecutive year.

Developments are already underway, including revitalizations within our downtown core, the waterfront and the Dundas Corridor among many others. Our transit is expanding with tremendous progress on our Transitway and our upcoming Hurontario Light Rail Transit (LRT) initiative. Our city and our communities are poised to transform significantly, while continuing to provide a wonderful place for our residents.

We also have remarkable cultural qualities that add vibrancy to our lively city. Our diversity defines who we are and what our city is about. It is a place where our residents can proudly call Mississauga, home. Our urban forests and green spaces illustrate our beautiful landscape. New facilities and upgrades to existing



facilities offer our residents a variety of outstanding programs while making it easily accessible for all. It is this high quality of life that our residents can enjoy in Mississauga.

We can only get better as we continue to nurture creativity and innovation. Continued partnerships with University of Toronto Mississauga and Sheridan College, including the rollout of Phase 2 of the Sheridan College campus, reaffirm our commitment to fostering young talent and building a place where our young people can find success.

As Mayor, I am proud of what our city has become and how far we've come. We still have a long journey ahead, but our priorities and vision are clear. We will continue to maintain our infrastructure, deliver value and provide excellent service. We have planned for the future and it looks promising.

Bonnie Crombie

Bonnie Crombie

Mayor

MISSISSAUGA QUICK FACTS

Location

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

Population

- Canada's 6th largest city: 768,000 (2016)
- Projected Population: 878,000 (2041)

Employment

- Employees in Mississauga: 425,850 (per 2016 Planning profile)
- Employees in GTA: 4.7 million
- 72 Fortune 500 companies have their Canadian head offices or major divisional offices located in Mississauga
- 48 Financial Post Top 500 companies have their Canadian head offices or major divisional offices located in Mississauga

Transportation

Airport

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

Highways

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

Railways

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

Public Transit

- MiWay is the third largest municipal transit system in Ontario servicing approximately 39 million riders annually
- 87 routes throughout the City connect with the Toronto Transit Commission, Brampton Transit, Oakville Transit and all GO Transit stations
- GO Transit operates three train lines and several GO Bus routes through Mississauga providing frequent service throughout the day with connections to Toronto and surrounding areas

Higher Education

In Mississauga

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

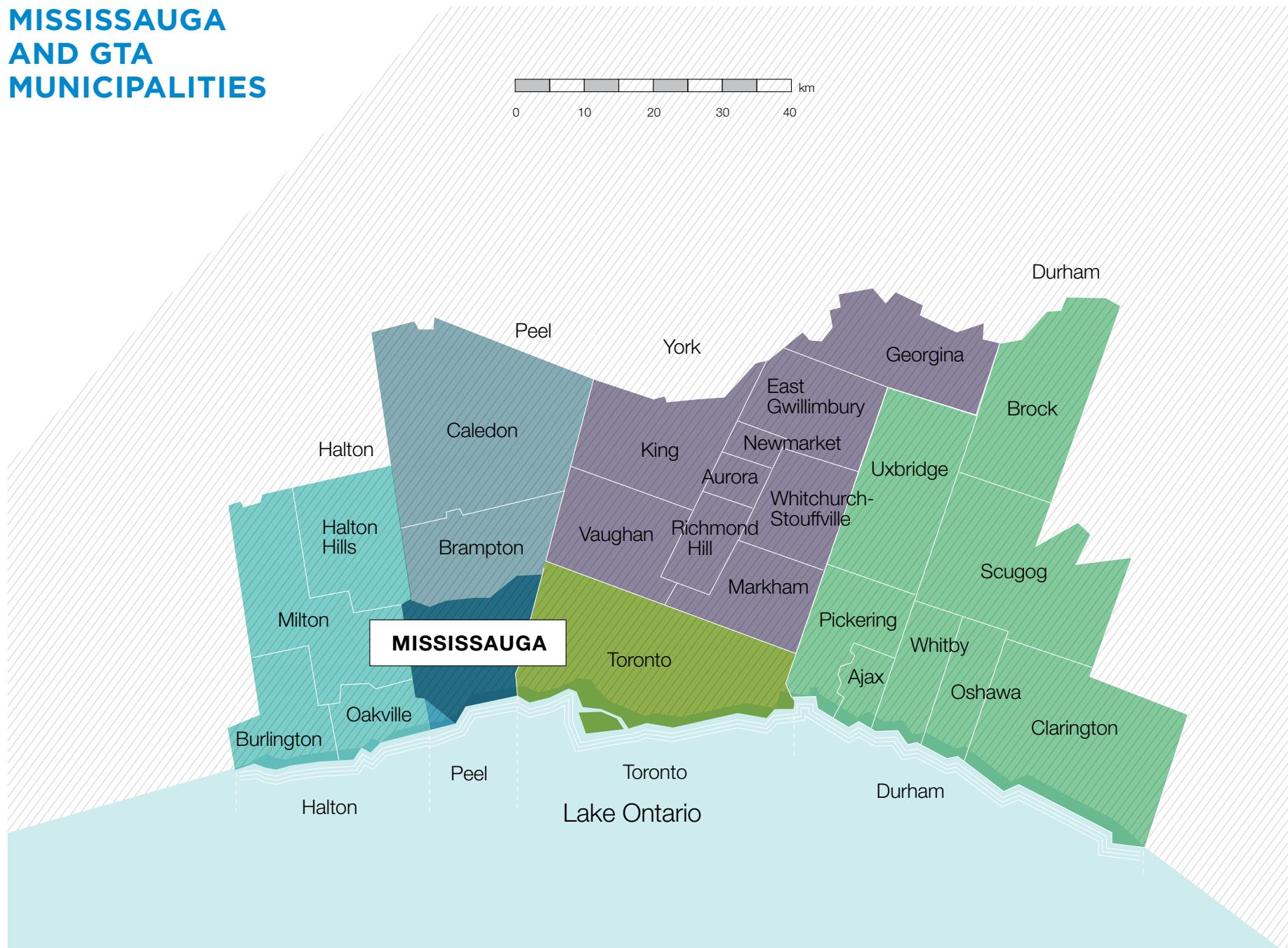
Within Commuting Distance

- 10 major universities and 11 technical colleges

Tax Rates (2016 Final Tax Rate)

- **Industrial:** 2.370965 per cent
- **Commercial:** 2.025023 per cent
- **Residential:** 0.874348 per cent
- **Multi-Residential:** 1.408863 per cent

MISSISSAUGA AND GTA MUNICIPALITIES



MESSAGE FROM THE CITY MANAGER AND CHIEF ADMINISTRATIVE OFFICER

The City of Mississauga experienced another successful year in 2016. Our achievements and accomplishments were the result of a strong commitment to delivering on our strategic goals, planning for the future and maintaining a high level of service excellence to our residents.

With strong financial planning, we continue to be recognized as a municipal leader in fiscal responsibility. We were awarded our 13th consecutive 'AAA' credit rating from Standard & Poor's Rating Services and received our 19th consecutive Government Finance Officers Association (GFOA) Canadian Award for Financial Reporting.

A big part of our success was the result of our sound financial planning and decision making. Thanks to the hard work of Council and staff, we found efficiencies and delivered value for money. Our staff are always challenged to find innovative ways to reduce costs and enhance service levels. In 2016, \$4.7 million in cost reductions and new revenues were identified – equivalent to reducing the City tax levy by 1.1 per cent. We implemented a new stormwater charge and received federal funding for several infrastructure projects.

While our City is well positioned for the future, challenges and unforeseen circumstances still arise. The Hickory Drive explosion in June not only affected us, but it also had a huge impact on our



community. We also addressed important issues like our aging infrastructure and climate change with new revenue sources and funding programs.

We are a city in demand and we will continue investing in our growing city to meet the needs of our residents. Our efforts were evident with new and enhanced facilities such as Meadowvale Community Centre and Library, Fire Station 119 and the progress made on the building of the Transitway. With many more large-scale projects and developments underway and our commitment to delivering excellence, we are optimistic about the future of Mississauga.

Janice M. Baker, FCPA, FCA

A handwritten signature in cursive script that reads "Janice Baker".

City Manager and
Chief Administrative Officer
City of Mississauga

CORPORATE ORGANIZATIONAL STRUCTURE

*COMMISSIONERS REPORT
TO CITY MANAGER AND
CHIEF ADMINISTRATIVE OFFICER*



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

Responsibilities:

- Economic Development
- Internal Audit
- Legal Services



GEOFF WRIGHT, P. Eng
Commissioner, Transportation and Works

Responsibilities:

- Transportation & Infrastructure Planning
- Engineering & Construction
- MiWay
- Enforcement
- Works Operations & Maintenance



PAUL A. MITCHAM, P. Eng., MBA
Commissioner, Community Services

Responsibilities:

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



GARY KENT
Commissioner, Corporate Services
and Chief Financial Officer

Responsibilities:

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



EDWARD R. SAJECKI, P. Eng., MCIP
Commissioner, Planning and Building

Responsibilities:

- Strategic Community Initiatives
- Development & Design
- Policy Planning
- Building Services



**2016
ACCOMPLISHMENTS
AND SUCCESSES**

DELIVERING EXISTING SERVICES

- The City launched a Community Recognition Pilot Program to recognize special occasions and events.
- The City decided to implement ‘Vote Anywhere’ for the 2018 Municipal Election, enabling electors to vote at any voting location or poll without geographic restriction, to maximize accessibility and convenience to electors and reduce wait times.
- The 311 Citizen Contact Centre handled 263,960 calls.
- 2,988 marriage licenses were issued and 180 wedding ceremonies performed.
- Approximately 35,000 subscribers received the City of Mississauga eNewsletter.
- People made over 15,600,000 visits to the City of Mississauga website.
- There were 91,000 Twitter followers and 73,000 Facebook likes across all City accounts combined.
- The City celebrated design excellence with the 2016 Mississauga Urban Design Awards.
- The City held a variety of public engagements for its My Malton, Vision Cooksville, Inspiration Lakeview, Inspiration Port Credit, Dundas Connects and Shaping Ninth Line initiatives.
- 73,345 building inspections were completed.
- The Planning and Building website received over 45,000 page views.
- Mississauga Fire and Emergency Services launched Camp Ignite for teenaged girls.
- Mississauga Fire and Emergency Services responded to 28,963 emergency calls.
- Council approved nearly \$3 million in funding for 2016 City Grant Programs.
- The City appointed its first Youth Poet Laureate, Rebecca Zseder.

- Ilan Sandler's 'The Book' was unveiled at Mississauga Celebration Square as the newest piece in the City's permanent public art collection.
- The City hosted the Quidditch Eastern Regional Championship at Iceland Fields in November.
- 5,893 volunteers engaged in 10,320 hours of community tree planting events.
- City staff hosted 150 tree planting events.
- 2,600 volunteers completed 9,960 hours of community cleanups, mural paintings and other stewardship activities.
- Central Library celebrated its 25th anniversary.
- The Ministry of Canadian Heritage pledged \$199,000 to fund a public art installation, 'Brilliance Together'.
- Mississauga hosted its first Welcome Day for newcomers.
- The City developed a flood prevention and recovery guide for residents.
- The City worked with community groups during the Hickory Drive explosion to ensure that the community's recovery plan was developed and initiated.
- Celebration Square hosted 46 events and attracted over 723,095 visitors.
- The Museums of Mississauga welcomed renowned Canadian author, Margaret Atwood, and leading Canadian artist, Charles Pachter to an 'In Conversation' event attended by over 200 residents.
- The Active Assist program provided credits to 13,886 lower income individuals, supporting their participation in recreation programs.
- MiWay launched a refreshed 'Plan A Trip' mobile tool that later included real-time bus updates – used approximately 2.7 million times since launch.
- In partnership with the Region of Peel, the City launched two MiWay Low-Income Pilot Programs to make transit more affordable.
- The City amended its traffic by-law to expand parking time on 10 statutory holidays and Easter Sunday.
- The City licensed charitable outdoor clothing donation boxes.
- The City expanded on-street parking in Port Credit.
- The City hosted various public engagements for Mississauga Transitway, MiWay Five and Lakeshore Connecting Communities initiatives, including various Class Environmental Assessment Studies for road and cycling infrastructure projects.
- MiWay began providing roaming customer service representatives.
- The City of Mississauga signed a multi-year agreement with the Ontario Council of University Libraries, providing them with a rich collection of geospatial data resources that can be used for academic and research purposes in universities across Ontario.

DELIVERING VALUE FOR MONEY

- The City received the Government Finance Officers Association (GFOA) Canadian Award for Financial Reporting for the 19th consecutive year.
- The City received the Government Finance Officers Association (GFOA) Distinguished Budget Award for the 27th consecutive year.
- Mississauga Fire Station 119 earned the City's first Leadership in Energy and Environmental Design (LEED) Gold Status certification.
- The City received its 13th consecutive 'AAA' credit rating from Standard & Poor's Rating Services.
- The City was awarded the Mayor's Megawatt Challenge for the greenest City Hall in Canada.
- Meadowvale Community Centre and Library won the 2016 March of Dimes Award of Merit for Barrier-Free Design.
- An Energy Dashboard was introduced in the Civic Centre to make staff aware of day-to-day energy usage and support the City's green initiative.
- The City issued permits for \$1.3 billion in construction value for the second consecutive year.
- The ePlans system for online building permit and site plan approvals was fully implemented – a total of 3,781 online building permit applications processed.
- The City made registering second units easier and less costly with a new by-law, as part of a commitment to increase access to affordable housing.
- Property owners can now view their interim and final property tax bills online through eBill.
- The 2016 spring/summer online registrations for ActiveMississauga.ca surpassed one million dollars in the opening weekend.
- Library self-serve check-out was implemented at all 18 library locations – almost 70 per cent of loaned materials were checked out by customers.
- The City won the Association of Registered Graphic Designers In-house Design Award for the Library's new marketing look.
- The City saved \$1.1 million through a funding partnership with the Region of Peel for a new bridge, completed in summer 2016.
- City Council approved in principle the Creative Industries Strategy that outlines a plan for attracting, developing, retaining and growing the creative industry sector.
- The City received the Smart Commute Gold Workplace Designation for 2016 from Metrolinx.
- The City received the 2015 Technical Innovation Award from the Ontario Public Works Association in association with Amec Foster Wheeler for the Lisgar District Basement Water Infiltration Investigation Project.
- MiWay celebrated 70 per cent ridership growth on the Mississauga Transitway since opening in 2014 and achieved 4.1 per cent in ridership revenue growth in 2016.
- Mississauga City Solicitor Mary Ellen Bench received the 2016 Osgoode Hall Law School Gold Key Award in the Public Sector category.
- The City's Economic Development Office received a Gold Excellence in Economic Development Award for its 2016 Sector Profiles project in the category of Special Purpose Print Brochure from the International Economic Development Council.

MAINTAINING OUR INFRASTRUCTURE



- Mississauga Fire Station 119 officially opened.
- Meadowvale Community Centre and Library officially reopened with updated accessible features and facilities.
- The Civic Centre's garages were upgraded with LED lighting.
- Community park washrooms were added to Dr. Martin L. Dobkin Park and Lisgar Fields Park.
- Solar panel installations were added at Burnhamthorpe Community Centre and Huron Park Community Centre.
- The City partnered with Habitat for Humanity to build two semi-detached homes on vacant property that will result in an affordable place to live for up to eight families.
- The City unveiled its first public outdoor pickleball courts (Mississauga Valley Community Centre) and developed four shared-use lit tennis courts (Port Credit Secondary School).
- The City unveiled its new pollinator garden at Erin Meadows Community Centre with the ScottsGRO1000 Grassroots Garden Grant.
- Union Park officially opened and Malton Village Park reopened.
- Malton Arena and Wildwood Park were officially renamed Paul Coffey Arena and Park.
- The construction of the new Lakefront Promenade Volleyball Courts was completed in time for the 2016 Ontario Summer Games.

- The City unveiled its new outdoor multisport court at Springfield Gardens in partnership with MLSE Foundation, Canadian Tire Jumpstart Charities and Rotary Club of Mississauga West.
- The City in partnership with Peel Aboriginal Network built and programmed a traditional sweat lodge and healing garden at Bradley Museum.
- The City entered into a new long-term partnership with Leash Free Mississauga for the development and operation of Leash Free sites.
- The City partnered with the Greater Toronto Airport Authority (GTAA) to construct an airplane viewing lookout at Danville Park.
- \$2.1 million in federal funding was awarded to the City through the Canada 150 Community Infrastructure Program for 25 capital infrastructure projects to celebrate Canada's 150th anniversary.
- The City was awarded \$50,000 from the federal Enabling Accessibility Fund to upgrade four park playgrounds.
- City Council adopted the Heritage Management Strategy, which identifies 31 recommendations to embed heritage within City operations.
- Eight properties were designated under the Ontario Heritage Act.
- Several arena and pool locations were converted to LED lighting systems.
- 17 hectares (43 acres) of public open spaces were acquired in 2015 and 2016.
- The City completed 12 kilometers of the 18-kilometer Mississauga Transitway with eight stations operational.
- Improvements were made to the City Centre Transit Terminal, including podium deck repairs, concrete bus bays, public washroom refurbishment and retaining wall replacement.
- The City completed the LED Street Lighting Conversion Project – approximately 48,000 luminaires were converted to LED.
- The City installed over 19.3 kilometers of new sidewalks, six kilometers of multi-use trails and one kilometer of on-road cycling facilities.
- The City rehabilitated 67 streets and four bridge structures.
- The City installed 1,200 meters of new noise barriers and seven new traffic signals.
- Along Elm Drive, the City completed the Cooksville Creek trunk stormwater sewer replacement.

ADVANCING ON OUR STRATEGIC VISION

- The City committed to making its facilities more accessible by being the first municipality in Ontario to support Crohn's & Colitis Canada's GoHere app.
- The City marked International Open Data Day on March 5 by co-hosting the first open data idea jam, 'Code and the City', with Sheridan College and University of Toronto Mississauga.
- The City received the 2015 Ontario Employer Designation from the Provincial Partnership Council and helped shape the future of high school students.
- The University of Guelph awarded the City's Environmental Services team the National Co-op Employer of the Year Award for 2015.
- Credit Valley Conservation awarded the City with the 2015 Friends of the Credit Award for the development of the Central Parkway Rain Garden.
- The City launched the Planning Information Hub, which gives residents access to planning data from across the city.
- The City hosted the 2016 Ontario Summer Games in August.
- The City hosted Ontario's first Road to Mental Readiness Training for firefighters in February.
- The City was presented the 2016 Facilitation Impact Silver Award from the International Association of Facilitators for the Mississauga Fire and Emergency Services Mental Health Strategy.
- Mississauga Fire and Emergency Services became the first major fire department to use new self-contained breathing apparatus (SCBA) technology.
- BraeBen became the first golf course in the Greater Toronto Area to offer FlingGolf.
- MiWay was awarded the Public Service Impact and/or Benefits Award from the Marketing Research and Intelligence Association.
- The City's works yards won the 2015 Safe and Sustainable Snowfighting Award in recognition of environmental consciousness and effective management of winter road salt storage.
- Mississauga launched the Stormwater Charge, providing the City with a dedicated source of funding for expanding and rehabilitating the City's stormwater system and infrastructure.
- The City's Stormwater Program received the Canadian Association of Municipal Administrators (CAMA) Environment Award.

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, 2016. This report has been prepared in accordance with the Municipal Act and based on the reporting standards set by the Chartered Professional Accountants (CPA) Canada Public Sector Accounting Board.

This Financial Report communicates to residents, businesses and stakeholders the details of the City's 2016 financial performance, and related information about significant financial policies and processes. The 2016 results continue Mississauga's legacy of strong financial leadership in business planning, financial management and service delivery.

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 and social services. The City of Mississauga's financial statements do not include Regional services.

In 2016 the City delivered services well and economically, guided by the 2016 Business Plan and Budget. City services include transit, roads, fire & emergency services, libraries, recreation centres and more, all detailed in this report. Mississauga also

hosted the 2016 Ontario Summer Games. The year ended with the City in good financial shape.

Transit costs account for nearly one quarter of the City's 2016 operating expenses. MiWay buses provided 39 million rides to people during 2016 while also helping to ease road congestion and minimize vehicle emissions on City roads. Progress on the Transitway advanced with two new stations opening in 2016. MiWay added 31,000 new service hours, bringing its total 2016 hours of service to 1.48 million. In 2016 planning continued with Metrolinx to bring Light Rail Transit (LRT) to Hurontario Street.

For transit and all City work, our determined efforts to reduce costs yielded \$4.7 million in cost savings and new revenue in 2016, allowing the City to keep the 2016 property tax increase moderate without compromising services or service levels. The increase to Mississauga property owners on their total tax bill was 2.5 per cent: of this, 1.6 per cent was the City's portion, and 0.9 per cent went to the Region of Peel and education.

The value of our infrastructure assets in 2016 was approximately \$8.0 billion (net book value). We keep our City vital and resilient by maintaining these assets, managing associated debt responsibly and planning for the future. For these purposes, Mississauga

budgeted and collected a dedicated capital infrastructure and debt repayment levy in 2016 as part of the overall tax levy.

To support Council members as they plan for Mississauga's promising longer-term future, staff presented the City's first comprehensive Long Range Financial Plan in June 2016. The Long Range Financial Plan shows that the City is in a strong financial position to maintain current service levels over the next 10 years. The Plan will evolve over time: future versions of the Plan will address our need to secure additional revenue sources to help meet the City's future growth and challenges.

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 to lessen this challenge, additional revenue sources that are predictable and sustainable are needed for the longer term.

Contributing to the City's longer-term financial well-being is a stormwater charge, which came into effect in 2016. The purpose of this ongoing, dedicated charge is to safeguard Mississaugans' property by both 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. The revenue from the charge (\$40 million in 2016) exclusively funds operating and capital expenses within the City's stormwater management program.

Mississauga's treasured forests and trees are infrastructure assets that bring aesthetic, environmental, and real value to our city. Ash trees account for about 10 per cent of Mississauga's 2.1 million trees. Because ash trees are vulnerable to the highly destructive Emerald Ash Borer, the City is working to manage the impact of this devastating pest. We spent \$5.3 million in 2016 – the fourth year of our planned ten-year Emerald Ash Borer management program. This brings the program's spending to date to \$17.5 million. A total of \$51 million is expected to be spent over the program's planned 10-year life. A dedicated levy also supports this program.

The City of Mississauga uses debt very conservatively. In 2016 the City issued \$37.6 million of debt to help fund capital investments

that safeguard our infrastructure, bringing the City's total debt balance to \$134.4 million at year end. This level of debt is substantially below the debt capacity limits for municipalities specified in provincial regulation.

The City's superior debt management has valuable results. For the thirteenth consecutive year, the City of Mississauga earned an 'AAA' credit rating from Standard & Poor's Ratings Services. Achieving the highest available credit rating allows the City to borrow at a lower cost and to invest in financial instruments that will earn a higher rate of return.

The City counts among its assets a 90 per cent ownership of Enersource Corporation. Enersource co-owns the electricity provider for Mississauga formerly known as Enersource Hydro Mississauga (now known as Alelectra after merging with other municipal electrical utilities on January 31, 2017). In 2016 our Enersource Corporation equity had a value of \$281.0 million, and it contributed \$26.9 million in net income. The City received a \$12.8 million dividend from the investment in Enersource in 2016.

The City of Mississauga is fundamentally committed to delivering the right services well and economically to residents, businesses and institutions. While the City continues to face 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 good value for money. Guided by an inspiring strategic plan and a well-grounded financial plan and budget, we look forward to another year of operational and financial success in 2017.

Jeffrey J. Jackson, MBA, CPA, CA



Director of Finance and Treasurer
April 7, 2017

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

City Business Planning

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

Financial Statement Preparation

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

User Pay Philosophy

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

2016 FINANCIAL YEAR IN REVIEW



2016 CONSOLIDATED FINANCIAL STATEMENT OVERVIEW

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

There are four required 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 2016 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:

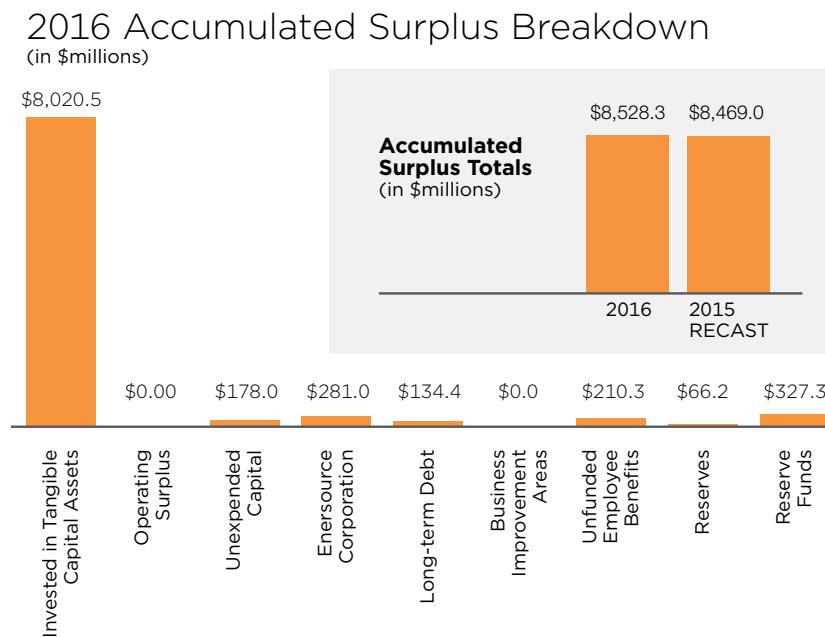
(a) the cash resources of the government; (b) the net financial asset position, calculated as the difference between financial assets and financial liabilities; (c) the non-financial assets that are normally held for service provision such as tangible capital assets; and, (d) the accumulated surplus/deficit (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 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 2016 is \$8.528 billion (2015 \$8.469 billion). The City's 2016 accumulated surplus (Note 10) is comprised of the following balances:

- **Investment in tangible capital assets of \$8.020 billion;**
- **Unexpended capital of \$178.0 million;**
- **Investment in Enersource Corporation of \$281.0 million;**
- **Reserves of \$66.2 million;**
- **Reserve Funds of \$327.3 million;**
- **Unfunded employee benefits and other liabilities of (\$210.3 million); and**
- **Long-term debt of (\$134.4 million).**



The City is a 90 per cent shareholder in Enersource Corporation. Enersource's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). Enersource adopted IFRS beginning in 2011.

The City's 2016 Investment in Enersource Corporation is \$281.0 million (2015 \$267.0 million), an increase of \$14.0 million from the prior year. Refer to breakdown in Note 5. This increase is attributed to the City's \$26.9 million share of Enersource's net income less a \$12.8 million dividend payment received from Enersource in 2016.

Investment in Enersource Corporation
(in \$millions)



Net Financial Assets

In 2016, the City's net financial assets were \$498.5 million (2015 \$491.9 million), an increase of \$6.6 million from the prior year.

Financial Assets

Financial assets in 2016 were \$1.353 billion (2015 \$1.288 billion), an increase of \$65.0 million from the prior year.

Cash, short-term investments, and long-term investments at yearend were \$960.8 million (2015 \$921.8 million), an increase of \$39.0 million.

- The timing of payments at year end impacted the cash/investment and liability positions.

Taxes receivable at yearend were \$36.6 million (2015 \$41.5 million), a decrease of \$4.9 million.

Accounts receivable in 2016 were \$74.1 million (2015 \$55.2 million), an increase of \$18.9 million.

- The increase primarily relates to higher school board receivables for property tax settlements (\$5.3 million) and the 2016 fourth quarter stormwater accrual (\$10.7 million) versus the prior year.
- Other receivable increases and decreases accounted for the net balance of the increase.

Loans and other receivables in 2016 were \$0.6 million (2015 \$2.4 million), a decrease of \$1.8 million.

- The decrease relates to the cancellation of the Heart Hospice development agreement (\$1.8 million).

Inventories for resale in 2016 were \$0.3 million (2015 \$0.3 million).

Investment in Enersource Corporation in 2016 was \$281.0 million (2015 \$267.0 million), an increase of \$14.0 million from the prior year.

Financial Assets Summary

(in \$millions)



Financial Liabilities

Financial liabilities in 2016 were \$854.9 million (2015 \$796.4 million), an increase of \$58.5 million from the prior year.

Accounts Payable liabilities at year-end were \$175.9 million (2015 \$173.5 million), an increase of \$2.4 million representing various liability accounts.

- The timing of payments at year end and yearend accruals impacted the cash/investment and liability positions.

Deferred revenue-general at year-end was \$9.0 million (2015 \$7.7 million), an increase of \$1.3 million.

- The increase was primarily due to general fluctuations in various departmental deferred revenue accounts, with Transit and Recreation being the major portions.

Deferred revenue-obligatory reserve funds at yearend were \$325.3 million (2015 \$306.5 million), an increase of \$18.8 million.

- Development Charge funds in 2016 were \$147.8 million (2015 \$153.8 million), a decrease of \$6.0 million.
- Parkland funds in 2016 were \$65.8 million (2015 \$58.4 million), an increase of \$7.4 million.

- Cash in Lieu of Parking were \$6.2 million (2015 \$0 million), an increase of \$6.2 million.
- Bonus Zoning funds in 2016 were \$1.2 million (2015 \$0.6 million), an increase of \$0.6 million.
- Provincial public transit funds in 2016 were \$11.7 million (2015 \$14.4 million), a decrease of \$2.7 million.
- Federal public transit funds in 2016 were \$1.4 million (2015 \$1.8 million), a decrease of \$0.4 million.
- Provincial gas tax funds in 2016 were \$18.7 million (2015 \$17.9 million), an increase of \$0.8 million.
- Federal gas tax funds in 2016 were \$72.5 million (2015 \$59.5 million), an increase of \$13.0 million.

Employee benefits and other liabilities at yearend were \$210.3 million (2015 \$198.0 million), an increase of \$12.3 million.

- Other liabilities in 2016 were \$40.8 million (2015 \$38.3 million), an increase of \$2.5 million primarily because of insurance assessment changes due to changing insurance legislation and legal assessments.
- Section 14 development charge credit liabilities in 2016 were \$60.0 million (2015 \$59.1 million), an increase of \$0.9 million as a result of the bi-annual indexing.
- Early retirement liabilities at yearend were \$38.0 million (2015 \$37.3 million), an increase of \$0.7 million due to changes in actuarial assessments.
- Post employments liabilities at yearend were \$11.3 million (2015 \$10.1 million), an increase of \$1.2 million due to changes in actuarial assessments.
- WSIB liabilities at yearend were \$23.5 million (2015 \$18.3 million), an increase of \$5.2 million, primarily due to changes in actuarial assessments relating to Fire projected claim increases.
- Sick leave liabilities at yearend were \$12.4 million (2015 \$11.8 million), an increase of \$0.6 million, primarily due to changes in actuarial assessments.
- Vacation pay liabilities at yearend were \$24.1 million (2015 \$22.7 million), an increase of \$1.4 million.
- Other liability assessments accounted for the balance of the change.

Long-term debt at yearend was \$134.4 million (2015 \$110.8 million), an increase of \$23.6 million.

- \$37.6 million of new debt was added in 2016 (2015 \$40.0 million).

Financial Liabilities Summary (in \$millions)



Non-Financial Assets

Non-financial assets in 2016 were \$8.030 billion (2015 \$7.977 billion). Non-financial assets are comprised primarily of tangible capital assets, as well as inventories of supplies, and prepaid expenses.

Consolidated Statement of Operations

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

Revenues

Total revenues in 2016 were \$885.9 million (2015 \$993.1 million), a decrease of \$107.2 million.

Taxation revenues (property taxes and taxation from other governments) in 2016 were \$470.6 million (2015 \$446.6 million), an increase of \$24.0 million.

- The City had an assessment growth of 0.339 per cent in 2016.
- City Council approved the 2016 budget which provided for a 4.9 per cent average property tax rate increase on the City's portion of the total tax bill, which includes 2.0 per cent for the Capital Infrastructure and Debt Repayment Levy. The City's portion equates to a 1.6 per cent increase on the total residential tax bill.

User charges in 2016 were \$245.2 million (2015 \$192.0 million), an increase of \$53.2 million from the prior year.

- Fees and user charge revenues in 2016 were \$92.9 million (2015 \$52.7 million), an increase of \$40.2 million over the prior year.
 - Stormwater net fees in 2016 were \$38.8 million; this was a new charge in 2016 separated from the property tax base.
 - Other departmental miscellaneous user fees accounted for the balance of the increase.
- Transit fares in 2016 were \$77.6 million (2015 \$75.2 million), an increase of \$2.4 million from the prior year.
 - The 4 per cent increase in riders and a fare increase resulted in a revenue increase of \$2.4 million over 2015.
 - Total 2016 revenue riders were 39.02 million versus 2015 totals of 37.46 million.
 - Total 2016 boardings were 55,440,087 (2015 53,252,716).
 - The mix of the fare media can be different every year. For example, Presto migration and the senior fares are some of the factors affecting fare media.
- Golf green fees in 2016 were \$3.1 million (2015 \$2.9 million), an increase of \$0.2 million from the prior year.
- License and permit revenues in 2016 were \$15.0 million (2015 \$15.7 million), a decrease of \$0.7 million over the prior year.
 - Building permit revenues in 2016 were \$9.8 million (2015 \$10.3 million), a decrease of \$0.5 million over the prior year.
 - Other departmental license and fee increases and decreases accounted for the balance of net change.
- Rents and concession fees in 2016 were \$22.8 million (2015 \$22.2 million), an increase of \$0.6 million from the prior year.
- Fine revenues in 2016 were \$20.7 million (2015 \$19.8 million), an increase of \$0.9 million from the prior year.
 - Bylaw and enforcement fines in 2016 were \$10.6 million (2015 \$10.1 million), an increase of \$0.5 million.
 - Provincial offences fines in 2016 were \$10.1 million (2015 \$9.8 million), an increase of \$0.3 million.

Recovery charges in 2016 were \$4.3 million (2015 \$21.1 million), a decrease of \$16.8 million from the prior year.

- Operating related recoveries decreased by \$3.4 million from the prior year.
- Capital project related recoveries decreased by \$13.4 million from the prior year. These recoveries are project specific and will result in variations from year to year.

Funding transfers from other governments in 2016 were \$3.9 million (2015 \$2.4 million), an increase of \$1.5 million from the prior year.

Development and other government contributions applied in 2016 were \$69.1 million (2015 \$228.7 million), a decrease of \$159.6 million from the prior year.

- Development and government contributions applied were less than the prior year due to the timing of cash flow and expenses of related capital projects.
- Unallocated deferred revenues continue to be held in the deferred revenue-obligatory funds. These deferred funds will be matched with future related capital expenditures and brought into revenue at that time.

Investment income in 2016 was \$34.9 million (2015 \$33.1 million), an increase of \$1.8 million.

Penalties and interest earnings from overdue tax accounts in 2016 were \$8.5 million (2015 \$8.8 million), a decrease of \$0.3 million from the prior year.

Contributed Assets in 2016 were \$18.6 million (2015 \$34.3 million), a decrease of \$15.7 million from the prior year.

- Contributed assets include land under roads, land under infrastructure, as well as general infrastructure (storm sewers, roads, pathways, streetlights, etc.) assumed by the City through development agreements.

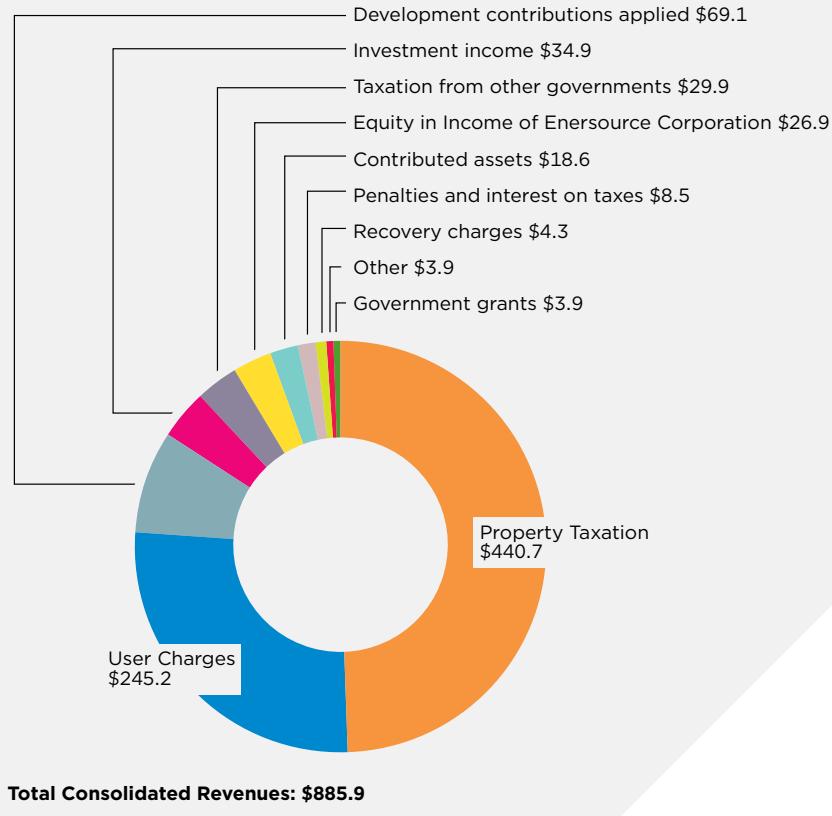
Other revenues in 2016 were \$3.9 million (2015 \$7.9 million), a decrease of \$4.0 million from the prior year.

- The decrease is due to the change in one-time miscellaneous revenues from year to year.

The City's share of Enersource Corporation's net income in 2016 was \$26.9 million (2015 \$18.2 million), an increase of \$8.7 million from the prior year.

- From retained earnings, the City was paid a dividend of \$12.8 million in 2016 (2015 \$14.4 million).

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 2016 were \$826.6 million (2015 \$773.6 million), an increase of \$53.0 million.

Labour costs (salaries, wages and benefits) in 2016 were \$485.7 million (2015 \$459.5 million), an increase of \$26.2 million from the prior year.

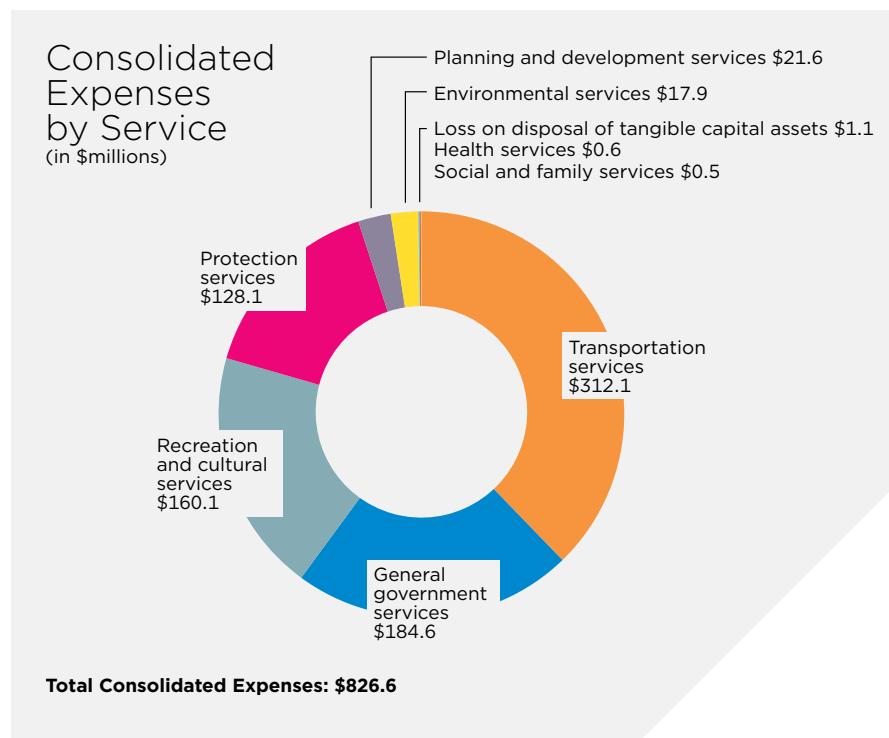
- Salary and wage costs in 2016 were \$388.5 million (2015 \$374.0), an increase of \$14.5 million.
 - Growth in the City's labour force for new and expanded services, labour contract settlements and pay adjustments, and increased benefit costs offset by labour gapping contributed to this increase.
- Fringe benefit costs in 2016 were \$93.2 million (2015 \$89.3 million), an increase of \$3.9 million.
- WSIB related costs in 2016 were \$3.7 million (2015 \$2.7 million), an increase of \$1.0 million.
- Labour related recoveries in 2016 were -\$15.5 million (2015 -\$14.3 million), an increase of -\$1.2 million.
- Other labour related adjustments in 2016 were \$5.2 million (2015 \$3.0 million), an increase of \$2.2 million.
 - This increase was primarily due to Fire collective agreement labour accrual for 2015 and 2016.
- Employee benefits and other liabilities in 2016 were \$9.1 million (2015 \$3.3 million), an increase of \$5.8 million.
 - These expenses are based on the changes in employee benefits and other liabilities in the Consolidated Statement of Financial Position resulting from the change in actuarial assessment, assumptions, and estimates from the previous year.
- These are accrual-based expenses which are not included in the City's annual budget but included in the financial statement presentation.
- Labour operating expenses transferred from capital projects in 2016 were \$1.5 million (2015 \$1.4 million), an increase of \$0.1 million.

Long-term debt interest and fees in 2016 were \$2.8 million (2015 \$2.1 million), an increase of \$0.7 million.

Materials and supplies in 2016 were \$55.2 million (2015 \$51.5 million), an increase of \$3.7 million from the prior year.

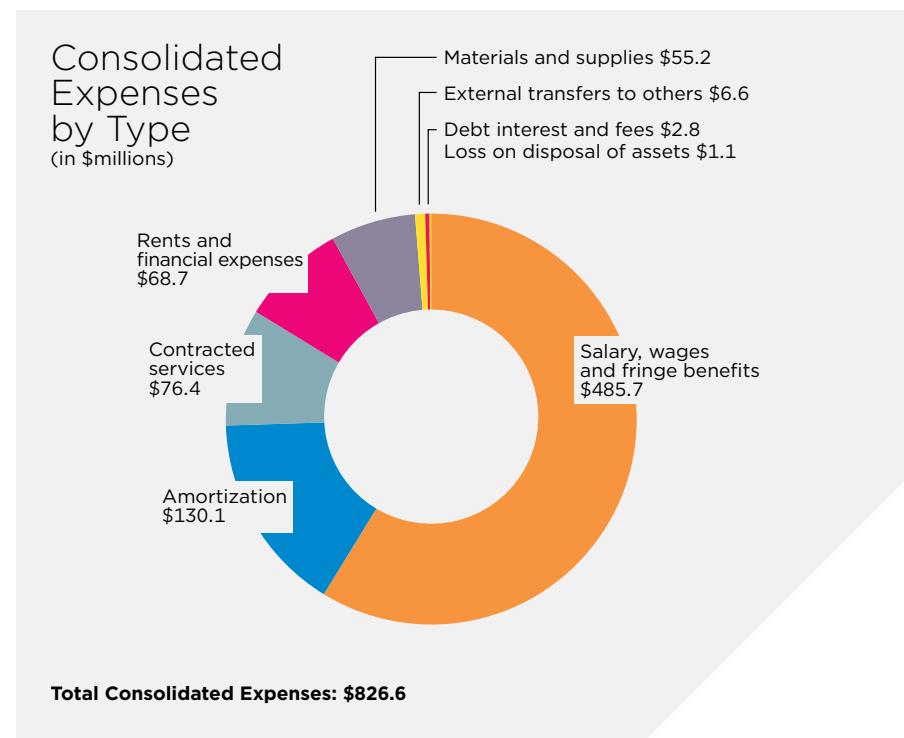
- Transportation related costs in 2016 were \$28.1 million (2015 \$28.0 million), an increase of \$0.1 million from the prior year.
 - Diesel fuel accounted for a \$1.7 million decrease in 2016.
 - Vehicle maintenance increased by \$1.2 million which offset the overall decrease.
 - Other transportation related cost increases accounted for the balance of the net change.
- Materials and supplies operating expenses in 2016 were \$21.1 million (2015 \$18.2 million), an increase of \$2.9 million from the prior year.

- Windrow salt spreading in 2016 was \$5.3 million (2015 \$2.9 million), an increase of \$2.4 million from the prior year.
- General citywide departmental operating materials and supplies expenses accounted for the balance of the increase.
- Materials and supplies operating expenses transferred from capital projects in 2016 were -\$3.5 million (2015 \$1.4 million), a decrease of \$4.9 million from the prior year. The decrease in expenses represents the capitalization of library books paid by the operating budget.
- Transportation costs transferred from capital projects in 2016 were \$5.9 million (2015 \$0.0 million), an increase of \$5.9 million from the prior year. These expenses represent capital project expenses that could not be capitalized.
- Other citywide materials and supplies cost increases offset the overall increase.



Contracted services in 2016 were \$76.4 million (2015 \$67.2 million), an increase of \$9.2 million from the prior year.

- Contracted services in 2016 were \$53.4 million (2015 \$49.2 million), an increase of \$4.2 million from the prior year.
 - Contracted services for standby winter control in 2016 were \$1.0 million higher than the previous year due to increased snowfall and events.
 - General maintenance contracts in 2016 were \$2.1 million higher than the previous year.
 - Other citywide contracted services increases and decreases account for the balance of this net change.
- Contracted service operating expenses transferred from capital projects in 2016 were \$23.0 million (2015 \$18.0 million), an increase of \$5.0 million. These expenses represent capital project expenses that could not be capitalized or were recoverable from a 3rd party agreement.





Rents and financial expenses in 2016 were \$68.7 million (2015 \$61.9 million), an increase of \$6.8 million from the prior year.

- Insurance related expenses in 2016 were \$6.3 million (2015 \$8.2 million), a decrease of \$1.9 million from the prior year.
 - Decrease was primarily due to a decrease in claim settlements in 2016.
- Property tax adjustments in 2016 were \$6.3 million (2015 \$4.2 million), an increase of \$2.1 million.
- Other actuarial liability assessments were \$3.2 million in 2016 (2015 -\$4.1 million), representing an increase of \$7.3 million.
- Other citywide financial expense increases and decreases accounted for the balance of the net change.

External transfers to others in 2016 were \$6.6 million (2015 \$5.8 million), an increase of \$0.8 million from the prior year.

Loss on disposal of assets in 2016 was \$1.1 million (2015 \$0.5 million), an increase of \$0.6 million.

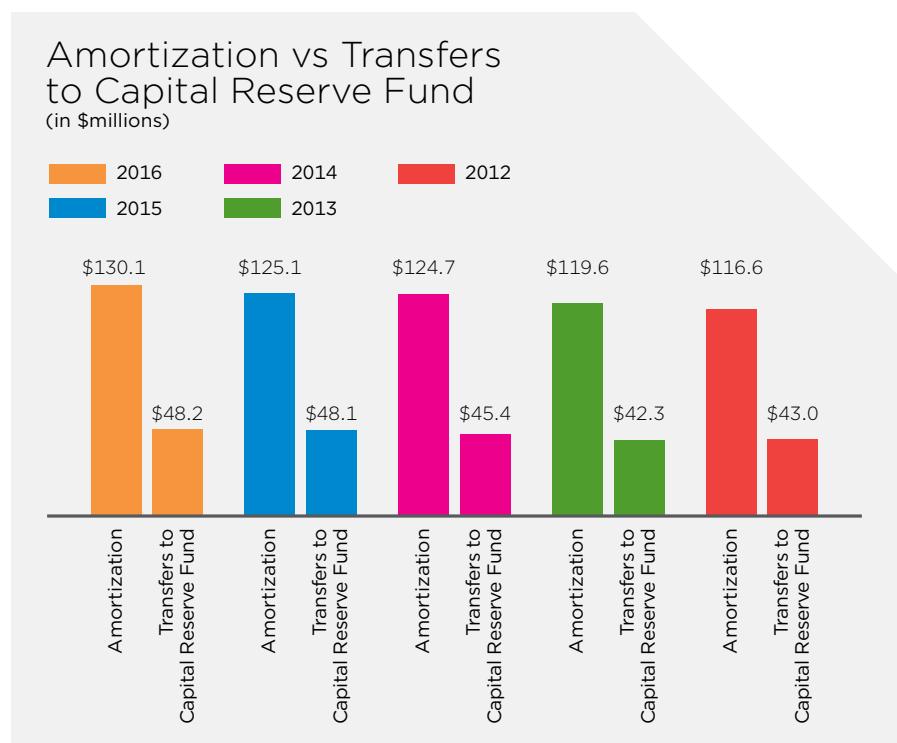
Amortization of tangible capital assets in 2016 was \$130.1 million (2015 \$125.1 million), an increase of \$5.0 million from the prior year.

Consolidated Statement of Change in Net Financial Assets

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

Consolidated Statement of Cash Flows

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



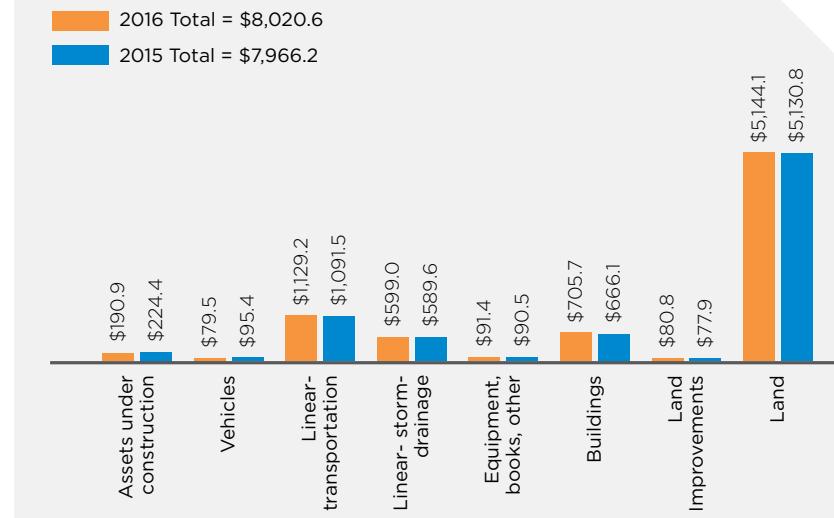
Tangible Capital Assets Overview

All City assets as at the end of 2016 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 2016 was \$8.0 billion (2015 \$8.0 billion). Refer to Note #9 in the financial statements for a detailed breakdown of tangible capital asset activity.

Annual amortization expense in 2016 was \$130.1 million (2015 \$125.1 million).

Tangible Capital Assets Net Book Value by Asset Category (in \$millions)

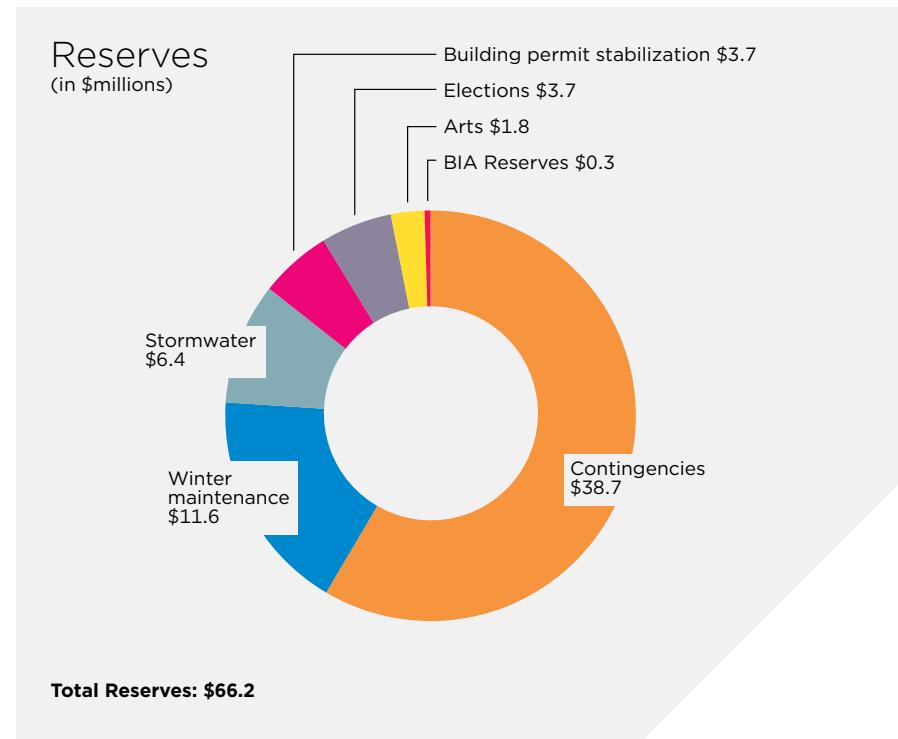


Reserves and Reserve Funds Overview

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 #10 in the financial statements for more Reserve and Reserve Fund information.

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

Reserves and Reserve Fund balances at the end of 2016 totalled \$393.5 million (2015 \$354.2 million), an increase of \$39.3 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 2016 were \$66.2 million (2015 \$62.1 million), an increase of \$4.1 million.

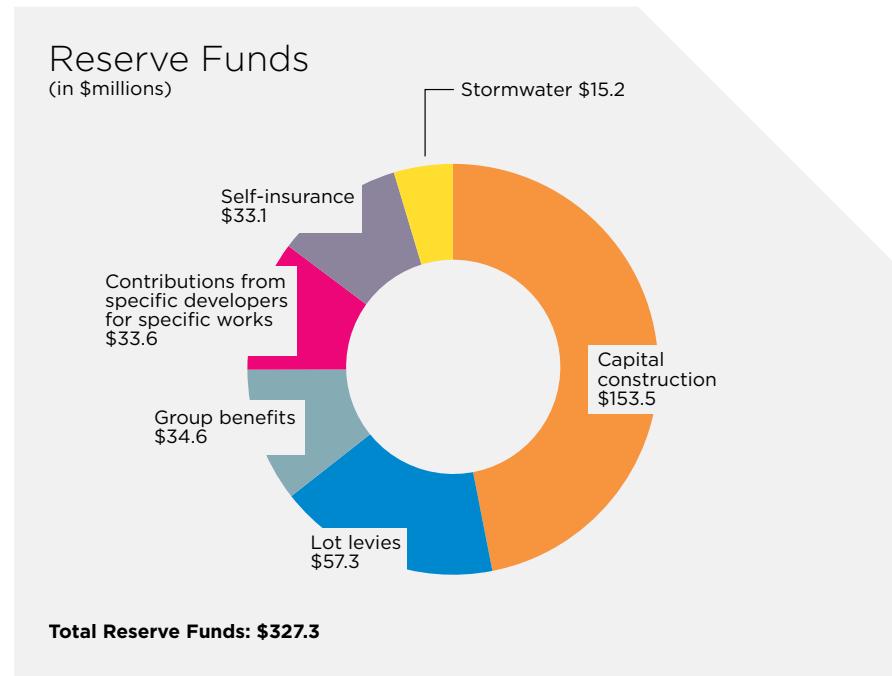
Reserve Funds

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

Total Reserve Funds in 2016 were \$327.3 million (2015 \$292.1 million), an increase of \$35.2 million from the prior year.

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

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



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, 2016.

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**

Financial Statements of CITY OF MISSISSAUGA (CONSOLIDATED)

Year Ended
December 31, 2016



INDEPENDENT AUDITORS' REPORT



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

We have audited the accompanying consolidated financial statements of **The Corporation of the City of Mississauga**, which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement

of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the City of Mississauga as at December 31, 2016, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "KPMG LLP" above a horizontal line.

Chartered Professional Accountants, Licensed Public Accountants
April 7, 2017
Vaughan, Canada

CITY OF MISSISSAUGA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended December 31, 2016 with comparatives for 2015 (All dollar amounts are in \$000)

FINANCIAL ASSETS	2016 \$	2015 \$
Cash	103,804	37,983
Taxes receivable (Note 2)	36,611	41,532
Accounts receivable (Note 2)	74,129	55,195
Loans and other receivables (Note 3)	600	2,439
Inventories for resale	284	315
Investments (Note 4)	856,942	883,868
Investment in Enersource Corporation (Note 5)	281,012	266,959
Total Financial Assets	1,353,382	1,288,291
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	175,912	173,490
Deferred revenue-general	9,013	7,663
Deferred revenue-obligatory reserve funds (Note 6)	325,295	306,507
Employee benefits and other liabilities (Note 7)	210,256	197,982
Long-term debt (Note 8)	134,447	110,785
Total Financial Liabilities	854,923	796,427
Net Financial Assets	498,459	491,864
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	8,020,550	7,966,189
Inventories of supplies	6,901	7,958
Prepaid expenses	2,391	2,997
Total Non-Financial Assets	8,029,842	7,977,144
Accumulated Surplus (Note 10)	8,528,301	8,469,008

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, 2016 with comparatives for 2015 (All dollar amounts are in \$000)

REVENUES	BUDGET 2016 \$ (NOTE 17)	ACTUAL 2016 \$	ACTUAL 2015 \$
Taxation (Note 11)	469,003	470,641	446,625
User charges	221,400	245,182	191,970
Recoveries from third parties	25,405	4,337	21,098
Funding transfers from other governments (Note 18)	2,683	3,887	2,458
Development and other contributions applied	—	69,138	228,687
Investment income	26,421	34,903	33,082
Penalties and interest on taxes	8,120	8,444	8,848
Contributed assets	—	18,595	34,266
Other	4,548	3,909	7,852
Equity in income of Enersource Corporation (Note 5)	—	26,855	18,226
Total Revenues	757,580	885,891	993,112
EXPENSES			
General government services	147,787	184,630	164,177
Protection services	128,505	128,120	122,648
Transportation services	317,943	312,144	297,646
Environmental services	19,463	17,890	14,601
Health services	581	587	549
Social and family services	542	479	478
Recreation and cultural services	159,220	160,113	151,861
Planning and development services	22,209	21,561	21,095
Loss on disposal of tangible capital assets	—	1,074	505
Total Expenses	796,250	826,598	773,560
Annual Surplus/(Deficit)	(38,670)	59,293	219,552
Accumulated surplus, beginning of year	8,469,008	8,469,008	8,249,456
Accumulated Surplus, end of year (Note 10)	8,430,338	8,528,301	8,469,008

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, 2016 with comparatives for 2015 (All dollar amounts are in \$000)

	BUDGET 2016 \$ (NOTE 17)	ACTUAL 2016 \$	ACTUAL 2015 \$
Annual Surplus/(Deficit)	(38,670)	59,293	219,552
Acquisition of tangible capital assets	—	(292,528)	(242,823)
Amortization	131,673	130,113	125,144
Loss on disposal of tangible capital assets (Note 9)	—	1,074	505
Transfer of assets under construction	—	106,980	15,184
	93,003	4,932	117,562
Acquisition of inventory of supplies	—	(6,901)	(7,958)
Acquisition of prepaid expenses	—	(2,391)	(2,997)
Consumption of inventory of supplies	—	7,958	6,770
Use of prepaid expenses	—	2,997	2,978
Change in Net Financial Assets	93,003	6,595	116,355
Net Financial Assets, beginning of year	491,864	491,864	375,509
Net Financial Assets, end of year	584,867	498,459	491,864

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, 2016 with comparatives for 2015 (All dollar amounts are in \$000)

	2016 \$	2015 \$
Cash Provided By (Used In): Operating Activities		
Annual surplus/(deficit)	59,293	219,552
Items Not Involving Cash		
Amortization of tangible capital assets	130,113	125,144
Loss on disposal of tangible capital assets	1,074	505
Contributed assets	(18,595)	(34,266)
Change in employee benefits and other liabilities	12,274	(709)
Equity in income of Enersource Corporation	(26,855)	(18,226)
Change in Non-Cash Assets and Liabilities		
Accounts receivable	(18,934)	21,782
Taxes receivable	4,921	(1,213)
Accounts payable and accrued liabilities	2,422	(10,493)
Deferred revenue-general	1,350	712
Deferred revenue-obligatory reserve funds	18,788	(152,107)
Inventories for resale	31	115
Inventories of supplies	1,057	(1,188)
Prepaid expenses	606	(19)
Net Change in Cash from Operating Activities	167,545	149,589

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, 2016 with comparatives for 2015 (All dollar amounts are in \$000)

CAPITAL ACTIVITIES	2016 \$	2015 \$
Tangible capital asset additions	(273,933)	(208,557)
Transfer of assets under construction	106,980	15,184
Net Change in Cash from Capital Activities	(166,953)	(193,373)
INVESTING ACTIVITIES		
(Increase) decrease in investments	26,926	(36,039)
Decrease in loans and other receivables	1,839	50
Dividends from Enersource Corporation	12,802	14,425
Net Change in Cash from Investing Activities	41,567	(21,564)
FINANCING ACTIVITIES		
Issuance of long-term debt	37,584	40,000
Repayment of long-term debt	(13,922)	(10,022)
Net Change in Cash from Financing Activities	23,662	29,978
Net Change in Cash	65,821	(35,370)
Cash, beginning of year	37,983	73,353
Cash, end of year	103,804	37,983

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

These entities and organizations include:

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

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

(ii) Investment in a Government Business Enterprise

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

(iii) Accounting for Region and School Board transactions

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

(iv) Trust funds

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

b) Basis of accounting

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

c) Government 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 are recorded at the time tax billings are issued. 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) 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.

f) 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.

g) Cash and cash equivalents

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

h) 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.

i) 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.

j) 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.

k) Contaminated sites

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

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

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

l) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

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

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

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

(ii) Contributions of tangible capital assets

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

(iii) Works of art and cultural and historic assets

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

(iv) Interest capitalization

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

(v) Leased tangible capital assets

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

(vi) Inventories of supplies

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

m) 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.

n) Adoption of budgets

The 2016 operating and capital budgets, as approved by Council, were adopted by the City at the December 09, 2015 meeting.

o) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2016, 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 3210, Assets, provides a definition of assets and further expands that definition as it relates to control. The standard also includes some disclosure requirements related to economic resources that are not recorded as assets to provide the user with better information about the types of resources available to the public sector entity. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year-end).
- (ii) PS 3320, Contingent Assets, defines contingent assets and outlines two basic characteristics of contingent assets: (a) an existing condition or situation that is unresolved at the financial statement date, (b) an expected future event that will resolve the uncertainty as to whether an asset exists. The standard also has specific disclosure requirements for contingent assets when the occurrence of the confirming event is likely. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year-end).
- (iii) PS 3380, Contractual Rights, defines contractual rights to future assets and revenue. The standard requires that a public sector entity's contractual rights to certain types of revenue for a considerable period into the future or revenues that are abnormal in relation to the financial position or usual business operations should be disclosed in notes or schedules to the financial statements and should include descriptions about their nature and extent and timing. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year-end).
- (iv) PS 2200, Related Party Disclosures, establishes related party disclosure requirements and defines related parties. This standard also specifies the information required to be disclosed including the type of transactions, amounts classified by financial statement category, the basis of measurement, and the amounts of any outstanding items, any contractual obligations and any contingent liabilities. The standard also requires disclosure of related party

transactions that have occurred where no amounts have been recognized. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year-end).

(v) PS 3430, Restructuring Transactions, requires that assets and liabilities in restructuring transactions to 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).

(vi) PS 3420, Inter-Entity Transactions, relates to the measurement of related party transactions and includes a decision tree to support the standard. Transactions are recorded at carrying amounts other than certain exceptions. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year-end).

(vii) 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.

(viii) 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 recently been deferred and is now effective for fiscal periods beginning on or after April 1, 2019 (the City's December 31, 2020 year-end).

(ix) 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, 2019 (the City's December 31, 2020 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 \$143 (2015 \$0). Accounts receivable are reported net of a valuation allowance of \$358 (2015 \$359).

3. Loans and other receivables

In December 2013, Heart House Hospice entered into a five-year lease agreement with the City in exchange for two acres of City parkland for the construction of a new hospice facility. In 2016, the lease arrangement was cancelled. Pursuant to the terms of the original lease agreement and related amendment, Heart House Hospice transferred the responsibility and ownership of the two acres of City parkland back to the City. The outstanding balance of the loan totalled \$2,455 immediately before the loan was cancelled. The City recorded the parkland as tangible capital assets based on the fair market value \$2,800 including costs incurred directly attributable to the ownership transfer and recognized a gain of \$345. The outstanding balance included in loans and other receivables as at December 31, 2016 is \$0 (2015 \$1,789).

4. Investments

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

	COST \$	MARKET VALUE \$
2016		
Bank deposit notes and finance paper	142,940	143,764
Government and government guaranteed bonds	623,525	643,203
Municipal bonds	90,477	95,379
Net Change in Cash from Capital Activities	856,942	882,346
2015		
Bank deposit notes and finance paper	185,240	186,161
Government and government guaranteed bonds	572,582	605,554
Municipal bonds	126,046	133,766
Net Change in Cash from Capital Activities	883,868	925,481

5. Investment in Enersource Corporation

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

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

The following table provides condensed financial information for Enersource Corporation for its 2016 fiscal year, together with comparative figures for 2015:

	2016 \$	2015 \$
Assets: Current	219,915	179,568
Capital	645,575	606,876
Other	56,131	69,648
Total Assets	921,621	856,092
Liabilities: Current	259,214	152,808
Non-current liabilities	350,171	406,663
Total Liabilities	609,385	559,471
Shareholders' Equity: Share capital	175,691	175,691
Accumulated other comprehensive income	1,118	442
Retained earnings	135,427	120,488
Total Shareholders' Equity	312,236	296,621
Total Liabilities and Shareholders' Equity	921,621	856,092
<i>Results of Operations and Non-Operations:</i>		
Revenues	1,118,078	1,015,311
Expenses (including income tax provision)	1,088,239	995,060
Net Income	29,839	20,251
City's Share of Net Income	26,855	18,226

5. Investment in Enersource Corporation Continued

During the year, the City received a dividend of \$12,802 (2015 \$14,425) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in the following table for its 2016 fiscal year together with comparative figures for 2015.

INVESTMENT IN ENERSOURCE CORPORATION	2016 \$	2015 \$
Opening Balance, Beginning of Year	266,959	263,158
Equity in income of Enersource Corporation	26,855	18,226
City's share of dividend	(12,802)	(14,425)
Closing Balance, End of Year	281,012	266,959

6. Deferred Revenue-Obligatory Reserve Funds

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

	2016 \$	2015 \$
Development charges (plus unspent capital)	147,764	153,768
Parkland	65,842	58,397
CIL Parking	6,143	—
Bonus zoning	1,175	646
Provincial public transit funds	11,703	14,433
Federal public transit funds	1,426	1,844
Provincial gasoline tax	18,730	17,941
Federal gasoline tax	72,512	59,478
Total Deferred Revenue-Obligatory Reserve Funds	325,295	306,507

Deferred Revenue-Obligatory Reserve Funds Continuity Schedule

SOURCE	OPENING BALANCE \$	RECEIVED \$	RECOGNIZED AS REVENUE \$	TRANSFERS \$	CLOSING BALANCE \$
Development charges (plus unspent capital)	153,768	38,045	150	43,899	147,764
Parkland	58,397	9,231	—	1,786	65,842
CIL Parking	—	6,716	—	573	6,143
Bonus zoning	646	529	—	—	1,175
Provincial public transit funds	14,433	545	—	3,275	11,703
Federal public transit funds	1,844	67	—	485	1,426
Provincial gasoline tax	17,941	16,881	16,092	—	18,730
Federal gasoline tax	59,478	40,886	—	27,852	72,512
Total	306,507	112,900	16,242	77,870	325,295

7. Employee Benefits and Other Liabilities

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

	2016 \$	2015 \$
WSIB	23,465	18,273
Sick leave benefits	12,384	11,827
Early retirement benefits	37,971	37,283
Post-employment benefits	11,284	10,075
Vacation pay	24,106	22,694
Developer charges credits	59,982	59,138
Contaminated site liability	275	380
Other liabilities	40,789	38,312
Total	210,256	197,982

The City has established reserve funds of \$126,733 (2015 \$124,918) 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:

SOURCE	WSIB \$	SICK LEAVE \$	EARLY RETIREMENT \$	POST EMPLOYMENT \$	2016 TOTAL \$	2015 TOTAL \$
Accrued Benefit Liability, Beginning of Year	18,273	11,827	37,283	10,075	77,458	74,646
Service cost	6,552	1,097	1,487	1,798	10,934	6,363
Interest cost	1,017	758	1,489	434	3,698	3,468
Amortization of actuarial (gain)/loss	40	589	(632)	84	81	(24)
Benefit payments	(2,621)	(1,887)	(1,656)	(1,107)	(7,271)	(6,995)
Increase due to plan amendment	204	-	-	-	204	-
Actuarial valuation update, end of year	23,465	12,384	37,971	11,284	85,104	77,458
Unamortized actuarial (gain)/loss	2,111	8,698	(3,598)	(4,532)	2,679	1,279
Actuarial valuation update, end of year	25,576	21,082	34,373	6,752	87,783	78,737
Expected average remaining service life	12 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:

SOURCE	WSIB	SICK LEAVE	POST EMPLOYMENT	EARLY RETIREMENT
Expected inflation rate	1.75%	1.75%	1.75%	1.75%
Expected level of salary increases	n/a	2.75%	2.75%	2.75%
Interest discount rate	4.00%	4.00%	3.50%	4.00%
Expected health care increases	4.75%	n/a	5.00%	4.75%

e) Developer charge credits are liabilities and obligations that arise through the Development Charges Act. For the year ended December 31, 2016, the developer charge credit liability is \$59,982 (2015 \$59,138).

f) Other pension plans:

The City makes contributions to OMERS, a multi-employer plan, on behalf of 4,665 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 \$54,900 and at a rate of 14.6 per cent for earnings greater than the annual maximum pensionable earnings.

Contributions for employees with a normal retirement age of 60 (firefighters) are being made at a rate of 9.2 per cent up to the annual maximum pensionable earnings of \$54,900 at a rate of 15.8 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2016 was \$36,944 (2015 \$38,540) for current service and is included as an expense on the consolidated statement of operations. Employees' contributions to OMERS in 2016 totalled \$37,063 (2015 \$38,626).

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 2016 dropped to \$5.7 billion (2015 \$7.0 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 2017 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.

8. Long-term Debt

The long-term debt reported on the consolidated statement of financial position of \$134,447 was issued by the Region. Of the debt issued in 2013, \$32,900 is outstanding; of the debt issued in 2014, \$27,963 is outstanding; of the debt issued in 2015, \$36,000 is outstanding; all of the debt issued in 2016, \$37,584 is outstanding as at December 31, 2016.

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; and principal payments on the 2016 debt are payable on June 1st.

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 0.95 to 3.30 per cent.

Principal payments are repayable annually as follows:

	TOTAL \$
2017	17,405
2018	16,321
2019	16,121
2020	15,700
2021	16,100
Thereafter	52,800
Total	134,447

Interest expense and fees of \$2,751 (2015 \$2,042) are reported in the consolidated statement of operations.



9. Tangible Capital Assets

a) Assets under construction

Assets under construction having a value of \$190,940 (2015 \$224,416) 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 \$18,595 (2015 \$34,266) comprised of infrastructure in the amount of \$10,075 (2015 \$0) and land in the amount of \$8,520 (2015 \$34,266).

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 (2015 \$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 \$52,211 (2015 \$11,361) (land \$585; buildings \$4,667; land improvements \$1,018; equipment, books and other \$31,644; linear transportation \$129; and vehicles \$14,168) less the accumulated amortization of \$51,137 (2015 \$10,856) results in a loss on disposal of \$1,074 (2015 \$505).

2016 Tangible Capital Assets For the Year ended December 31, 2016. (All dollar amounts are in \$000)

COST	DECEMBER 31, 2015 \$	ADDITIONS \$	DISPOSALS \$	DECEMBER 31, 2016 \$
Land	5,130,795	13,841	585	5,144,051
Land improvements	168,047	9,489	1,018	176,518
Buildings	994,181	67,523	4,667	1,057,037
Equipment, books and other	257,758	20,199	31,644	246,313
Linear - storm drainage	806,327	19,918	-	826,245
Linear - transportation	1,933,659	84,383	129	2,017,913
Vehicles	278,368	3,671	14,168	267,871
Assets under construction	224,416	73,504	106,980	190,940
Total	9,793,551	292,528	159,191	9,926,888
ACCUMULATED AMORTIZATION	DECEMBER 31, 2015 \$	AMORTIZATION EXPENSE \$	DISPOSALS \$	DECEMBER 31, 2016 \$
Land	-	-	-	-
Land improvements	90,163	6,613	1,013	95,763
Buildings	328,081	27,490	4,275	351,296
Equipment, books and other	167,277	19,325	31,644	154,958
Linear - storm drainage	216,703	10,493	-	227,196
Linear - transportation	842,178	46,685	129	888,734
Vehicles	182,960	19,507	14,076	188,391
Assets under construction	-	-	-	-
Total	1,827,362	130,113	51,137	1,906,338
NET BOOK VALUE	DECEMBER 31, 2015 \$			DECEMBER 31, 2016 \$
Land	5,130,795			5,144,051
Land improvements	77,884			80,755
Buildings	666,100			705,741
Equipment, books and other	90,481			91,355
Linear - storm drainage	589,624			599,049
Linear - transportation	1,091,481			1,129,179
Vehicles	95,408			79,480
Assets under construction	224,416			190,940
Total	7,966,189			8,020,550

10. Accumulated surplus

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

SURPLUS	2016 \$	2015 \$
Invested in tangible capital assets	8,020,334	7,965,978
Business Improvement Area tangible capital assets	216	211
Total Invested in Tangible Capital Assets	8,020,550	7,966,189
Unexpended capital	177,975	190,431
Long-term debt	(134,447)	(110,785)
Enersource Corporation	281,012	266,959
Unfunded employee benefits	(210,256)	(197,982)
Total Surplus	8,134,834	8,114,812



RESERVES SET ASIDE BY COUNCIL	2016 \$	2015 \$
Development revenue	-	2,280
Assessment appeals	-	4,688
Vacation pay	-	5,820
Contingencies	38,692	12,325
Labour settlements	-	6,466
Planning process update	-	795
Building permit revenue stabilization	3,730	2,774
Legal settlements	-	1,740
Winter maintenance	11,613	11,613
Elections	3,720	1,470
Commitments	-	113
Early retirement benefits	-	500
Arts	1,752	1,324
Bus shelter advertising	-	342
Stormwater	6,345	-
BIA Reserves	305	281
Utilities	-	9,546
Total Reserves	66,157	62,077

RESERVE FUNDS SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL

Lot levies	57,262	60,756
Contributions from specific developers for specific works	33,586	72,308
Vehicle and equipment replacement	-	3,596
Capital construction	153,554	95,636
Self-insurance	33,134	30,175
Group benefits	34,597	29,648
Stormwater	15,177	-
Total Reserve Funds	327,310	292,119
Total Accumulated Surplus	8,528,301	8,469,008

11. 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:

	2016 \$	2015 \$
Municipal, region and school property taxes	1,565,567	1,518,191
Payments in lieu of property taxes	29,921	28,768
Net Property Taxes	1,595,488	1,546,959
Payments to Region and school boards	(1,124,847)	(1,100,334)
Net Property Taxes and Payments in Lieu Available for Municipal Purposes	470,641	446,625

12. Trust funds

Trust funds administered by the City amounting to \$731 (2015 \$664) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

13. Contingent liabilities

As at December 31, 2016, the City has been named as defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed the likelihood of exposure as being more likely than not and is able to reasonably assess the exposure, an amount is provided for in these consolidated financial statements.

14. Segmented information

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional areas in the body of the consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) General Government Services

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

b) Protection Services

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

c) Transportation Services

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

d) Environmental Services

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

e) Health Services

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

f) Social and Family Services

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

g) Recreation and Cultural Services

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

h) Planning and Development Services

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

The segmented information was provided in accordance with the financial reporting guidelines established by 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. (All dollar amounts are in \$000)

	2016									2016 Total \$	2015 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	469,375	-	-	-	-	-	-	1,266	-	470,641	446,625
User charges	4,931	26,669	116,447	39,714	191	181	51,928	5,121	-	245,182	191,970
Recoveries from third parties	41	-	1,147	2,114	-	-	1,035	-	-	4,337	21,098
Funding transfers from other governments	413	-	80	-	-	53	3,216	125	-	3,887	2,458
Development and other contributions applied	-	-	-	-	-	-	-	-	69,138	69,138	228,687
Investment income	14,473	-	-	-	19	-	16	-	20,395	34,903	33,082
Penalties and interest on taxes	8,444	-	-	-	-	-	-	-	-	8,444	8,848
Contributed assets	-	-	-	-	-	-	-	-	18,595	18,595	34,266
Other	2,062	180	1,689	59	-	43	1,389	6	(1,519)	3,909	7,852
Equity in income of Enersource Corporation	-	-	-	-	-	-	-	-	26,855	26,855	18,226
Total Revenues	499,739	26,849	119,363	41,887	210	277	57,584	6,518	133,464	885,891	993,112
EXPENSES											
Salaries, wages and employee benefits	102,931	116,660	160,770	4,325	484	317	84,885	15,325	-	485,697	459,483
Long-term debt interest	2,610	-	-	141	-	-	-	-	-	2,751	2,077
Materials and supplies	4,560	3,036	33,570	353	54	55	13,010	592	-	55,230	51,528
Contracted services	27,732	1,452	32,568	2,364	46	4	9,963	2,255	-	76,384	67,200
Rents and financial expenses	29,790	2,829	15,512	222	3	2	19,740	630	-	68,728	61,860
External transfers to others	858	-	-	-	-	19	3,185	2,559	-	6,621	5,763
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	1,074	1,074	505
Amortization	16,149	4,143	69,724	10,485	-	82	29,330	200	-	130,113	125,144
Total Expenses	184,630	128,120	312,144	17,890	587	479	160,113	21,561	1,074	826,598	773,560
Annual Surplus (Deficit)	315,109	(101,271)	(192,781)	23,997	(377)	(202)	(102,529)	(15,043)	132,390	59,293	219,552

15. Expenses by Object

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

	BUDGET 2016 \$	ACTUAL 2016 \$	ACTUAL 2015 \$
Salaries, wages and employee benefits	477,520	485,697	459,483
Long-term debt interest and fees	4,119	2,751	2,077
Materials and supplies	56,293	55,230	51,528
Contracted services	53,863	76,384	67,200
Rents and financial expenses	66,326	68,728	61,860
External transfers to others	6,456	6,621	5,763
Loss on disposal of tangible capital assets	-	1,074	505
Amortization	131,673	130,113	125,144
Total	796,250	826,598	773,560

16. Provincial Offences Administration

The Ministry of the Attorney General in the Province of Ontario requires all municipal partners administering Provincial Offences Administration to disclose the year-end audited financial statements of the gross and net provincial offence revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding for the City's 2016 fiscal year with comparative figures for 2015:

REVENUES	2016 \$	2015 \$
Gross revenues	10,486	10,098
Less refunds	109	82
Net Revenues	10,377	10,016
EXPENSES		
Provincial charges	967	668
City's operating expenses	3,720	3,495
Total Expenses	4,687	4,163
Net Revenue	5,690	5,853
Net Contribution	5,690	5,853

17. Budget Data

Budget data presented in these consolidated financial statements are based upon the 2016 operating and capital budgets as approved by Council and adopted by the City on December 09, 2015. 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	755,626
Adjustments: Budget adjustments	(1,259)
Contributions from reserve funds	(27,113)
Budget accrual	7,254
BIAs	1,804
BIAs contributions from reserve funds	(116)
City budgeted levy for BIAs	(1,226)
Enersource dividend	(12,750)
Adjusted Operating Budget	722,220
Approved Capital Budget	233,378
Adjustments for transfers from reserve funds	(172,999)
Adjustments for debt proceeds	(36,937)
Adjusted Capital Budget	23,442
Reserve funds interest and other revenue	11,918
Total Revenue	757,580
 EXPENSES	
Approved Operating Budget	755,626
Adjustments: Budget adjustments	(1,259)
BIA transfers to own	(23)
Transfers to own	(76,423)
BIA budgeted expenses	1,804
BIA budget on City's books	(1,226)
Amortization	131,673
Debt principal repayments	(13,922)
Adjusted Operating Budget	796,250

	BUDGET AMOUNT \$
Approved Capital Budget	214,991
Adjustments: Eliminate capital expense budget	(214,991)
Adjusted Capital Budget	-
Total Expenses	796,250
Annual Deficit	(38,670)

18. Funding Transfers from Other Governments

	2016 \$	2015 \$
General government services	413	184
Protection services	-	-
Transportation services	80	-
Environmental services	-	-
Health services	-	-
Social and family services	53	54
Recreation and cultural services	3,216	2,193
Planning and development services	125	27
Total Funding	3,887	2,458

19. 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:

	\$
2017	3,220
2018	1,860
2019	1,213
2020	702
2021	741
Total	7,736

20. Comparative figures

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

21. Subsequent Event

On February 1, 2017, through a series of transactions, Enersource Corporation became owner of 31 per cent of Alectra Inc. (“Alectra”), an entity created through the merger of certain hydro holding companies. The transactions included Enersource Corporation exchanging all of its ownership in its operating companies for this ownership in the newly-created merged entity of Alectra.

Included in these transactions and as of the same date, the City entered into an arrangement to provide \$70M of loan guarantees to Enersource Corporation.



**Financial Statements of
CITY OF MISSISSAUGA
TRUST FUNDS**

Year Ended
December 31, 2016



INDEPENDENT AUDITORS' REPORT



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

We have audited the accompanying financial statements of the **trust funds** of The Corporation of the City of Mississauga, which comprise the statement of financial position as at December 31, 2016, the statement of operations for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the City of Mississauga as at December 31, 2016, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "KPMG LLP" above a horizontal line.

Chartered Professional Accountants, Licensed Public Accountants
April 7, 2017
Vaughan, Canada

CITY OF MISSISSAUGA TRUST FUNDS STATEMENT OF FINANCIAL POSITION

for the year ended December 31, 2016 with comparatives for 2015 (All dollar amounts are in \$000)

		2016		2015
		Perpetual Care \$	Election Surplus \$	Total \$
FINANCIAL ASSETS				
Cash		57	-	57
Accounts Receivable		3	-	3
Due from City of Mississauga (Note 2)		-	-	-
Investments (Note 3)		671	-	671
Net financial assets		731	-	731
Accumulated surplus		731	-	731
				664

CITY OF MISSISSAUGA TRUST FUNDS STATEMENT OF OPERATIONS

for the year ended December 31, 2016 with comparatives for 2015 (All dollar amounts are in \$000)

		2016		2015
		Perpetual Care \$	Election Surplus \$	Total \$
REVENUES				
Interest		20	-	20
Perpetual Care receipts		67	-	67
Surplus election proceeds		-	-	-
Total Revenues		87	-	87
				103
EXPENSES				
Surplus forfeited to City		-	-	-
Cemetery maintenance		20	-	20
Total Expenses		20	-	20
Annual surplus		67	-	67
Accumulated surplus, beginning of year		664	-	664
Accumulated surplus, end of year		731	-	731
				664

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, 2016 with comparatives for 2015
(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 general 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 year and transferred to the Trust Fund after the fiscal year-end. 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 \$671 (2015 \$574) reported on the Statement of Financial Position at cost, have a market value of \$705 (2015 \$616) at the end of the year.

4. Perpetual Care Fund

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

5. Election Trust Fund

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

2016

Statistics



FIVE-YEAR FINANCIAL REVIEW

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

FISCAL YEAR	2016	2015	2014	2013	2012
Municipality Statistics					
Population (Note 1)	768,000	764,000	759,000	754,000	743,000
Area in acres	72,200	72,200	72,200	72,200	72,200
Households	246,000	244,000	243,000	243,000	235,000
Employees (Note 2): full time					
per 1000 people	4,376	4,323	4,239	4,185	4,109
part time and seasonal	5.7	5.6	5.6	5.5	5.5
Construction Activity	3,099	3,290	3,211	3,446	3,343
Construction Activity	\$1,316,524	\$1,285,935	\$1,170,860	\$942,335	\$856,857
ASSESSMENT VALUATION YEAR					
Tax Assessment Information					
Taxable Assessment upon which the year's rates of taxation were set:	2012	2012	2012	2012	2008
Residential, farm, multi-residential	\$99,923,106	\$94,770,331	\$89,352,164	\$84,095,484	\$74,664,351
Commercial, industrial and other	32,162,701	30,926,239	29,801,625	28,629,494	28,208,837
Total Taxable Assessment	\$132,085,807	\$125,696,570	\$119,153,789	\$112,724,978	\$106,873,188
Commercial, industrial, and business as a percentage of taxable assessment	24.3%	24.6%	25.0%	25.4%	26.4%

Notes:

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

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

UNAUDITED

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

RESIDENTIAL AND FARM	2016	2015	2014	2013	2012
for City purposes	0.293370%	0.291960%	0.293805%	0.290425%	0.284851%
for Region purposes	0.392978%	0.401675%	0.411565%	0.424223%	0.437847%
for School purposes	0.188000%	0.195000%	0.203000%	0.212000%	0.221000%
Total Tax Rate - Residential and farm	0.874348%	0.888635%	0.908370%	0.926648%	0.943698%
COMMERCIAL					
for City purposes	0.413597%	0.411610%	0.414211%	0.409446%	0.401587%
for Region purposes	0.554027%	0.566288%	0.580231%	0.598076%	0.617284%
for School purposes	1.057399%	1.069252%	1.107083%	1.147477%	1.177386%
Total Tax Rate - Commercial	2.025023%	2.047150%	2.101525%	2.154999%	2.196257%
INDUSTRIAL					
for City purposes	0.460814%	0.458600%	0.461498%	0.456189%	0.447433%
for Region purposes	0.617276%	0.630936%	0.646470%	0.666353%	0.687753%
for School purposes	1.292875%	1.325843%	1.361148%	1.399256%	1.421817%
Total Tax Rate - Industrial	2.370965%	2.415379%	2.469116%	2.521798%	2.557003%

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

UNAUDITED

FISCAL YEAR	2016	2015	2014	2013	2012
PROPERTY TAX INFORMATION					
Tax Levies: City portion	\$435,331	\$412,894	\$394,457	\$378,605	\$350,728
Region portion	583,140	568,055	552,559	547,640	534,788
School Board portion	533,942	522,754	518,018	519,845	516,000
Total Tax Levies	\$1,552,413	\$1,503,703	\$1,465,034	\$1,446,090	\$1,401,516
Taxes collected: City collection	\$440,252	\$411,681	\$391,947	\$386,947	\$362,502
Taxes Transferred to the Region	583,140	568,055	552,559	547,640	534,788
Taxes Transferred to the School Boards	532,344	522,754	518,018	519,845	516,000
Total Taxes collected	\$1,555,736	\$1,502,490	\$1,462,524	\$1,454,432	\$1,413,290
Tax arrears: Taxes Receivable	\$36,611	\$41,532	\$40,319	\$37,694	\$46,036
Taxes Receivable per capita	\$48	\$54	\$53	\$50	\$63
Percentage of current levy	2.4%	2.8%	2.8%	2.6%	3.3%
CONSOLIDATED REVENUES					
Property Taxation	\$440,719	\$419,469	\$402,074	\$378,605	\$350,728
Taxation from other governments	29,922	27,156	26,177	24,766	23,576
User charges	245,182	191,970	179,195	175,859	171,957
Recovery charges	4,337	21,098	26,895	26,556	38,724
Government grants	3,887	2,458	3,048	2,382	5,305
Development contributions applied	69,138	228,687	58,047	59,816	14,579
Investment income	34,903	33,082	35,778	35,322	44,061
Penalties and interest on taxes	8,444	8,848	8,064	8,025	9,012
Contributed assets	18,595	34,266	26,746	24,038	30,873
Other	3,909	7,852	12,485	7,215	3,919
Equity in Income of Enersource Corporation	26,855	18,226	2,650	19,522	9,588
Total Revenues	\$885,891	\$993,112	\$781,159	\$762,106	\$702,322
Revenue per capita	\$1,154	\$1,299	\$1,029	\$1,011	\$945

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

FISCAL YEAR	2016	2015	2014	2013	2012
CONSOLIDATED EXPENSES BY FUNCTION					
General government services	\$184,630	\$164,177	\$184,928	\$152,342	\$143,701
Protection services	128,120	122,648	120,476	114,335	108,309
Transportation services	312,144	297,646	304,361	288,397	274,632
Environmental services	17,890	14,601	12,064	13,883	12,108
Health services	587	549	555	416	72
Social and family services	479	478	486	465	524
Recreation and cultural services	160,113	151,861	159,539	146,718	145,202
Planning and development services	21,561	21,095	19,268	17,669	16,562
Loss on disposal of tangible capital assets	1,074	505	2,307	2,689	6,908
Total Consolidated Expenses by Function	\$826,598	\$773,560	\$803,984	\$736,914	\$708,018
Annual Surplus/(Deficit)	\$59,293	\$219,552	(\$22,825)	\$25,192	(\$5,696)
Net Financial Assets	\$498,459	\$491,864	\$375,509	\$452,796	\$526,144
CAPITAL FUND INFORMATION					
Capital Financing: Development contributions applied	\$69,138	\$228,687	\$58,047	\$59,816	\$14,579
Government grants	484	465	996	707	3,679
Other	14,454	18,324	23,226	25,596	39,742
Total Capital Financing	\$84,076	\$247,476	\$82,269	\$86,119	\$58,000

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

FISCAL YEAR	2016	2015	2014	2013	2012
Current Year Unexpended Capital Financing	\$177,975	\$190,431	\$68,299	\$116,709	\$134,451
EXPENSES BY OBJECT					
<i>Consolidated Statement of Operations:</i>					
Salary, wages and fringe benefits	\$485,697	\$459,483	\$451,839	\$425,825	\$407,029
Debt interest and fees	2,751	2,077	1,588	624	-
Materials and supplies	55,230	51,528	56,138	53,080	53,098
Contracted services	76,384	67,200	94,295	65,376	61,464
Rents and financial expenses	68,728	61,860	67,601	65,430	58,989
External transfers to others	6,621	5,763	5,480	4,254	3,938
Amortization	130,113	125,144	124,736	119,636	116,592
Loss on disposal of assets	1,074	505	2,307	2,689	6,908
Total Consolidated Expenses	\$826,598	\$773,560	\$803,984	\$736,914	\$708,018
MUNICIPAL DEBT INFORMATION					
Long-Term Liabilities: General municipal activities	\$134,447	\$110,785	\$80,807	\$50,000	-
Per capita	\$175	\$145	\$106	\$66	-
Charges for Long-Term Liabilities: General municipal activities	\$2,751	\$2,042	\$1,588	\$624	-
Per capita	\$3.58	\$2.67	\$2	\$1	-
Debt Repayment Limit (as determined by the Province of Ontario)	\$160,623	\$159,687	\$158,083	\$147,700	\$137,000
TANGIBLE CAPITAL ASSETS					
Net Book Value	\$8,020,550	\$7,966,189	\$7,864,199	\$7,788,423	\$7,689,448
Amortization	130,113	125,144	124,736	119,636	116,592
Operating Fund Transfers to Capital Reserve Fund	\$48,247	\$48,069	\$45,459	\$42,340	\$42,985

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)
UNAUDITED

FISCAL YEAR	2016	2015	2014	2013	2012
ACCUMULATED SURPLUS					
Invested in tangible capital assets	\$8,020,550	\$7,966,189	\$7,864,199	\$7,788,423	\$7,689,448
Operating surplus	-	-	-	2,900	-
Unexpended capital	177,975	190,431	68,299	116,709	134,451
Enersource Corporation	281,012	266,959	263,158	273,622	264,972
Long-term debt	(134,447)	(110,785)	(80,807)	(50,000)	-
Business Improvement Associations	-	-	-	-	47
Unfunded Employee benefits	(210,256)	(197,982)	(198,691)	(189,891)	(186,557)
Reserves	66,157	62,077	45,120	49,263	50,687
Reserve Funds	327,310	292,119	288,178	259,577	272,363
Total Accumulated Surplus	\$8,528,301	\$8,469,008	\$8,249,456	\$8,250,603	\$8,225,411
Trust Funds	\$731	\$664	\$585	\$534	\$507

UNEMPLOYMENT RATE	2016	2015	2014	2013	2012
Percentage of unemployment	7.0%	7.1%	8.1%	8.2%	8.7%

TOP EMPLOYERS 1,000+ EMPLOYEES

Accenture Inc.	Federal Express Canada Ltd.	Peel District School Board	Suncor Energy
Air Canada	GlaxoSmithKline Inc.	Peel Regional Police	T J X Canada
BMO Bank of Montreal	Greater Toronto Airport Authority (GTAA)	RE/MAX Realty	TD Bank Financial Group
Bell Canada	Hewlett-Packard (Canada) Co.	Region of Peel	Tim Hortons
Canada Post	Maple Leaf Consumer Foods	Royal Bank of Canada Financial Group	Trillium Health Partners
Canada Revenue Agency	Microsoft Canada Co.	Shoppers Drug Mart	University of Toronto Mississauga
City of Mississauga	Monarch Logistics Management	Sobeys Inc.	Walmart Canada Inc.

10 LARGEST CORPORATE PROPERTY TAXPAYERS

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

UNAUDITED

OWNER	ASSESSMENT VALUE \$
1 OMERS Realty Management	1,162,492,501
2 The Erin Mills Town Centre	357,973,501
3 Meadowvale Holdings Limited	205,110,001
4 Mississauga Complex Portfolio	146,147,250
5 Cominar Real Estate Holdings	145,524,251
6 HOOPP Realty Inc.	138,849,500
7 The Nuance Group Canada	133,921,751
8 Metrus Central Properties	122,774,250
9 Select Properties	122,774,250
10 First Capital Meadowvale Corp.	119,183,251
Top Ten - Assessment Total	2,654,750,506
% of Total Industrial and Commercial Assessment	6.9%
% of Total Taxable Assessment	1.9%
Total Residential Assessment	102,504,893,592
Total Industrial and Commercial Assessment	38,249,560,247
Total Taxable Assessment	140,754,453,839

CITY OF MISSISSAUGA MEMBERS OF COUNCIL

CONTACT INFORMATION

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If you need this information
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