City of Mississauga

Agenda

MISSISSAUGA

REVISED

Audit Committee

Date:	June 9, 2025
Time:	9:30 AM
Location:	Council Chambers, Civic Centre, 2nd Floor 300 City Centre Drive, Mississauga, Ontario, L5B 3C1 and Online Video Conference

Members

Mayor Carolyn Parrish	Ex-Officio
Councillor Joe Horneck	Ward 6 (Chair)
Councillor Chris Fonseca	Ward 3 (Vice-chair)
Councillor Brad Butt	Ward 11
Deputy Mayor and Councillor John Kovac	Ward 4

To Request to Speak on Agenda Items - Advance registration is required to make a Deputation please email Heleana.Tsabros@mississauga.ca, Legislative Coordinator at or call 905-615-3200 ext.7504 no later than **Thursday, June 5, 2025 before 4:00 PM**.

Questions for Public Question Period - To pre-register for Public Question Period, questions should be provided to the Legislative Coordinator at least 24 hours in advance of the meeting. Following the pre-registered questions, if time permits, the public may be given the opportunity to ask a question on an agenda item. Virtual participants must pre-register.

Virtual Participation - All meetings of Council are streamed live and archived at Mississauga.ca/videos. To speak during the virtual meeting or if you do not have access to the internet, contact the Legislative Coordinator and you will be provided with directions on how to participate.

Please note the Audit Committee will be streamed and a video will be posted afterwards.

Contact

Heleana Tsabros, Legislative Coordinator, Legislative Services
905-615-3200 ext. 7504
Email: Heleana.Tsabros@mississauga.ca

Find it Online

https://www.mississauga.ca/council/council-activities/council-and-committees-calendar/ Meetings of Council streamed live and archived at Mississauga.ca/videos

An asterisk (*) symbol indicates an Item that has been either Revised or Added

1. CALL TO ORDER

2. INDIGENOUS LAND STATEMENT

"We acknowledge the lands which constitute the present-day City of Mississauga as being part of the Treaty and Traditional Territory of the Mississaugas of the Credit First Nation, The Haudenosaunee Confederacy the Huron-Wendat and Wyandotte Nations. We recognize these peoples and their ancestors as peoples who inhabited these lands since time immemorial. The City of Mississauga is home to many global Indigenous Peoples.

As a municipality, the City of Mississauga is actively working towards reconciliation by confronting our past and our present, providing space for Indigenous peoples within their territory, to recognize and uphold their Treaty Rights and to support Indigenous Peoples. We formally recognize the Anishinaabe origins of our name and continue to make Mississauga a safe space for all Indigenous peoples."

3. APPROVAL OF AGENDA

4. DECLARATION OF CONFLICT OF INTEREST

5. MINUTES OF PREVIOUS MEETING

5.1 Audit Committee Draft Minutes - March 24, 2025

6. DEPUTATIONS

Any member of the public interested in making a deputation to an item listed on the agenda must register by calling 905-615-3200 ext. 7504 or by emailing Heleana.Tsabros@mississauga.ca by Thursday **June 5, 2025**, **before 4:00 PM**.

Each Deputation to Committee is limited to speaking not more than 10 minutes.

Pursuant to Section 57.1 of the Council Procedure By-law 0044-2022, as amended:

Deputations shall be received and the matter shall be referred to staff for a report, unless there is a resolution or recommendation passed to "receive" the Deputation. After a Deputation is completed, Members shall each have one opportunity to make a preamble statement and ask questions to the Deputant(s) or staff for clarification purposes only, and without debate.

6.1 Item 9.1 - Maria Khoushnood, Lead Audit Engagement Partner, KPMG LLP

6.2 Item 9.2 - Wesley Anderson, Manager, Business Planning and Financial Services

7. PUBLIC QUESTION PERIOD - 15 Minute Limit

Public Comments: Members of the Public that have a question about an item listed on the agenda may pre-register by contacting the Legislative Coordinator at least 24 hours in advance of the meeting . Following the registered speakers, if time permits the Chair will acknowledge members of the public who wish to ask a question about an item listed on the agenda. Virtual participants must pre-register.

Pursuant to Section 58 of the Council Procedure By-law 0044-2022, as amended:

Audit Committee may grant permission to a member of the public to ask a question of Audit Committee, with the following provisions:

1. Questions may be submitted to the Clerk at least 24 hours prior to the meeting;
2. A person is limited to two (2) questions and must pertain specific item on the current agenda and the speaker will state which item the question is related to;
3. The total speaking time shall be five (5) minutes maximum, per speaker, unless extended by the Mayor or Chair; and
4. Any response not provided at the meeting will be provided in the format of a written response.

8. CONSENT AGENDA

9. MATTERS TO BE CONSIDERED

9.1 2024 External Audit Findings Report

9.2 2024 Audited Financial Statements

9.3 Status of Outstanding Audit Recommendations as of March 31, 2025

*9.4 Final Audit Reports

1. Transportation & Works Department, MiWay Transit Division, Transit Business Systems Section – Transit Master (iBus) Application Audit
2. Corporate Services Department, Facilities Planning & Development Division, Capital Design & Construction Section – Capital Construction Project Management Audit

10. ENQUIRIES

11. CLOSED SESSION - Nil

(Pursuant to Section 239(2) of the *Municipal Act, 2001*)

12. ADJOURNMENT

City of Mississauga
Minutes

Audit Committee

Date:	**March 24, 2025**
Time:	**9:36 AM**
Location:	**Council Chambers, Civic Centre, 2nd Floor 300 City Centre Drive, Mississauga, Ontario, L5B 3C1 and Online Video Conference**

Members Present	Councillor Joe Horneck	Ward 6 (Chair)
	Councillor Chris Fonseca	Ward 3 (Vice-chair) (Joined at 10:25 AM)
	Councillor John Kovac	Ward 4
	Councillor Brad Butt	Ward 11
Members Absent	Mayor Carolyn Parrish	(Ex-Officio)

Staff Present
Geoff Wright, City Manager and Chief Administrative Officer
Raj Sheth, Commissioner of Corporate Services
Amy Truong, Director, Internal Audit
Stephanie Smith, Supervisor, Secretariat
Temi Adeniyi, Legislative Coordinator

1. CALL TO ORDER

Councillor Horneck, Chair called the meeting to order at 9:36 AM

2. INDIGENOUS LAND STATEMENT

Councillor Horneck, Chair recited the Indigenous Land Statement.

3. APPROVAL OF AGENDA

That the March 24, 2025 Audit Agenda be approved as presented.

Approved (Councillor Butt)

4. DECLARATION OF CONFLICT OF INTEREST

5. MINUTES OF PREVIOUS MEETING

5.1 Audit Committee Draft Minutes - December 2, 2024

That the draft minutes of December 2, 2024 be approved as presented.

Approved (Councillor Kovac)

6. DEPUTATIONS

Nil

7. PUBLIC QUESTION PERIOD - 15 Minute Limit

No members of the public registered to speak.

8. CONSENT AGENDA

No items were approved under the Consent Agenda.

9. MATTERS TO BE CONSIDERED

9.1 Internal Audit Work Plan 2025-2027 and Year End Update

Amy Truong, Director, Internal Audit provided an overview of the Internal Audit Work Plan 2025-2027.

RECOMMENDATION AC-0001-2025

Moved By Councillor B. Butt

That the Corporate Report dated February 18, 2025 from the Director, Internal Audit entitled, "Internal Audit Work Plan 2025-2027 and Year End Update," be approved.

YES (3): Councillor J. Horneck, Councillor J. Kovac, and Councillor B. Butt

ABSENT (2): Mayor Parrish and Councillor Fonseca

Carried (3 to 0)

9.2 Status of Outstanding Audit Recommendations as of December 31, 2024

Amy Truong, Director, Internal Audit presented the Status of Outstanding Audit Recommendations as of December 31, 2024. Councillor Horneck spoke to the delay of the snow management audit to a later date.

RECOMMENDATION AC-0002-2025

Moved By Councillor B. Butt

That the Corporate Report dated February 10, 2025, entitled, "Status of Outstanding Audit Recommendations as of December 31, 2024," from the City Manager & Chief Administrative Officer be received for information.

YES (3): Councillor J. Horneck, Councillor J. Kovac, and Councillor B. Butt

ABSENT (2): Mayor Parrish and Councillor Fonseca

Carried (3 to 0)

10. ENQUIRIES

No discussion took place.

11. CLOSED SESSION

(Pursuant to Section 239(2) of the *Municipal Act, 2001*)

RECOMMENDATION
Moved By Councillor J. Kovac

Whereas the *Municipal Act, 2001*, as amended, requires Members of Council to pass a motion prior to closing part of a meeting to the public;

And whereas the *Act* requires that the motion states the act of the holding of the closed meeting and the general nature of the matter to be considered at the closed meeting;

Now therefore be it resolved that a portion of the Audit Committee meeting to be held on **March 24, 2025** shall be closed to the public to deal with the following matter:

a. Pursuant to Section 239(2) of the *Municipal Act, 2001*

   i. The security of the property of the municipality or local board: **Final Audit Report: Corporate Services Department, Information Technology Division, IT Security – NIST Assessment Phase 2 Audit**

YES (3): Councillor J. Horneck, Councillor J. Kovac and Councillor B. Butt

ABSENT (2): Mayor Parrish and Councillor Fonseca

Carried (3 to 0)

The Committee went into Closed Session at 9:41 AM. Councillor Fonseca joined the meeting at 10:25 AM during the closed session.

11.1 The security of the property of the municipality or local board: Final Audit Report: Corporate Services Department, Information Technology Division, IT Security – NIST Assessment Phase 2 Audit

Vandana Waghela, Information Technology Auditor and Austin Creighton, Senior Manager, VARS Corporation provided an overview on the subject matter.

Members of Committee spoke to the matter and raised questions. Raj Sheth, Commissioner, Corporate Services and Ryan Lim, Acting Director of IT and Chief Information Officer responded to questions from the Committee.

The Committee came out of Closed Session at 10:30 AM.

As a result of the Closed Session, the following recommendation was voted on during Open Session:

RECOMMENDATION AC-0003-2025

Moved By Councillor J. Kovac

That the report dated March 3, 2025 from the Director, Internal Audit with respect to final audit report, Corporate Services Department, Information Technology Division, IT Security – NIST Assessment Phase 2 Audit, be received for information.

YES (4): Councillor J. Horneck, Councillor J. Kovac, Councillor B. Butt and Councillor C. Fonseca

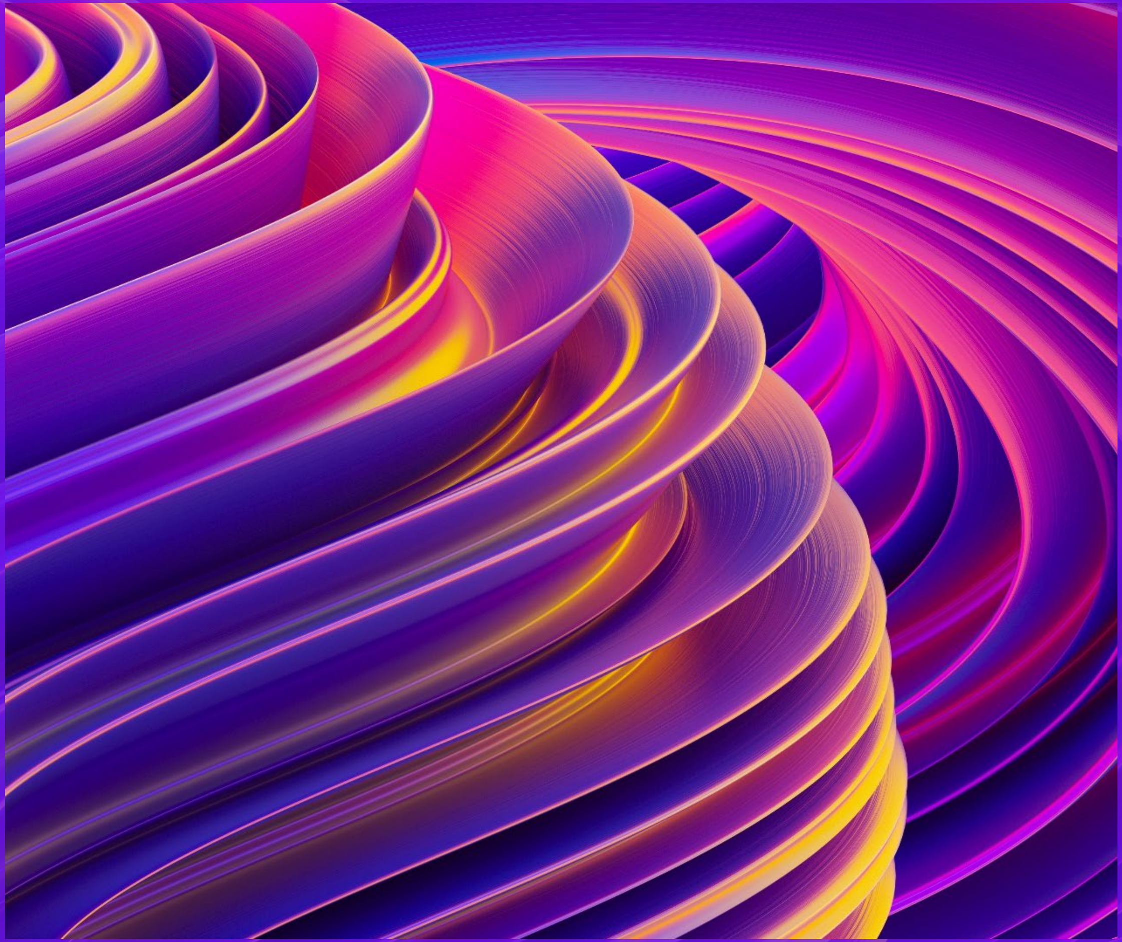
ABSENT (1): Mayor Parrish

Carried (4 to 0)

12. ADJOURNMENT

10:32 AM (Councillor B. Butt)

The Corporation of The City of Mississauga



Audit Findings Report for the year ended December 31, 2024

KPMG LLP

Licensed Public Accountants

Prepared as of March 24, 2025 for presentation on June 9, 2025

kpmg.ca/audit

KPMG contacts

Key contacts in connection with this engagement

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Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.

Click on any item in the table of contents to navigate to that section.

Audit highlights

No matters to report

Matters to report – see link for details

Status

We have completed the audit of the consolidated financial statements of the City of Mississauga ("financial statements as highlighted on the 'Status' slide of this report.

Significant changes

Significant changes since our audit plan

There were no significant changes to our audit plan which was originally communicated to you in the audit planning report.

Risks and results & Significant unusual transactions

Significant risks

Other risks of material misstatement

Going concern matters

Significant unusual transactions

Policies and practices & Specific topics

Accounting policies and practices

Other financial reporting matters

Control deficiencies

Significant deficiencies

Corrected & Uncorrected misstatements

Uncorrected misstatements

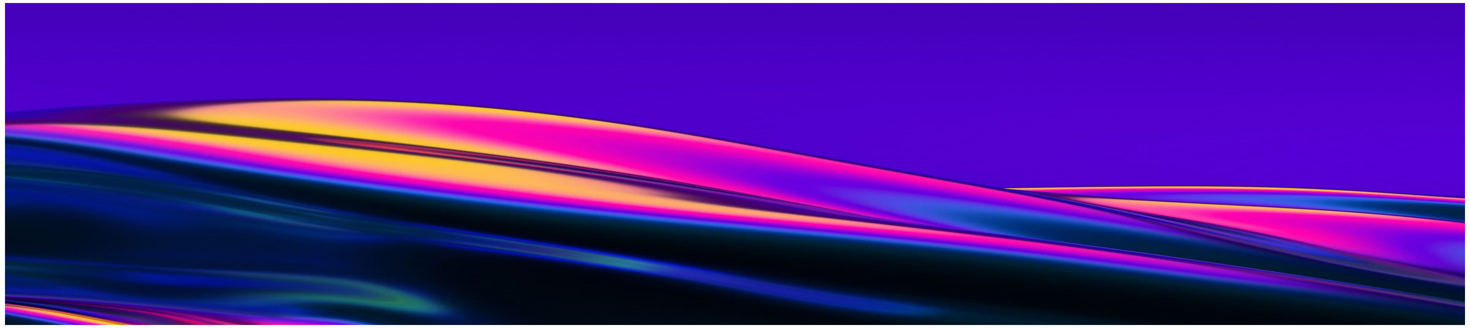
Corrected misstatements

Status

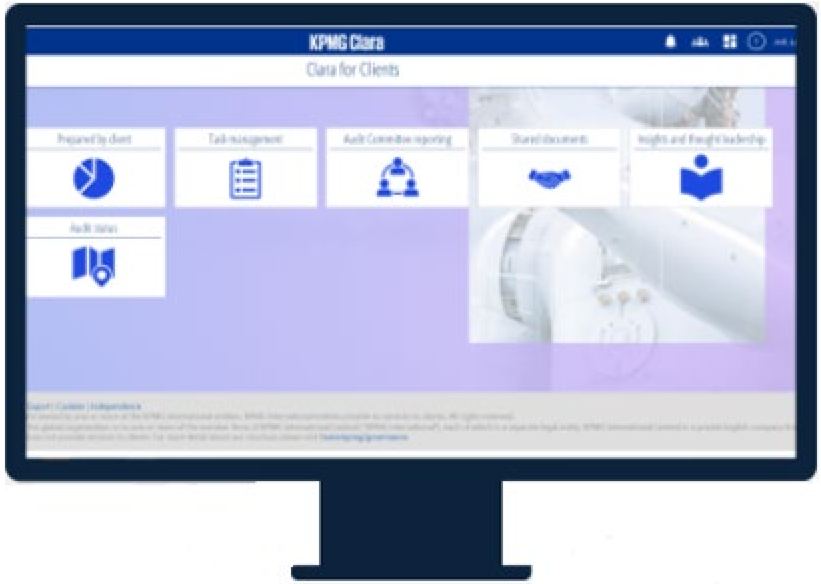
As of the date of preparation of this Audit Findings Report, we have completed the audit of the consolidated financial statements and financial statements were approved by City Treasurer on April 4, 2025.

We will update the Audit Committee, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our final auditor’s report is included in the consolidated financial statements.



KPMG Clara for Clients (KCc)



Real-time collaboration and transparency

We leveraged **KCc** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCfc to coordinate requests with management.

Learn more

Significant risks and results

We highlight our significant findings in respect of **significant risks.**

Presumed risk of fraudulent revenue recognition

RISK OF FRAUD

Significant risk	Estimate?
The primary risk of fraudulent revenue recognition resides with manual journal entries for revenue transactions not in the normal course of business, specifically related to management's calculation of the deferred revenue – obligatory reserve funds.	No

Our response

- Our audit methodology incorporated the required procedures in professional standards to address this risk.
- Our audit approach consisted of evaluating the design and implementation of selected relevant controls. We tested journal entries that meet specific criteria. This criteria was designed during the planning phase of the audit and is based on areas and accounts that are susceptible to manipulation through management override. We also designed search filters that allowed us to identify any unusual journal entries.
- As part of our audit approach to address the inherent risk of error in revenue recognition, we substantively tested revenues (both recognized and amounts held as deferred at year end). We also incorporated an element of uncertainty into the journal entries and revenue testing.
- We obtained management's assessment of the impact of the adoption of PS 3400 Revenue and agree with management's assessment that the impact was not significant.
- We did not identify any issues related to fraud risk associated with revenue recognition.

Significant risks and results

Risk of management override of controls

Our response and findings

- As this risk is not rebuttable, Our audit methodology incorporates the required procedures in professional standards to address this risk. Our procedures included for all components within audit scope:
  - Testing of journal entries and other adjustments. To test journal entries, we utilized KPMG application software (IDEA) to:
    - Evaluate the completeness of the journal entry population through a roll-forward of all accounts
    - Analyze journal entries and determine sub-populations for more focused and risk-based testing
    - Apply certain criteria to sub-populations to identify potential high-risk journal entries for further testing
    - Journal entries containing high risk conditions were tested to ensure they were supported by proper documentation and followed the journal entry initiation and approval controls and processes in place. We did not find any exceptions in our testing over journal entries
  - Performing an “Element of Unpredictability” procedure, in the selection of the nature, timing and extent of audit procedures to be performed to address the risk of management override of controls, as individuals within the entity who are familiar with the audit procedures normally performed on engagements may be in a position to conceal fraudulent financial reporting.
  - Performing a walkthrough and evaluating the design and implementation of controls within the journal entry process.
  - Performing a retrospective review of estimates
- We did not identify any issues or concerns regarding management override of controls.

Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.

Employee benefits liability

Other risk of material misstatement	Estimate?
Employee future benefits represent a liability computed by management's actuarial experts. A full actuarial study of the obligation was completed in December 2023. As the employee future benefits liabilities are significant and complex estimates, KPMG actuarial specialists were involved in completing the audit procedures.	Yes – Employee future benefits obligation/liability

Our response

- We assessed the participant data supplied by management to the actuary for completeness and accuracy.
- We obtained the actuarial valuation report and engaged our KPMG actuarial specialist team to audit the method and assumptions applied in the valuation.
- We evaluated the discount rate in comparison with rates issued by the Canadian Institute of Actuaries ("CIA") and KPMG LLP.
- We assessed the qualifications, competence and objectivity of the actuary as required by the Canadian auditing standards.
- We assessed the disclosures in the financial statements against the requirements of the PSAS

Other significant findings and results

Investments

Other significant findings	Estimate?
In accordance with PS 3450 Financial Instruments, investments with embedded derivative components must be recorded at fair value. PS 3450 allows the City to either bifurcate the embedded derivatives from the host contract or value the entire contract at fair value. The City did not have any investments with embedded derivative components in 2024 The investments are carried at cost and amortized cost. Public sector accounting standards require management to review the decline in fair value on an annual basis to assess whether the decline in fair value is considered temporary or permanent. Management has made this assessment and did not identify any permanent impairment and as such no adjustment has been recorded for impairment of investments.	Yes

Our response and significant findings

- We confirmed all of the investment balances with investment managers, CIBC Wood Gundy and BMO Nesbitt Burns.
- We reviewed financial statement note disclosure in line with the PSAS.
- We performed audit procedures on the assessment of fair value and did not identify any issues.
- No matters to report.

Other risks of material misstatement and results

Employee benefits liability

Significant findings

- Based on our review of the report prepared by the actuary, we noted that the method applied for the estimate is acceptable per the Canadian Institute of Actuaries and Public Sector Accounting Standards (PSAS) 3250 Retirement Benefits.
- We assessed the key assumptions used by the actuary in light of the City's financial results. We also performed a sideways glance to compare the assumptions used by the actuary for the City with other Ontario municipalities and we did not note any significant differences.
- We noted that the discount rate used by the actuary is a key assumption. Discount rates of 3.25% - 5.00% (2023 – 3.25% - 5.00%) were used for the determination of the liability. We evaluated the discount rates against the discount rate curve issued by different reliable sources including The Canadian Institute of Actuaries (CIA), Fiera Capital and KPMG LLP. Our actuarial specialists assessed the discount rate and other assumptions using actuarial techniques and market data. Based on this evaluation, we concluded that the discount rates used are reasonable.
- The disclosures included in the financial statements are in accordance with the requirements of the public sector accounting standards.
- Based on the audit work performed, we did not note any issues related to the calculation of the City's employee benefits liability as at December 31, 2024.
- The employee benefit liability as at December 31, 2024 are outlined in note 9 to the financial statements.

Other risks of material misstatement and results

Contingencies

Other risk of material misstatement	Estimate?
PSAS 3300 Contingent Liabilities requires that the City recognize a liability when "it is likely that a future event will confirm that a liability has been incurred at the date of the financial statements; and the amount can be reasonably estimated." At any point in time, the City is subject to a number of matters which could potentially result in the determination of a contingent liability as defined above, including, but not limited to matters such as legal claims, etc. At year end, no provision has been made in the consolidated statements for any liability that may result.	Estimation uncertainty exists related to the likelihood and measurement of the contingent liability. However, this estimation uncertainty does not result in a risk of material misstatement

Our response

- We obtained and evaluated the City's assessments and claims listing that are used to develop and record these estimated liabilities.
- We obtained a legal confirmation from internal legal counsel and evaluated the assessments made by internal legal counsel on the pending legal matters in terms of determination of likelihood and measurability.
- We reviewed Council and committee meeting minutes to determine the completeness of contingencies and held discussions thereon with senior management, including internal legal representatives.

Significant findings

- We reviewed the listing of active litigation and potential claims provided by internal legal counsel and reviewed assessments of each matter and the process employed to develop and record the related estimated liabilities. Management has recorded an accrual based on the likely amounts of loss after accounting for insurance coverage.
- As these items are resolved, it is possible that the final amounts recorded for these liabilities may change, however the amounts currently recorded represent management's best estimates of exposure given the information presently available.
- Based on the work performed, the contingent liabilities reported by the City are reasonable.

Other risks of material misstatement and results

Tangible capital assets

Other risk of material misstatement	Estimate?
Tangible capital assets present the biggest non-financial asset for the City. There is a risk of material misstatement related to the existence and accuracy of tangible capital assets and accuracy of timing of revenue recognition, particularly related to funds intended for tangible capital assets.	No

Our response and findings

- We obtained management's assessment of the impact of the newly effective PS 3160, Public Private Partnerships (P3) and PSG-8, Purchased Intangibles accounting standard and reviewed it against the PSAS criteria, along with our general understanding of the City's operations. Management's assessment indicated that there are no current transactions that would meet the P3 or/and PSG-8 criteria, and we agree with management's assessment that the impact is not significant.
- We tested, on a sample basis, the additions to tangible capital assets and noted that management has appropriately capitalized the additions including transfers from work in progress to tangible capital assets. We obtained assurance related to the accuracy and existence of these additions and also assessed if these additions met the criteria for capitalization.
- We tested on a sample basis the work in progress to ensure amounts are properly transferred to correct capital asset classes and amortization commences on a timely basis.
- We tested on a sample basis contributed and assumed assets to assess if these assets had been recognized at fair market value at the date of contribution.
- We assessed financial statement note disclosure in line with the PSAS.
- We obtained the City's amortization policy and assessed reasonableness of estimated useful lives.
- We obtained management's assessment of impact of PSG 8 AND PS 3160 on the FS for the City and we agree with management's assessment that the impact is not significant
- The amounts reported for tangible capital assets are reasonable and disclosures in the financial statements are in accordance with the public sector accounting standards.

Other risks of material misstatement and results

Consolidation

Other risk of material misstatement	Estimate?
The City consolidates the following entities and organizations in the consolidated financial statements for the City: • City of Mississauga Public Library Board • Tourism Mississauga • Business Improvement Areas (BIAs) including Clarkson, Cooksville, Malton, Port Credit, Streetsville Inter-departmental and inter-organizational transactions and balances are between these entities and organizations are eliminated.	No

Our response and findings

- Each of the entities and organizations noted above are considered non-significant components to the City's financial statements. For each of these entities and organizations, there is a required statutory audit performed. These individual audits of are performed by the same audit team as for the main City.
- We obtained an understanding the consolidation process in place by management including the review and approval controls, checks and balances, and information system being utilized for the consolidation process and the financial reporting process.
- We obtained the consolidation workbook from management and completed our audit procedures related to consolidation including elimination of inter-departmental and inter-organizational transactions, pick-up of government business enterprises and any other transactions that are relevant for consolidation.
- Based on the work performed, we did not identify any issues or errors.

Accounting policies and practices

Initial selection

The following new accounting standards came into effect for the year ended December 31, 2024 and were implemented by the City:

- PS 3400 *Revenue,* PS 3160 *Public private partnerships,*
- The new Public Sector Guideline 8 *Purchased intangibles*

Impact on adoption of new accounting policies are disclosed in Note 2 to the consolidated financial statements.

Description of new or revised significant accounting policies and practices

None in 2024

Significant qualitative aspects

Significant accounting policies are disclosed in Note 1 to the consolidated financial statements

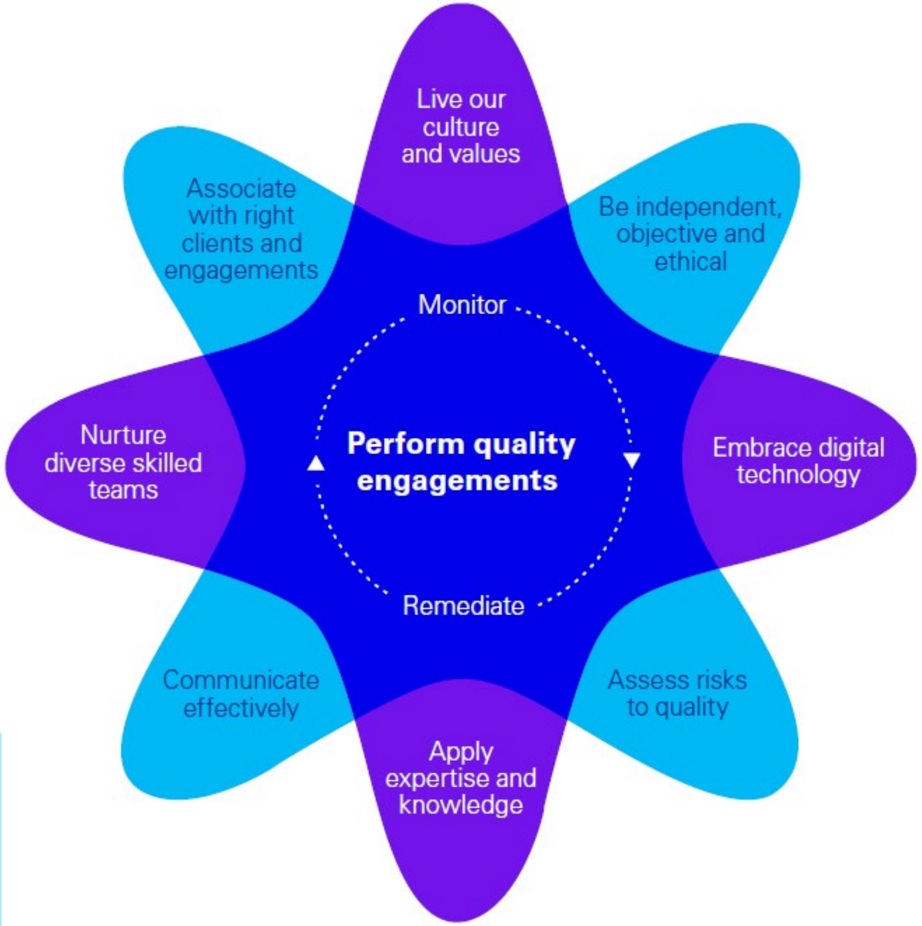
Estimates and assumptions are disclosed in Note 1(t).

Audit quality - How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:

KPMG Canada Transparency Report



Doing the right thing. Always.

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management;** and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics** and **integrity.**

Appendices

A Required communications

B New auditing standards

C New accounting standards

D Insights

E Environmental, social and governance (ESG)

F Technology

G Unleashing tomorrow – today with AI

Appendix A: Required inquiries of the audit committee

Inquiries regarding risk assessment, including fraud risks

- What are the Audit Committee's views about fraud risks, including management override of controls, in the Company? And have you taken any actions to respond to any identified fraud risks?
- Is the Audit Committee aware of, or has the Audit Committee identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?
  - If so, have the instances been appropriately addressed and how have they been addressed?
- How does the Audit Committee exercise oversight of the Company's fraud risks and the establishment of controls to address fraud risks?

Inquiries regarding company processes

- Is the Audit Committee aware of tips or complaints regarding the Company's financial reporting (including those received through the Audit Committee's internal whistleblower program, if such programs exist)? If so, the Audit Committee's responses to such tips and complaints?

Inquires regarding related parties and significant unusual transactions

- Is the Audit Committee aware of any instances where the Company entered into any significant unusual transactions?
- What is the Audit Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company?
- Is the Audit Committee concerned about those relationships or transactions with related parties? If so, the substance of those concerns?

Appendix A: Other required communications

Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to the Audit Committee.

CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- CPAB Audit Quality Insights Report: 2022 Annual Inspections Results
- CPAB Audit Quality Insights Report: 2023 Interim Inspections Results
- CPAB Regulatory Oversight Report: 2023 Annual Inspections Results
- CPAB Audit Quality Insights Report: 2024 Interim Inspections Results

Appendix B: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards - see Current Developments

Effective for periods beginning on or after December 15, 2023

ISA 600/CAS 600

Revised special considerations – Audits of group financial statements

Effective for periods beginning on or after December 15, 2024

ISA 260/CAS 260

Communications with those charged with governance

ISA 700/CAS 700

Forming an opinion and reporting on the financial statements

Appendix C: Upcoming changes in accounting standards

Standard	Summary and implications
Concepts Underlying Financial Performance	• The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted. • The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. • The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.

Financial Statement Presentation	• The proposed section PS 1202 *Financial statement presentation* will replace the current section PS 1201 *Financial statement presentation*. PS 1202 *Financial statement presentation* will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted.
	• The proposed section includes the following:
	  • Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.
	  • Separating liabilities into financial liabilities and non-financial liabilities.
	  • Restructuring the statement of financial position to present total assets followed by total liabilities.
	  • Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).
	  • Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.
	  • A new provision whereby an entity can use an amended budget in certain circumstances.
	  • Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.
	• The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.

Appendix C: Upcoming changes in accounting standards

Standard	Summary and implications
Employee benefits	• The Public Sector Accounting Board has initiated a review of sections PS 3250 *Retirement benefits* and PS 3255 *Post-employment benefits, compensated absences and termination benefits*. • The intention is to use principles from International Public Sector Accounting Standard 39 *Employee benefits* as a starting point to develop the Canadian standard. • Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. • The proposed section PS 3251 *Employee benefits* will replace the current sections PS 3250 *Retirement benefits* and PS 3255 *Post-employment benefits, compensated absences and termination benefits*. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively. • This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. • The Public SectorAccounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.

Appendix D: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

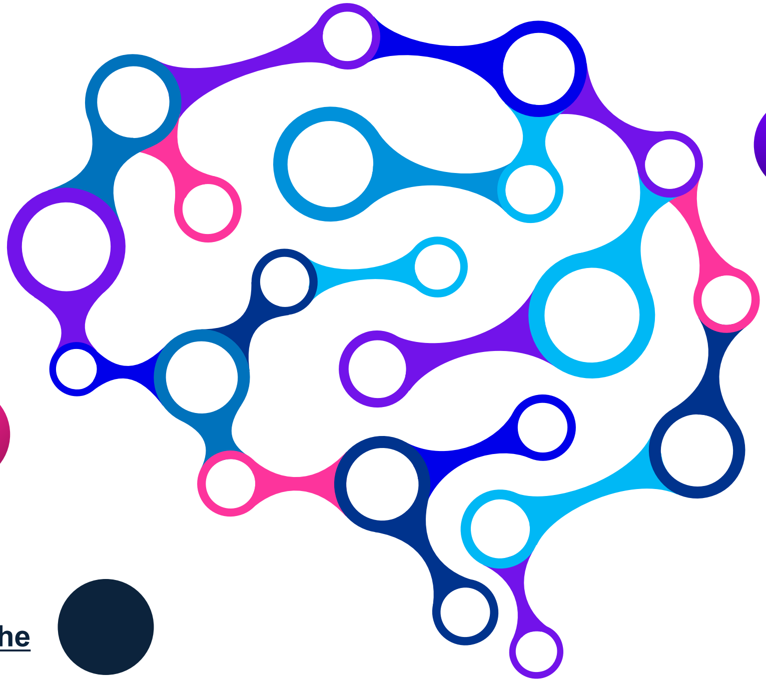
Leading insights to help board members maximize boardroom opportunities

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

Accelerate - The key issues driving the audit committee agenda

Discover the most pressing risks and opportunities that face audit committees, boards and management teams.



Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

Appendix E: Canadian ESG reporting activities

What's here and what's coming?

There continues to be activity in the Canadian ESG reporting space along with regulations introduced in other jurisdictions that may impact Canadian companies, such as the Corporate Sustainability Reporting Directive (CSRD) and California Climate Laws.

UPDATE THIS QUARTER: CSSB released its first two final Canadian Sustainability Disclosure Standards

Voluntary standards rollout

- In December 2024, the Canadian Sustainability Standards Board (CSSB) released its first two Canadian Sustainability Disclosure Standards (CSDS).
- The standards are aligned with the IFRS Sustainability Disclosure Standards, with the exception of a Canadian-specific effective date and incremental transition reliefs.
- The standards are effective, on a *voluntary basis* only, for annual reporting periods beginning on or after January 1, 2025.

Road to mandatory application?

- Canada's regulators and legislators will determine if and when application of the standards should be mandated.
- The Canadian Securities Administrators (CSA) issued a statement that it is working towards a revised climate-related disclosure rule that will consider the Canadian Sustainability Disclosure Standards.

Why should you prepare?

Momentum toward standardized, transparent and comparable sustainability reporting continues.

- Federally regulated financial institutions are already required to comply with OSFI B-15 which is broadly based on the ISSB standards.
- Despite the CSSB standards being voluntary, legislation and rules continue to evolve in other jurisdictions such as the CSRD and California Climate Laws.
- Canadian government anti-greenwashing regulations introduced (Bill C-59).

What could you be doing now?

1 (Re) Establish reporting strategy

- Undertake a regulatory impact assessment to determine the sustainability reporting requirements that apply to your organization.
- Document your reporting strategy, including any planned voluntary reporting and assurance.
- Conduct a materiality assessment considering the frameworks you plan to comply with.

2 Assess current state

- Identify the differences between applicable regulations and/or standards and current reporting.
- Conduct a current state maturity analysis of processes, controls, people, technology and governance structures.
- Complete data gap assessment and develop plan to close gaps.

3 Design reporting policies & target operating model (TOM)

- Develop and/or adapt policies, regarding identified material risks and opportunities.
- Develop standard Key Performance Indicator (KPI) definitions and calculation methodologies.
- Determine TOM and solutions to support sustainability reporting and assurance.

4 Implement sustainability reporting roadmap

- Develop roadmap for delivery, identify milestones, interim and final targets.
- Design future reports.
- Rollout of TOM, including implementation and training required.

Appendix F: Continuous evolution

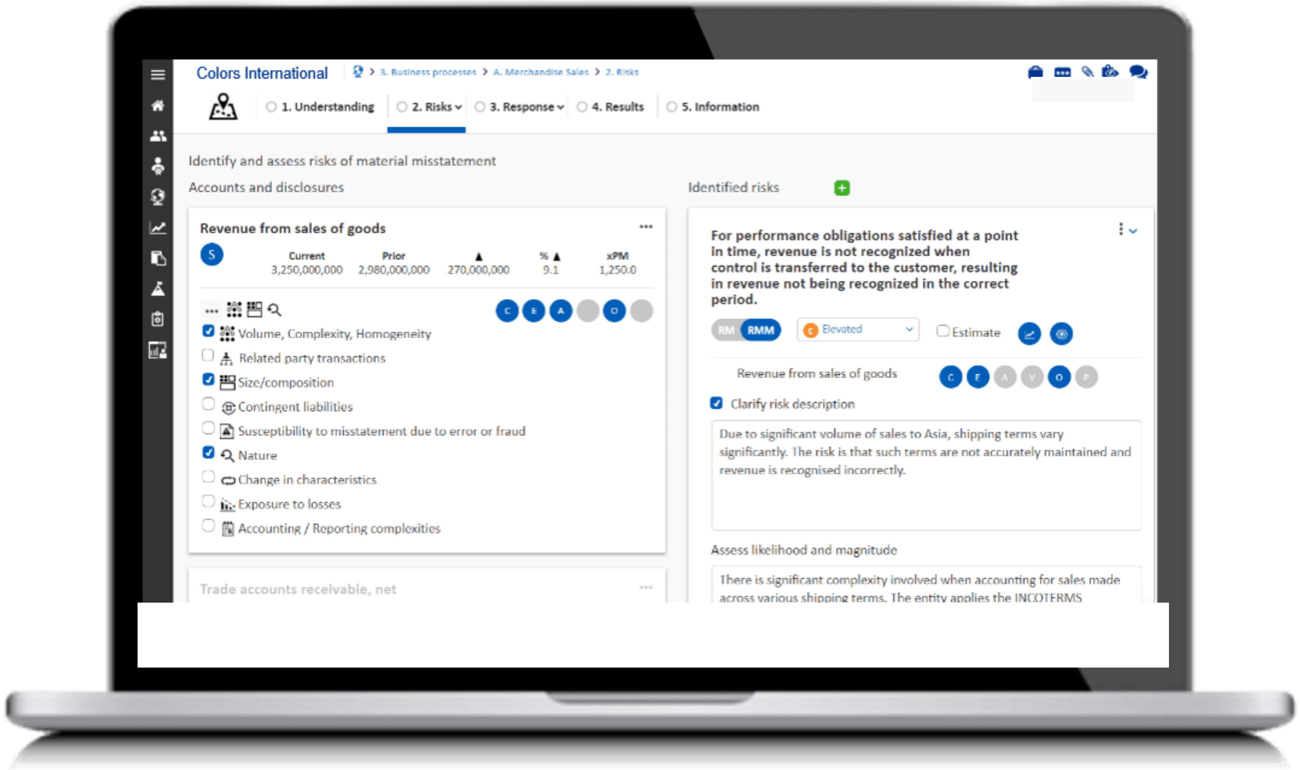
Our investment:
We are in the midst of a five-year investment to develop our people, digital capabilities, and advanced technology.

Responsive delivery model
Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

Result: A better experience
Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.

Appendix F: KPMG Clara Generative AI

With our global alliance partner Microsoft, we have embarked on a journey to embed Generative AI into our smart audit platform—KPMG Clara. This will make our auditors more productive and give them the tools to provide quicker feedback, make more insightful connections, and deliver a better audit experience.



AI done right

Although early adoption is key, we are focused on avoiding reliance on a 'black box' so we're building 'explainability' and 'traceability' at the core.

Bolstered productivity

Focused on removing time-consuming low value tasks, we'll apply our skills in other, more judgmental areas or in order to give insights to you.

Quality at our fingertips

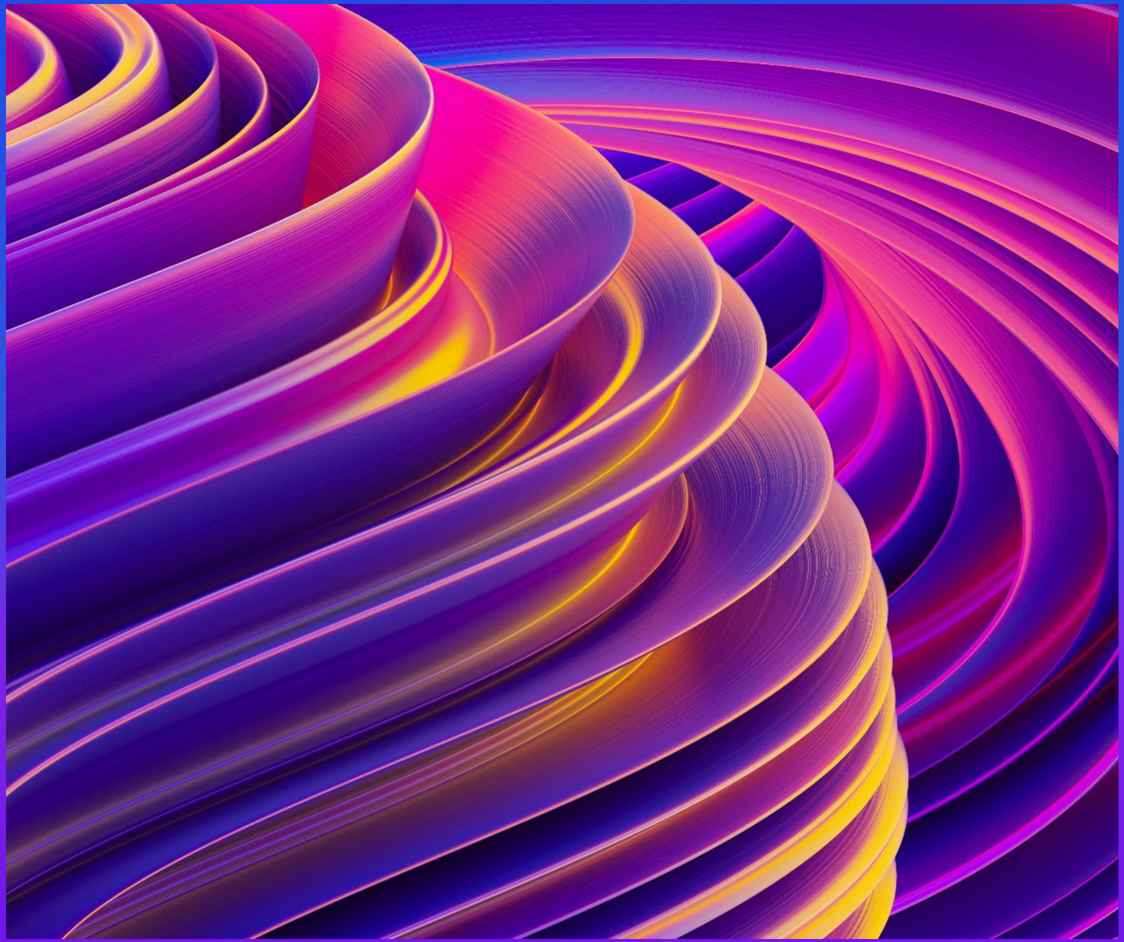
We are teaching our model with our knowledge databases to capture our vast experience. This means quality information accessible in seconds.

Secure integration

KPMG Clara has been built on a solid and secure Azure Cloud backbone, allowing us to easily integrate Generative AI in partnership with Microsoft.

KPMG

https://kpmg.com/ca/en/home.html



6.2

2024 Financial Statements

Audit Committee

June 9, 2025

MISSISSAUGA

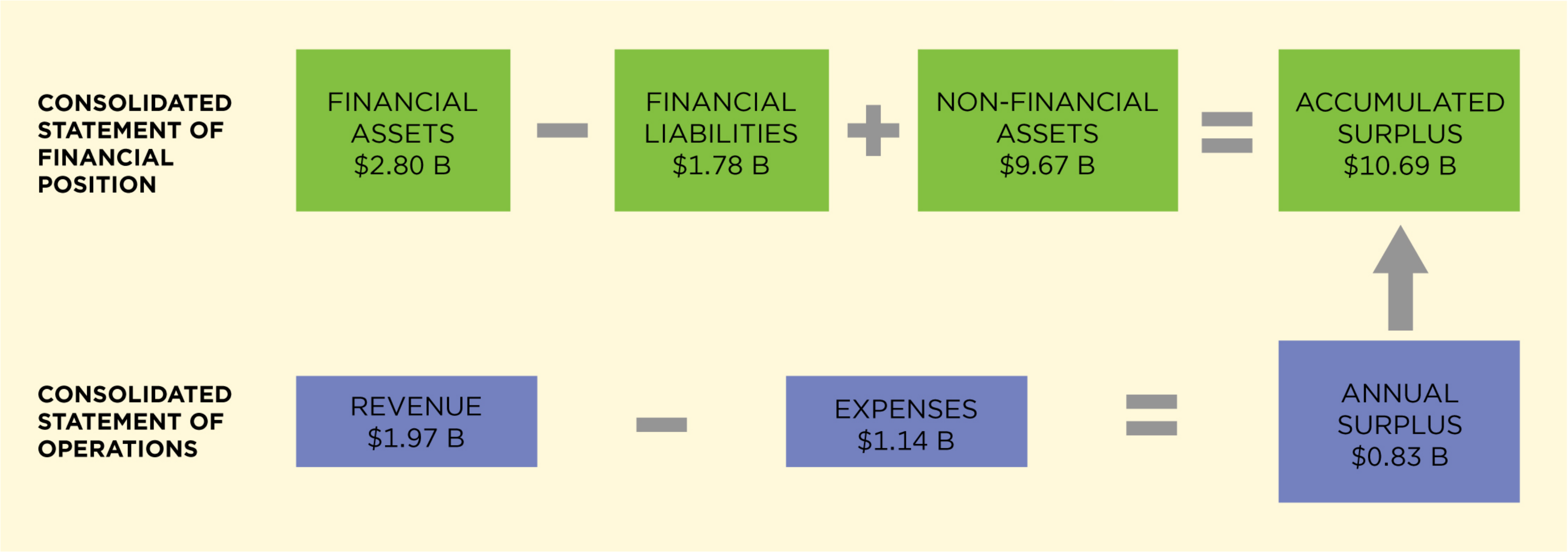
New Accounting Standards

PS 3400 Revenue
Establishes how to account for revenue, specifically on revenue arising from transactions that include performance obligations and those that do not.

PS 3160 Public Private Partnerships (P3)
Identifies the requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities.

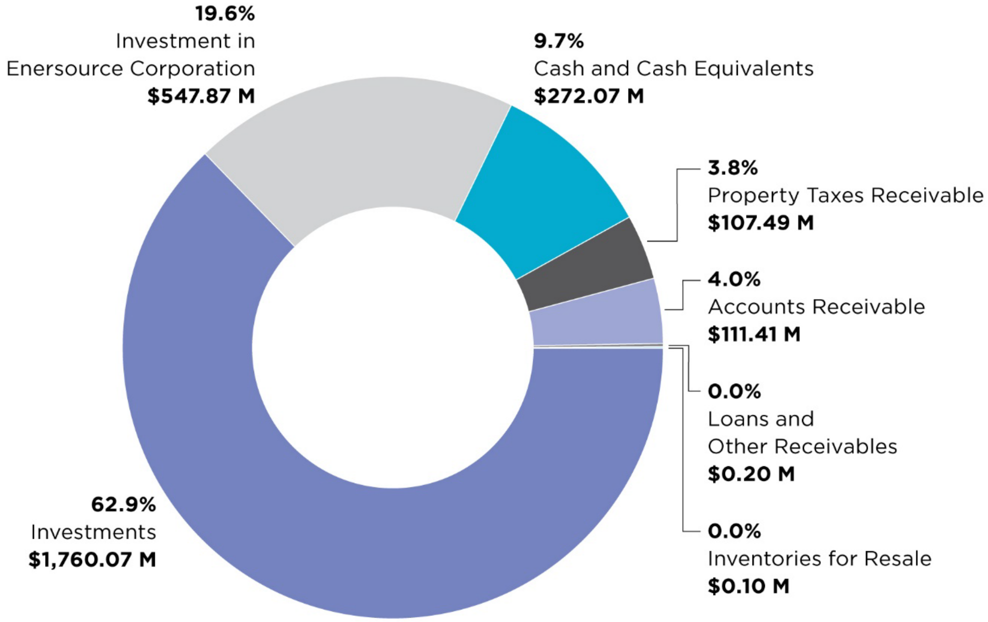
Public Sector Guideline 8
Allows public sector entities to recognize intangibles purchased through an exchange transaction.

2024 Consolidated Financial Position



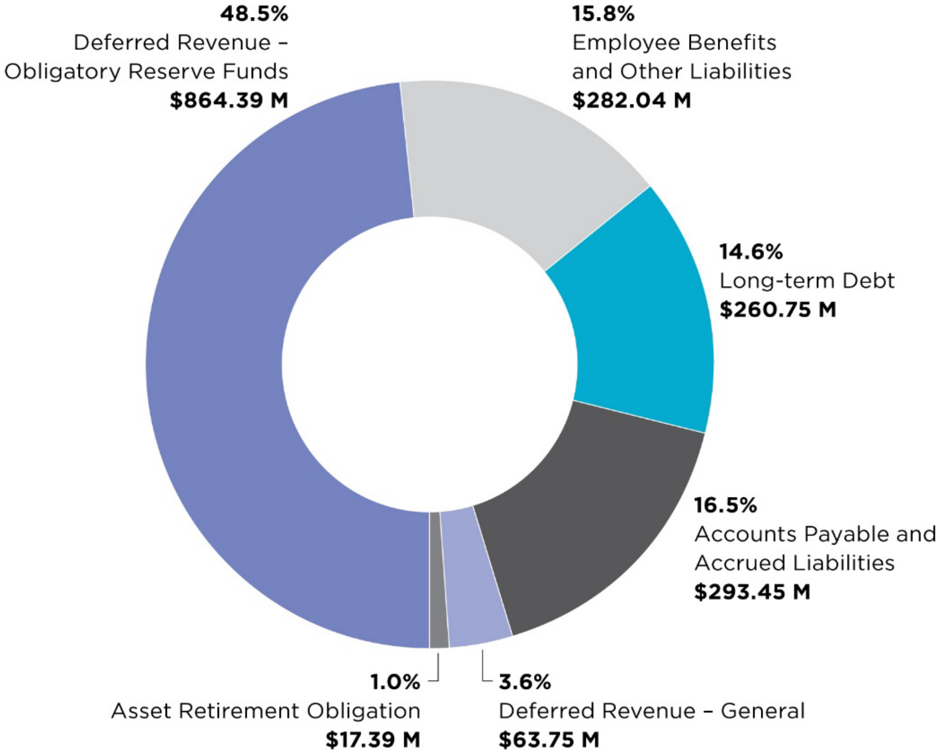
Financial Assets

- $2.8 billion as at December 31, 2024
- City funds investment portfolio earned 3.31% or $59 million in 2024 on cash and securities held
- The City’s 90% investment in Enersource holds a 29.57% interest in Alectra inc.
- Accounts receivable includes third party recoveries for capital projects, shared use agreements, HST returns
- Property tax collection rate ranges from 93% to 94%



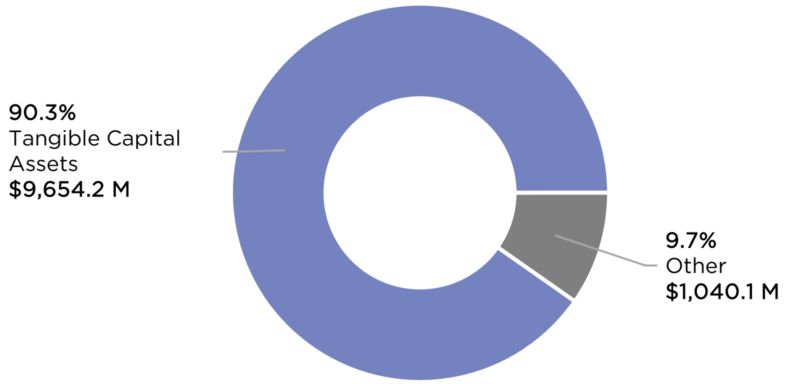
Financial Liabilities

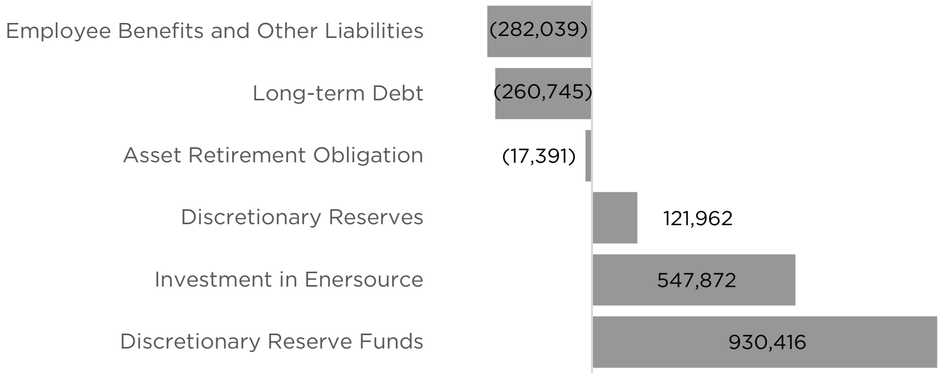
- $1.8 billion as at December 31, 2024
- Money collected for certain reserve funds (Development Charges, CCBF, Provincial Gas Tax, Cash in Lieu of Parkland) held as deferred revenue-obligatory reserve funds, and recognized as revenue once spent
- The City issued $90 million in debt in 2024 and repaid $37.3 million
- Employee benefits include actuarial valuation for WSIB, LTD, sick leave benefits, vacation pay
- Accounts payable includes invoices, wages and payments owing at year-end, security deposits held
- Deferred revenue includes programs and facility rentals that haven't yet taken place, development/building fees pending approval



Accumulated Surplus

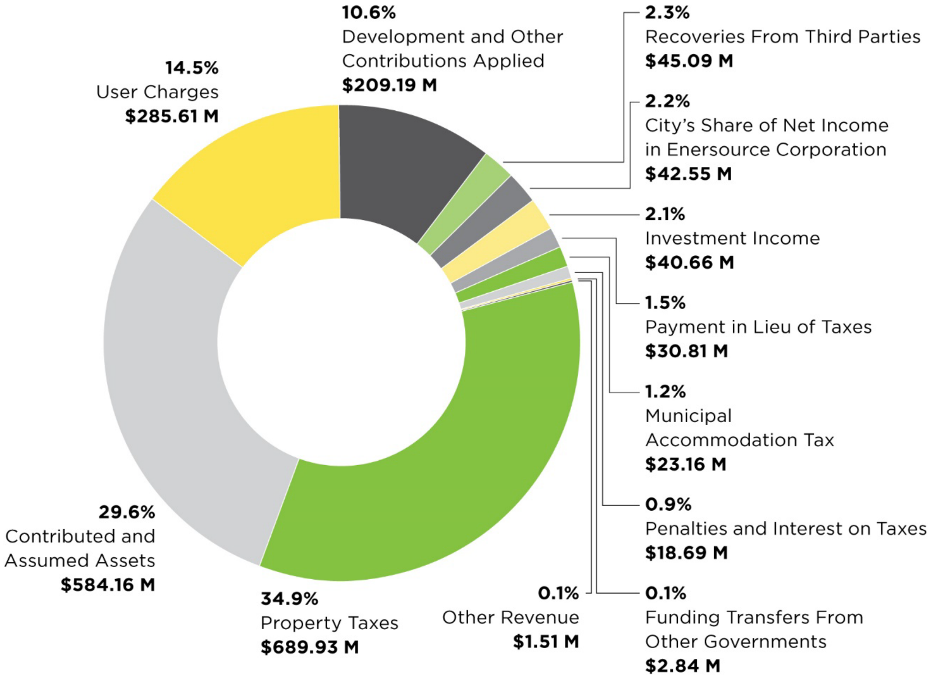
- $10.7 billion as at December 31, 2024
- Represents the City's net positive financial position, and the accumulation of the City's annual surpluses over the years
- Like other municipalities, accumulated surplus is composed primarily of the City's investment in its capital infrastructure
- Reserves, discretionary reserve funds, investment in Enersource add to the surplus, while outstanding debt and other liabilities reduce it





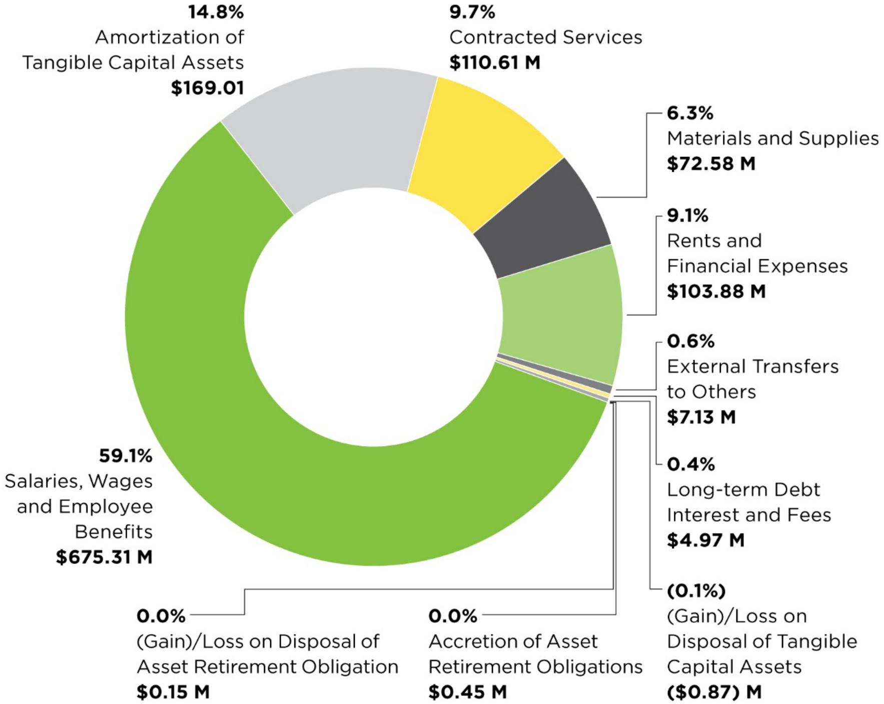
Consolidated Revenue

- $1.98 billion in 2024
- Contributed assets significantly increased vs. 2023 due to land, other infrastructure assumed by the City for Lakeview and Brightwater developments
- The City issued $90 million in debt in 2024 and repaid $37.3 million
- Employee benefits include actuarial valuation for WSIB, LTD, sick leave benefits, vacation pay
- Accounts payable includes invoices, wages and payments owing at year-end, security deposits
- Deferred revenue includes programs and facility rentals that haven't yet taken place, development/building fees pending approval



Consolidated Expenses

- $1.14 billion in 2024
- Expenses include spending from the operating budget and capital budget spending that is not eligible to be capitalized into an asset
- Functional categories in the financial statements are required for provincial reporting
- Salaries and wages make up the largest component of the City's spending
- Rents and financial expenses include facility, utility, maintenance, insurance costs
- Long-term debt principal payments is not an expense but a reduction to the liability



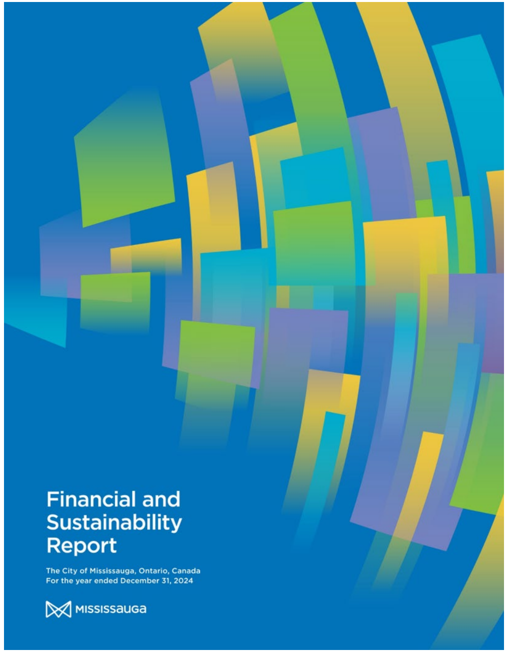
Financial Statement Surplus vs. Operating Budget Surplus

- Financial statement surpluses differ significantly from surpluses presented in operating budget reports due to:
  - Non-cash revenue and expenses like amortization, contributed assets, Enersource net income are included
  - Spending and revenue from operating, capital budget and reserve/reserve funds included in the financial statements
  - Reserve transfers are eliminated

	($000s)
Financial Statement Surplus	**831,004**
Adjustments:	
Contributed Assets	(584,165)
Enersource	(24,549)
Reserve Transfers	(176,940)
Obligatory RF Revenue	(185,609)
Other	(25,492)
Amortization	168,845
Operating Budget Surplus	**3,094**

2024 Financial and Sustainability Report

- 27 consecutive years receiving the Canadian Award for financial reporting from the Government Finance Officers Association
- Provides discussion and analysis on the City's 2024 financial results, accomplishments, sustainability disclosures
- The Annual report highlights provides a more succinct snapshot of the City's financial year-in-review
- Feedback provided to International Public Sector Accounting Standards Board based on draft climate related disclosures



Questions

City of Mississauga
Corporate Report

MISSISSAUGA

Date: April 23, 2025 To: Chair and Members of Audit Committee From: Marisa Chu, CPA,CA Commissioner of Corporate Services, Chief Financial Officer and Treasurer	Originator's files:
	Meeting date: June 9, 2025

Subject
2024 External Audit Findings Report

Recommendation
That the corporate report dated April 23, 2025 entitled "2024 External Audit Findings Report" from the Commissioner of Corporate Services, Chief Financial Officer and Treasurer, be received for information.

Executive Summary
- The 2024 External Audit Findings Report provides an overview of the 2024 audit process and findings and highlights those matters on which KPMG wishes to advise Audit Committee.
- The City's external auditor, KPMG LLP, has completed the audit of the City's Consolidated Financial Statements, and has rendered an opinion that the financial statements present fairly, in all material respects, in accordance with Canadian public sector accounting standards.
- There were no corrected or uncorrected misstatements identified during the audit.

Background
Audit Committee's Terms of Reference (By-law 0049-2024) establishes the responsibilities of Audit Committee, including reviewing and making recommendations to Council regarding the external audit function, internal audit function, financial reporting, internal controls and compliance, and reviewing any reports and correspondence from KPMG relating to the City and any local boards or agencies which may be created.

The annual External Audit Findings Report assists Audit Committee in the review of the City's Consolidated Financial Statements, provides an overview and summary of the findings, and includes an assessment of the completed audit. The report also provides information and comments regarding the following areas:

- Significant changes to the audit plan
- Significant audit risks and results
- Audit misstatements
- Significant unusual transactions
- Control deficiencies
- Accounting policies, practices and other financial reporting matters

For the 2024 fiscal year, local boards and agencies include the City of Mississauga Trust Funds, the Mississauga Public Library Board, Tourism Mississauga, the five Business Improvement Areas (Clarkson Village, Port Credit, Streetsville, Cooksville and Malton), and Enersource Corporation.

Comments

KPMG completed the statutory audit for the 2024 fiscal year and issued an External Audit Findings Report (Appendix 1) on April 4, 2025. Per the Independent Auditor’s Report that accompanies the City’s 2024 Consolidated Financial Statements, KPMG has rendered an opinion that the City’s Consolidated Financial Statements present fairly, in all material respects, in accordance with Canadian public sector accounting standards. The City’s Management Representation Letter (Appendix 2) confirms the responsibility for the preparation of the financial statements and all required disclosures made during the external audit.

Audit Misstatements

For the 2024 audit, there were no corrected or uncorrected misstatements to report.

Financial Impact

There are no financial impacts resulting from the recommendation in this report.

Conclusion

The 2024 External Audit Findings Report provides an overview of the results of the 2024 external audit of the City and its local boards and agencies conducted by KPMG LLP. There were no corrected or uncorrected misstatements to report in 2024.

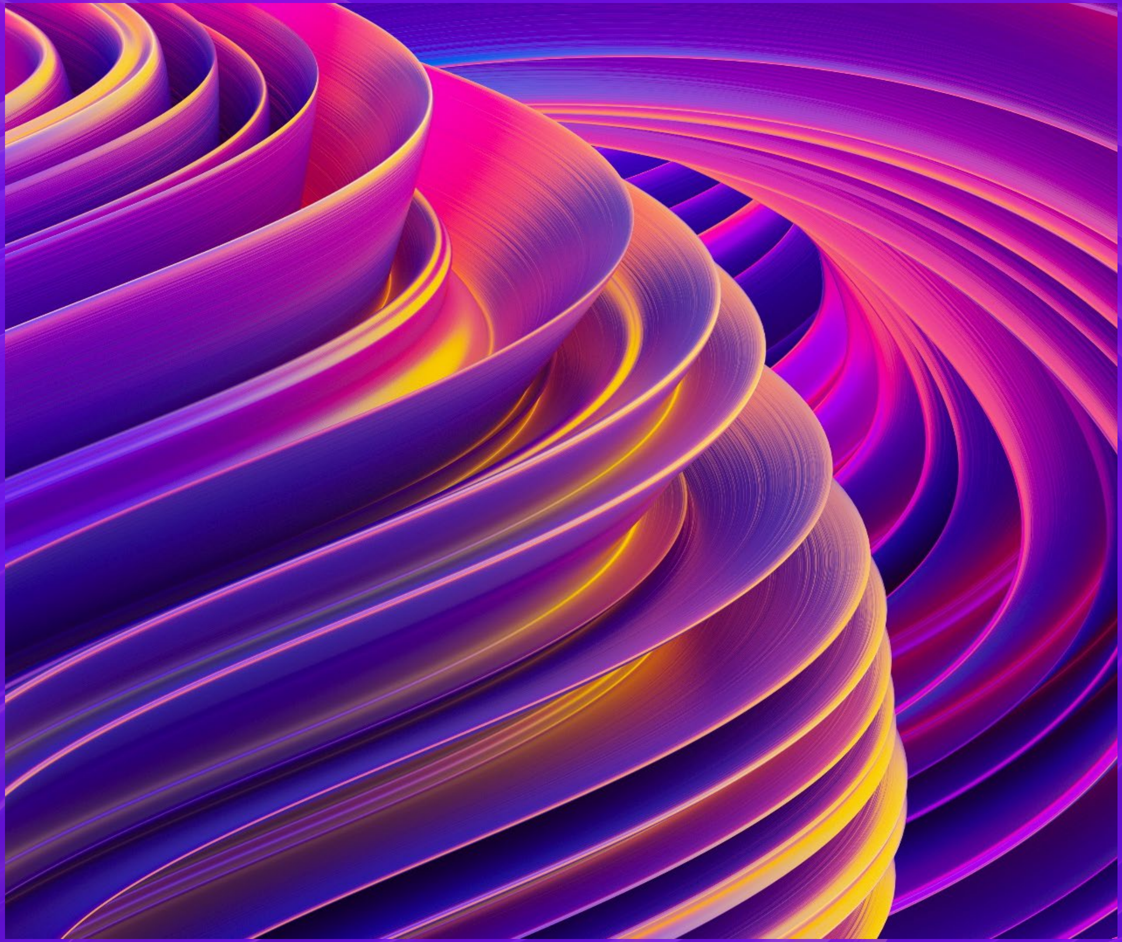
Attachments

Appendix 1: 2024 External Audit Findings Report
Appendix 2: 2024 Management Representation Letter

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

Prepared by: Wesley Anderson, CPA, Senior Manager, Business Planning & Financial Services

The Corporation of The City of Mississauga



Audit Findings Report for the year ended December 31, 2024

KPMG LLP

Licensed Public Accountants

Prepared as of March 24, 2025 for presentation on June 9, 2025

kpmg.ca/audit

KPMG contacts

Key contacts in connection with this engagement

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Manager

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frankiechan@kpmg.ca

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Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.

Click on any item in the table of contents to navigate to that section.

Audit highlights

No matters to report
Matters to report – see link for details

Status

We have completed the audit of the consolidated financial statements ("financial statements"), with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report.

Significant changes

Significant changes since our audit plan

There were no significant changes to our audit plan which was originally communicated to you in the audit planning report.

Risks and results & Significant unusual transactions

Significant risks
Other risks of material misstatement
Going concern matters
Significant unusual transactions

Policies and practices & Specific topics

Accounting policies and practices
Other financial reporting matters

Control deficiencies

Significant deficiencies

Corrected & Uncorrected misstatements

Uncorrected misstatements
Corrected misstatements

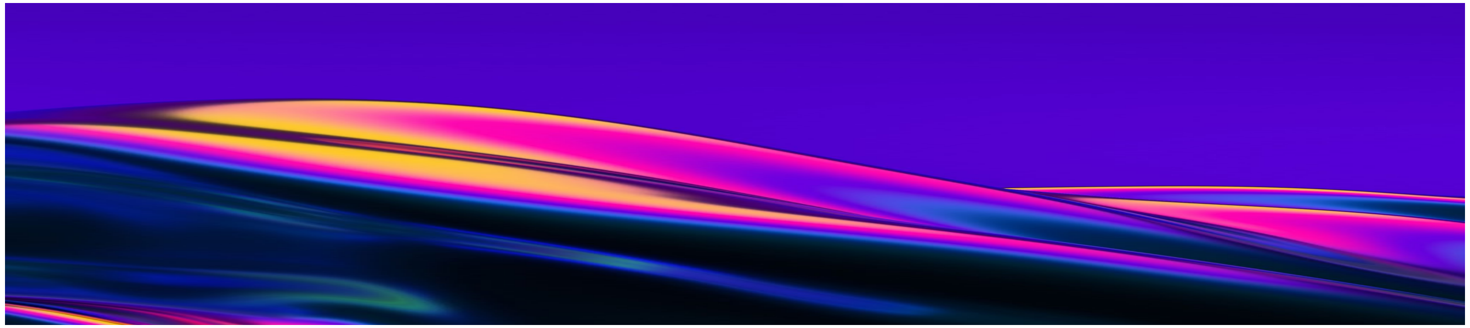
Status

As of the date of preparation of this Audit Findings Report, we have completed the audit of the consolidated financial statements, with the exception of certain remaining procedures, which include amongst others:

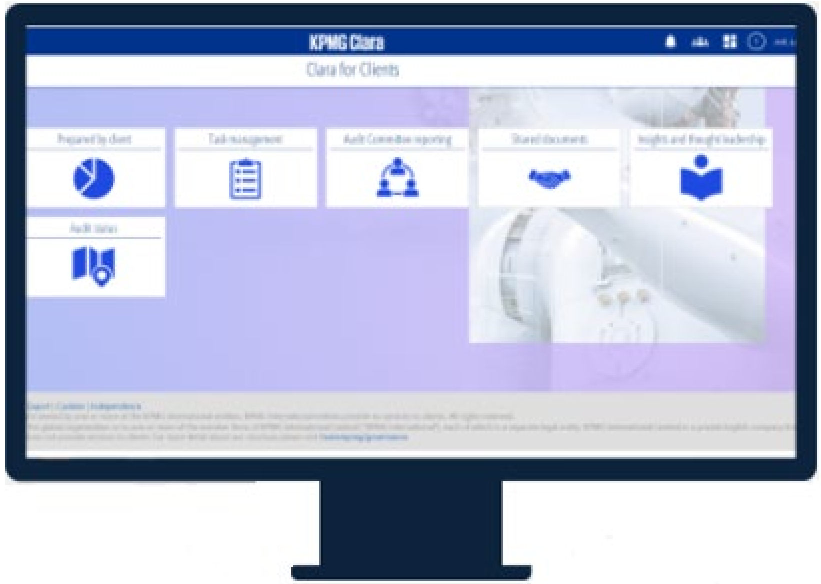
- Completion of any pending items including follow up requests as well as completion of our firm's quality control procedures
- Performing our subsequent event procedures
- Final review of above noted procedures
- Obtaining the signed management representation letter

We will update the Audit Committee, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor’s report is included in the draft consolidated financial statements.



KPMG Clara for Clients (KCc)



Real-time collaboration and transparency

We leveraged **KCc** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCfc to coordinate requests with management.

Learn more

Significant risks and results

We highlight our significant findings in respect of **significant risks.**

Presumed risk of fraudulent revenue recognition

RISK OF FRAUD

Significant risk	Estimate?
The primary risk of fraudulent revenue recognition resides with manual journal entries for revenue transactions not in the normal course of business, specifically related to management's calculation of the deferred revenue – obligatory reserve funds.	No

Our response

- Our audit methodology incorporated the required procedures in professional standards to address this risk.
- Our audit approach consisted of evaluating the design and implementation of selected relevant controls. We tested journal entries that meet specific criteria. This criteria was designed during the planning phase of the audit and is based on areas and accounts that are susceptible to manipulation through management override. We also designed search filters that allowed us to identify any unusual journal entries.
- As part of our audit approach to address the inherent risk of error in revenue recognition, we substantively tested revenues (both recognized and amounts held as deferred at year end). We also incorporated an element of uncertainty into the journal entries and revenue testing.
- We obtained management's assessment of the impact of the adoption of PS 3400 Revenue and agree with management's assessment that the impact was not significant.
- We did not identify any issues related to fraud risk associated with revenue recognition.

Significant risks and results

Risk of management override of controls

Our response and findings

- As this risk is not rebuttable, Our audit methodology incorporates the required procedures in professional standards to address this risk. Our procedures included for all components within audit scope:
  - Testing of journal entries and other adjustments. To test journal entries, we utilized KPMG application software (IDEA) to:
    - Evaluate the completeness of the journal entry population through a roll-forward of all accounts
    - Analyze journal entries and determine sub-populations for more focused and risk-based testing
    - Apply certain criteria to sub-populations to identify potential high-risk journal entries for further testing
    - Journal entries containing high risk conditions were tested to ensure they were supported by proper documentation and followed the journal entry initiation and approval controls and processes in place. We did not find any exceptions in our testing over journal entries
  - Performing an “Element of Unpredictability” procedure, in the selection of the nature, timing and extent of audit procedures to be performed to address the risk of management override of controls, as individuals within the entity who are familiar with the audit procedures normally performed on engagements may be in a position to conceal fraudulent financial reporting.
  - Performing a walkthrough and evaluating the design and implementation of controls within the journal entry process.
  - Performing a retrospective review of estimates
- We did not identify any issues or concerns regarding management override of controls.

Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.

Employee benefits liability

Other risk of material misstatement	Estimate?
Employee future benefits represent a liability computed by management's actuarial experts. A full actuarial study of the obligation was completed in December 2023. As the employee future benefits liabilities are significant and complex estimates, KPMG actuarial specialists were involved in completing the audit procedures.	Yes – Employee future benefits obligation/liability

Our response

- We assessed the participant data supplied by management to the actuary for completeness and accuracy.
- We obtained the actuarial valuation report and engaged our KPMG actuarial specialist team to audit the method and assumptions applied in the valuation.
- We evaluated the discount rate in comparison with rates issued by the Canadian Institute of Actuaries ("CIA") and KPMG LLP.
- We assessed the qualifications, competence and objectivity of the actuary as required by the Canadian auditing standards.
- We assessed the disclosures in the financial statements against the requirements of the PSAS

Other significant findings and results

Investments

Other significant findings	Estimate?
In accordance with PS 3450 Financial Instruments, investments with embedded derivative components must be recorded at fair value. PS 3450 allows the City to either bifurcate the embedded derivatives from the host contract or value the entire contract at fair value. The City did not have any investments with embedded derivative components in 2024 The investments are carried at cost and amortized cost. Public sector accounting standards require management to review the decline in fair value on an annual basis to assess whether the decline in fair value is considered temporary or permanent. Management has made this assessment and did not identify any permanent impairment and as such no adjustment has been recorded for impairment of investments.	Yes

Our response and significant findings

- We confirmed all of the investment balances with investment managers, CIBC Wood Gundy and BMO Nesbitt Burns.
- We reviewed financial statement note disclosure in line with the PSAS.
- We performed audit procedures on the assessment of fair value and did not identify any issues.
- No matters to report.

Other risks of material misstatement and results

Employee benefits liability

Significant findings

- Based on our review of the report prepared by the actuary, we noted that the method applied for the estimate is acceptable per the Canadian Institute of Actuaries and Public Sector Accounting Standards (PSAS) 3250 Retirement Benefits.
- We assessed the key assumptions used by the actuary in light of the City's financial results. We also performed a sideways glance to compare the assumptions used by the actuary for the City with other Ontario municipalities and we did not note any significant differences.
- We noted that the discount rate used by the actuary is a key assumption. Discount rates of 3.25% - 5.00% (2023 – 3.25% - 5.00%) were used for the determination of the liability. We evaluated the discount rates against the discount rate curve issued by different reliable sources including The Canadian Institute of Actuaries (CIA), Fiera Capital and KPMG LLP. Our actuarial specialists assessed the discount rate and other assumptions using actuarial techniques and market data. Based on this evaluation, we concluded that the discount rates used are reasonable.
- The disclosures included in the financial statements are in accordance with the requirements of the public sector accounting standards.
- Based on the audit work performed, we did not note any issues related to the calculation of the City's employee benefits liability as at December 31, 2024.
- The employee benefit liability as at December 31, 2024 are outlined in note 9 to the financial statements.

Other risks of material misstatement and results

Contingencies

Other risk of material misstatement	Estimate?
PSAS 3300 Contingent Liabilities requires that the City recognize a liability when "it is likely that a future event will confirm that a liability has been incurred at the date of the financial statements; and the amount can be reasonably estimated." At any point in time, the City is subject to a number of matters which could potentially result in the determination of a contingent liability as defined above, including, but not limited to matters such as legal claims, etc. At year end, no provision has been made in the consolidated statements for any liability that may result.	Estimation uncertainty exists related to the likelihood and measurement of the contingent liability. However, this estimation uncertainty does not result in a risk of material misstatement

Our response

- We obtained and evaluated the City's assessments and claims listing that are used to develop and record these estimated liabilities.
- We obtained a legal confirmation from internal legal counsel and evaluated the assessments made by internal legal counsel on the pending legal matters in terms of determination of likelihood and measurability.
- We reviewed Council and committee meeting minutes to determine the completeness of contingencies and held discussions thereon with senior management, including internal legal representatives.

Significant findings

- We reviewed the listing of active litigation and potential claims provided by internal legal counsel and reviewed assessments of each matter and the process employed to develop and record the related estimated liabilities. Management has recorded an accrual based on the likely amounts of loss after accounting for insurance coverage.
- As these items are resolved, it is possible that the final amounts recorded for these liabilities may change, however the amounts currently recorded represent management's best estimates of exposure given the information presently available.
- Based on the work performed, the contingent liabilities reported by the City are reasonable.

Other risks of material misstatement and results

Tangible capital assets

Other risk of material misstatement	Estimate?
Tangible capital assets present the biggest non-financial asset for the City. There is a risk of material misstatement related to the existence and accuracy of tangible capital assets and accuracy of timing of revenue recognition, particularly related to funds intended for tangible capital assets.	No

Our response and findings

- We obtained management's assessment of the impact of the newly effective PS 3160, Public Private Partnerships (P3) and PSG-8, Purchased Intangibles accounting standard and reviewed it against the PSAS criteria, along with our general understanding of the City's operations. Management's assessment indicated that there are no current transactions that would meet the P3 or/and PSG-8 criteria, and we agree with management's assessment that the impact is not significant.
- We tested, on a sample basis, the additions to tangible capital assets and noted that management has appropriately capitalized the additions including transfers from work in progress to tangible capital assets. We obtained assurance related to the accuracy and existence of these additions and also assessed if these additions met the criteria for capitalization.
- We tested on a sample basis the work in progress to ensure amounts are properly transferred to correct capital asset classes and amortization commences on a timely basis.
- We tested on a sample basis contributed and assumed assets to assess if these assets had been recognized at fair market value at the date of contribution.
- We assessed financial statement note disclosure in line with the PSAS.
- We obtained the City's amortization policy and assessed reasonableness of estimated useful lives.
- We obtained management's assessment of impact of PSG 8 AND PS 3160 on the FS for the City and we agree with management's assessment that the impact is not significant
- The amounts reported for tangible capital assets are reasonable and disclosures in the financial statements are in accordance with the public sector accounting standards.

Other risks of material misstatement and results

Consolidation

Other risk of material misstatement	Estimate?
The City consolidates the following entities and organizations in the consolidated financial statements for the City: • City of Mississauga Public Library Board • Tourism Mississauga • Business Improvement Areas (BIAs) including Clarkson, Cooksville, Malton, Port Credit, Streetsville Inter-departmental and inter-organizational transactions and balances are between these entities and organizations are eliminated.	No

Our response and findings

- Each of the entities and organizations noted above are considered non-significant components to the City's financial statements. For each of these entities and organizations, there is a required statutory audit performed. These individual audits of are performed by the same audit team as for the main City.
- We obtained an understanding the consolidation process in place by management including the review and approval controls, checks and balances, and information system being utilized for the consolidation process and the financial reporting process.
- We obtained the consolidation workbook from management and completed our audit procedures related to consolidation including elimination of inter-departmental and inter-organizational transactions, pick-up of government business enterprises and any other transactions that are relevant for consolidation.
- Based on the work performed, we did not identify any issues or errors.

Accounting policies and practices

Initial selection

The following new accounting standards came into effect for the year ended December 31, 2024 and were implemented by the City:

- PS 3400 *Revenue,* PS 3160 *Public private partnerships,*
- The new Public Sector Guideline 8 *Purchased intangibles*

Impact on adoption of new accounting policies are disclosed in Note 2 to the consolidated financial statements.

Description of new or revised significant accounting policies and practices

None in 2024

Significant qualitative aspects

Significant accounting policies are disclosed in Note 1 to the consolidated financial statements

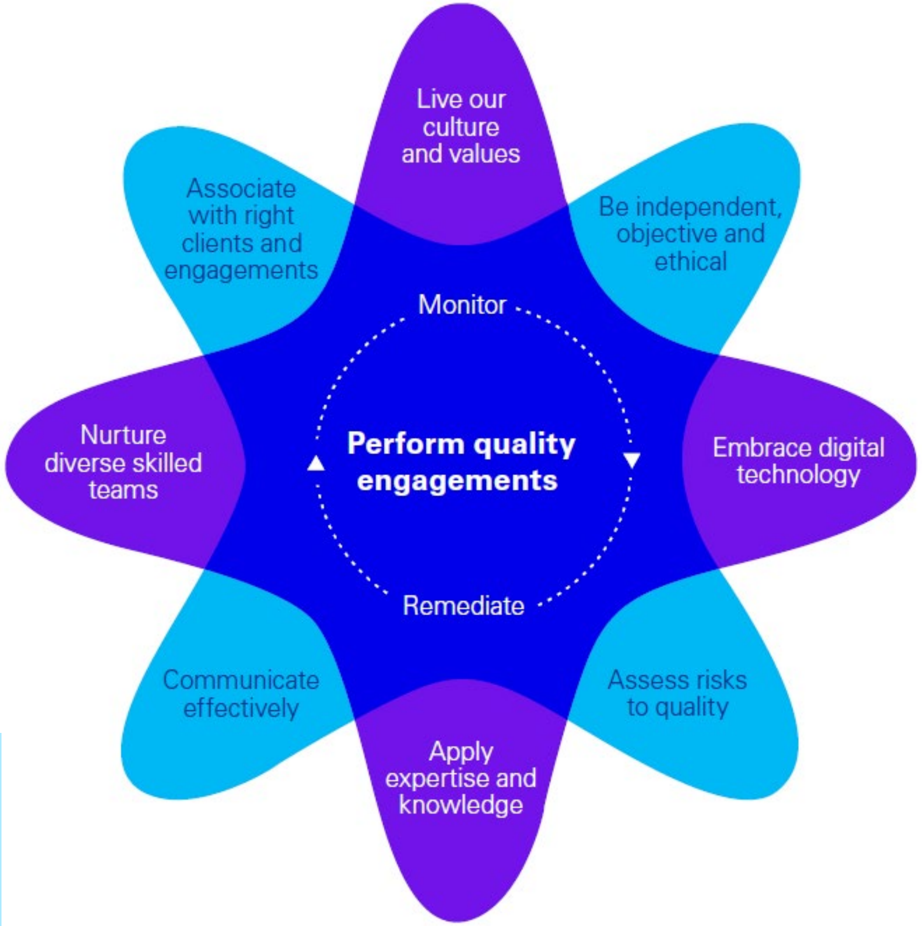
Estimates and assumptions are disclosed in Note 1(t).

Audit quality - How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:

KPMG Canada Transparency Report



Doing the right thing. Always.

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management;** and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics** and **integrity.**

Appendices

A Required communications

B New auditing standards

C New accounting standards

D Insights

E Environmental, social and governance (ESG)

F Technology

G Unleashing tomorrow – today with AI

Appendix A: Required inquiries of the audit committee

Inquiries regarding risk assessment, including fraud risks

- What are the Audit Committee's views about fraud risks, including management override of controls, in the Company? And have you taken any actions to respond to any identified fraud risks?
- Is the Audit Committee aware of, or has the Audit Committee identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?
  - If so, have the instances been appropriately addressed and how have they been addressed?
- How does the Audit Committee exercise oversight of the Company's fraud risks and the establishment of controls to address fraud risks?

Inquiries regarding company processes

- Is the Audit Committee aware of tips or complaints regarding the Company's financial reporting (including those received through the Audit Committee's internal whistleblower program, if such programs exist)? If so, the Audit Committee's responses to such tips and complaints?

Inquires regarding related parties and significant unusual transactions

- Is the Audit Committee aware of any instances where the Company entered into any significant unusual transactions?
- What is the Audit Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company?
- Is the Audit Committee concerned about those relationships or transactions with related parties? If so, the substance of those concerns?

Appendix A: Other required communications

Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to the Audit Committee.

CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- CPAB Audit Quality Insights Report: 2022 Annual Inspections Results
- CPAB Audit Quality Insights Report: 2023 Interim Inspections Results
- CPAB Regulatory Oversight Report: 2023 Annual Inspections Results
- CPAB Audit Quality Insights Report: 2024 Interim Inspections Results

Appendix B: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards - see Current Developments

Effective for periods beginning on or after December 15, 2023

ISA 600/CAS 600

Revised special considerations – Audits of group financial statements

Effective for periods beginning on or after December 15, 2024

ISA 260/CAS 260

Communications with those charged with governance

ISA 700/CAS 700

Forming an opinion and reporting on the financial statements

Appendix C: Upcoming changes in accounting standards

Standard	Summary and implications
Concepts Underlying Financial Performance	• The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted. • The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. • The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.

Financial Statement Presentation	• The proposed section PS 1202 *Financial statement presentation* will replace the current section PS 1201 *Financial statement presentation*. PS 1202 *Financial statement presentation* will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted.
	• The proposed section includes the following:
	  • Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.
	  • Separating liabilities into financial liabilities and non-financial liabilities.
	  • Restructuring the statement of financial position to present total assets followed by total liabilities.
	  • Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).
	  • Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.
	  • A new provision whereby an entity can use an amended budget in certain circumstances.
	  • Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.
	• The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.

Appendix C: Upcoming changes in accounting standards

Standard	Summary and implications
Employee benefits	• The Public Sector Accounting Board has initiated a review of sections PS 3250 *Retirement benefits* and PS 3255 *Post-employment benefits, compensated absences and termination benefits*. • The intention is to use principles from International Public Sector Accounting Standard 39 *Employee benefits* as a starting point to develop the Canadian standard. • Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. • The proposed section PS 3251 *Employee benefits* will replace the current sections PS 3250 *Retirement benefits* and PS 3255 *Post-employment benefits, compensated absences and termination benefits*. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively. • This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. • The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.

Appendix D: Audit and assurance insights

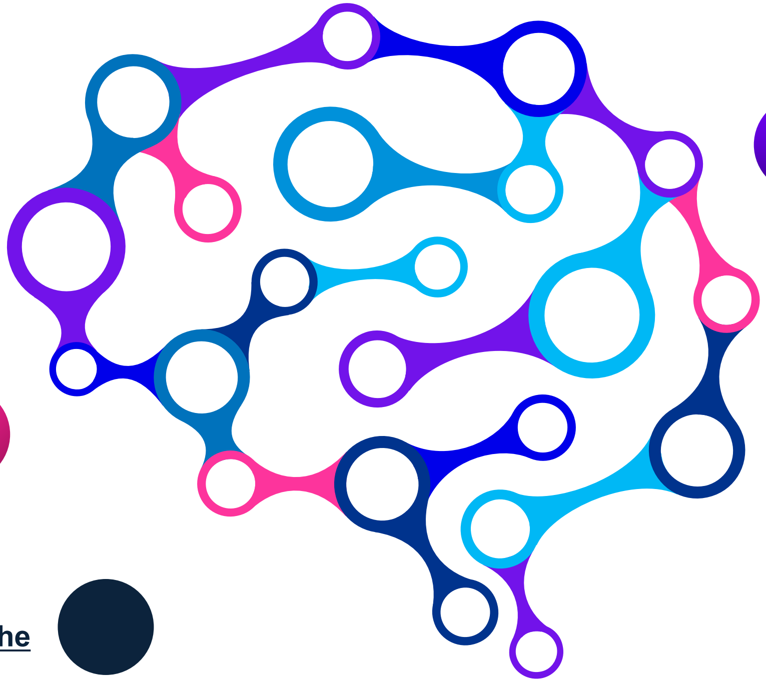
Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights
Curated research and insights for audit committees and boards.

Sustainability Reporting
Resource centre on implementing the new Canadian reporting standards

Board Leadership Centre
Leading insights to help board members maximize boardroom opportunities

IFRS Breaking News
A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.



Current Developments
Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

Audit Committee Guide – Canadian Edition
A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

Accelerate - The key issues driving the audit committee agenda
Discover the most pressing risks and opportunities that face audit committees, boards and management teams.

Appendix E: Canadian ESG reporting activities

What's here and what's coming?

There continues to be activity in the Canadian ESG reporting space along with regulations introduced in other jurisdictions that may impact Canadian companies, such as the Corporate Sustainability Reporting Directive (CSRD) and California Climate Laws.

UPDATE THIS QUARTER: CSSB released its first two final Canadian Sustainability Disclosure Standards

Voluntary standards rollout

- In December 2024, the Canadian Sustainability Standards Board (CSSB) released its first two Canadian Sustainability Disclosure Standards (CSDS).
- The standards are aligned with the IFRS Sustainability Disclosure Standards, with the exception of a Canadian-specific effective date and incremental transition reliefs.
- The standards are effective, on a *voluntary basis* only, for annual reporting periods beginning on or after January 1, 2025.

Road to mandatory application?

- Canada's regulators and legislators will determine if and when application of the standards should be mandated.
- The Canadian Securities Administrators (CSA) issued a statement that it is working towards a revised climate-related disclosure rule that will consider the Canadian Sustainability Disclosure Standards.

Why should you prepare?

Momentum toward standardized, transparent and comparable sustainability reporting continues.

- Federally regulated financial institutions are already required to comply with OSFI B-15 which is broadly based on the ISSB standards.
- Despite the CSSB standards being voluntary, legislation and rules continue to evolve in other jurisdictions such as the CSRD and California Climate Laws.
- Canadian government anti-greenwashing regulations introduced (Bill C-59).

What could you be doing now?

1 (Re) Establish reporting strategy

- Undertake a regulatory impact assessment to determine the sustainability reporting requirements that apply to your organization.
- Document your reporting strategy, including any planned voluntary reporting and assurance.
- Conduct a materiality assessment considering the frameworks you plan to comply with.

2 Assess current state

- Identify the differences between applicable regulations and/or standards and current reporting.
- Conduct a current state maturity analysis of processes, controls, people, technology and governance structures.
- Complete data gap assessment and develop plan to close gaps.

3 Design reporting policies & target operating model (TOM)

- Develop and/or adapt policies, regarding identified material risks and opportunities.
- Develop standard Key Performance Indicator (KPI) definitions and calculation methodologies.
- Determine TOM and solutions to support sustainability reporting and assurance.

4 Implement sustainability reporting roadmap

- Develop roadmap for delivery, identify milestones, interim and final targets.
- Design future reports.
- Rollout of TOM, including implementation and training required.

Appendix F: Continuous evolution

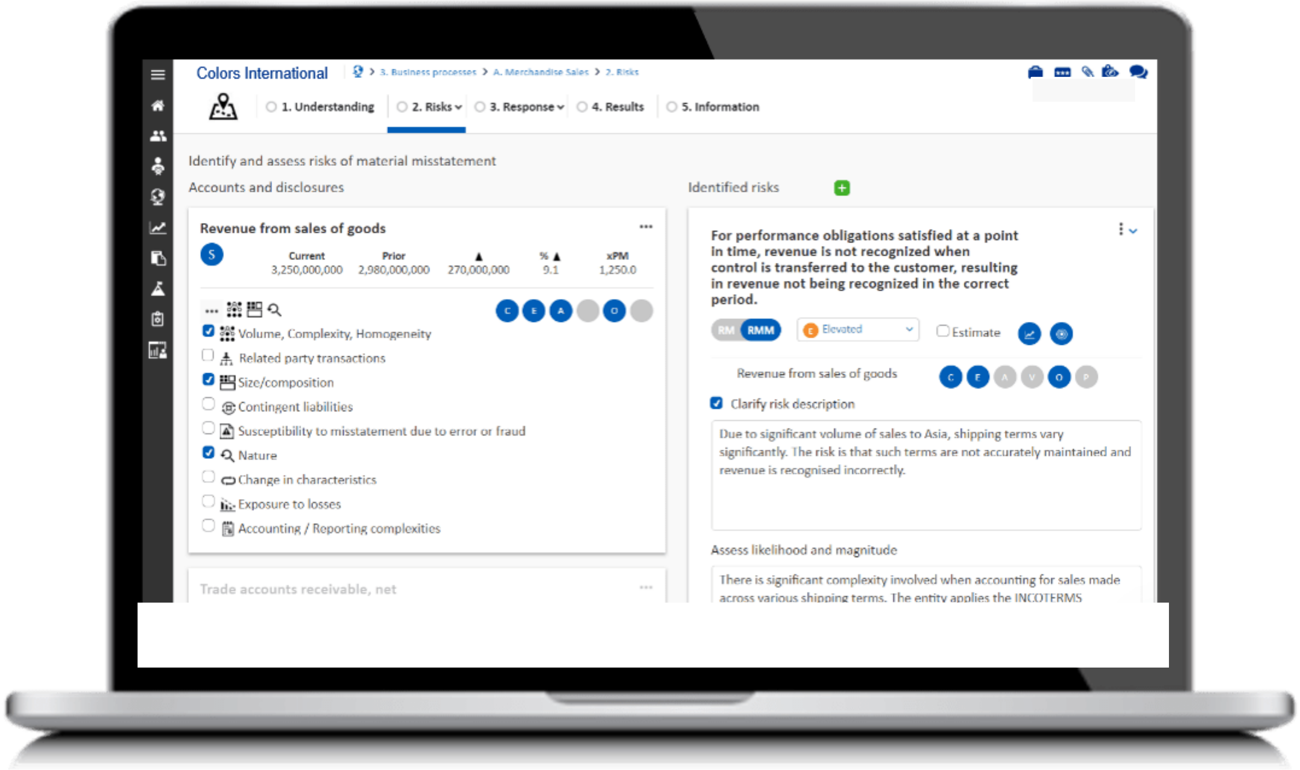
Our investment:
We are in the midst of a five-year investment to develop our people, digital capabilities, and advanced technology.

Responsive delivery model
Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

Result: A better experience
Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.

Appendix F: KPMG Clara Generative AI

With our global alliance partner Microsoft, we have embarked on a journey to embed Generative AI into our smart audit platform—KPMG Clara. This will make our auditors more productive and give them the tools to provide quicker feedback, make more insightful connections, and deliver a better audit experience.



AI done right

Although early adoption is key, we are focused on avoiding reliance on a 'black box' so we're building 'explainability' and 'traceability' at the core.

Bolstered productivity

Focused on removing time-consuming low value tasks, we'll apply our skills in other, more judgmental areas or in order to give insights to you.

Quality at our fingertips

We are teaching our model with our knowledge databases to capture our vast experience. This means quality information accessible in seconds.

Secure integration

KPMG Clara has been built on a solid and secure Azure Cloud backbone, allowing us to easily integrate Generative AI in partnership with Microsoft.

KPMG

KPMG

Appendix G: Unleashing tomorrow, today with AI

Business strategy with AI disruption

Turn AI into a cornerstone of sustainable, competitive growth.

A comprehensive business strategy can seamlessly intertwine technology with your business's **goals, transform AI from a concept into a key driver of your objectives, strategy and ROI.**

It's not just about tech; it's about people, striving to ensure smooth transitions and unlocking human potential alongside AI innovations.

This holistic approach can extend to governance, supply chain, data analytics, implementation and more, solidifying your operations against future challenges.

Assessing opportunities
Seek to understand how AI can impact or disrupt your business and what the existing opportunities are.

Scaling AI initiatives
Scaling up existing AI projects, aligned to the overall business strategy to help ensure success.

Competitive edge
Staying competitive in a rapidly evolving market where AI is disrupting business operations is key.

Brighter business intelligence, powered by AI

Your company's strategy and business intelligence are at the heart of your business decisions. It should be intimately linked to your artificial intelligence (AI) strategy, efforts, and goals.

Executive training

Explore and test

Evolving the operating model (Technology)

Implementing solutions

Business strategy – AI disruption

Optimizing data structure

Maximizing Microsoft Copilot integration

Governing and managing risk

Appendix G: 4 key phases of a successful AI strategy

01 Understand

Hyper Diagnostic
Demonstrate the ”art of the possible” and the current AI landscape, explore diverse use cases, and assess peer adoption.

AI readiness assessment
Deploy AI readiness assessment to ensure the company is prepared from a tech, data, governance and people perspective.

Perspective on AI strategy
Assess AI's disruptive potential across core and support functions, demonstrate its impact on operations and costs, and establish an initial AI strategy aligned with company priorities.

02 Design

Risk Assessment
Discuss the potential risks and opportunities associated with the key scenarios.

Opportunity assessment
Pinpoint quick wins, evaluating their potential benefits, and conduct a high-level feasibility assessment.

Present available subsidy and grant options for relevant AI projects.

03 Initiate

Stakeholder involvement
Provide recommendations for engaging internal stakeholders and collect insights on AI adoption throughout the company's value chain.

Financial implications and opportunity validation
Quantify the impact of various AI scenarios, calculating ROI. Identify and engage necessary people, processes, and technologies for execution.

Strategic roadmap
Create a concise strategic plan, encompassing vision, values, competitive advantage, key initiatives, and a roadmap with resource allocation and KPIs.

04 Operationalize

Transform technology services with generative AI
Assessment of current IT capabilities and the foundations necessary for the implementation of the selected generative AI solutions

Define the IT delivery model for solutions.

Enterprise architecture adapted to AI
Support for the integration of Gen AI into the enterprise architecture and into the organization's roadmap.

Define a Target Operating Model

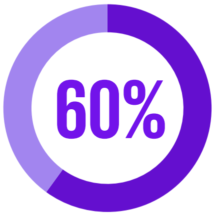
Orchestrate business capabilities
Orchestration of all business practices and underlying IT capabilities necessary for operationalization.

kpmg.com/ca

Appendix G: AI Education and Training for executives and boards

Start your AI journey with confidence.

Embrace the future with AI, the driving force of the new economy, set to help transform your business model. This transformative power can drive your organization's position in the market. Consider the impending changes and strategize for the years ahead, helping to ensure a seamless and secure integration of this groundbreaking technology.



of organizations plan to adopt generative AI within 6 to 12 months*.

Change starts with you

01 Understand the impact and trends of generative AI adoption in your organization and industry

02 Foster a continuous learning culture and manage change for successful AI implementation

03 Discover the commercial and competitive potential of working with AI

04 Learn how to manage AI risk and governance as a business leader

05 Identify your productivity and automation challenges and take corrective action

06 Redefine your business model holistically

A first step in the adoption of AI in your business

Implementing generative AI starts with your business priorities, supported by executive and board engagement to drive a transformation aligned with your corporate ambitions.

Executive and board training

- Presentation to various executive committees
- Presentation to the Board of Directors
- Role and responsibilities around AI as a board member and executive
- Workshop on concrete business potential
- AI strategic plan

AI strategy and value

Use case development

Implement AI solutions

Governing and managing risk (Trusted AI)

Workforce transformation and adoption

AI Data & Cloud infrastructure

*KPMG survey of 300 executives on generative AI, March 2023

Appendix J: A three-part training program

Discover real-life uses of generative AI, tailored to your business sector

Updated overview of this fast-paced technology

- Learn what is new in the world of AI
- Explore industry-specific use cases that could benefit your organization
- Manage AI risk and governance adequately

Technology demonstrations

- See the impact of generative AI on the future of your organization through concrete, contextualized demonstrations
- Assess the potential benefits for your organization

Brainstorming workshops

- Identify organizational priorities for AI adoption and how to prepare your teams for change upstream
- Educate and empower key stakeholders to drive AI strategy and the governance framework at the executive level

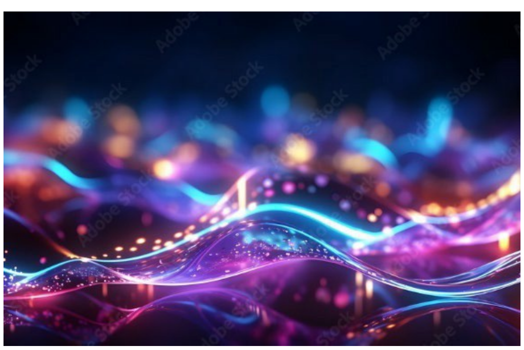
KPMG, a leader in generative AI

200+

Professionals dedicated to generative AI recognized for their technical skills and innovative strategic vision.

800+

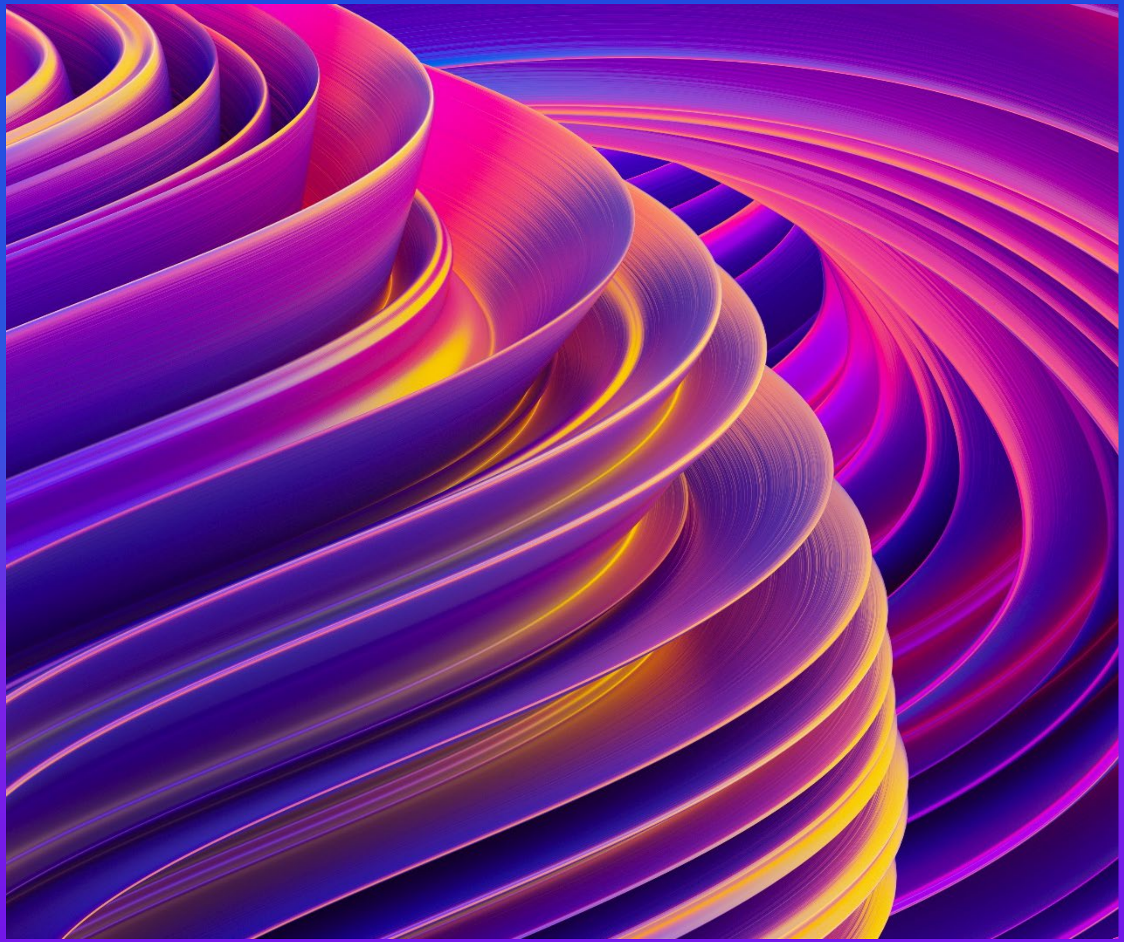
Tailor-made use cases for all business sectors.



50+

Board and executive education and training sessions delivered in the last year. Our team understands the challenges you face as an executive or board member and can help you build confidence and accelerate the value AI can bring to your business.

https://kpmg.com/ca/en/home.html



Appendix 2

City of Mississauga
City Manager's Office
300 City Centre Drive
MISSISSAUGA ON L5B 3C1
mississauga.ca

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place Suite 1400
Vaughan, ON, L4K 0J3
Canada

April 4, 2025

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of **The Corporation of the City of Mississauga** ("the Entity") as at and for the periods ended December 31, 2024.

GENERAL:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

RESPONSIBILITIES:

1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated November 11, 2024, including for:

   a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.

   b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:

      – the names of all related parties and information regarding all relationships and transactions with related parties;

      – the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of council, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.

   c) providing you with unrestricted access to such relevant information.

   d) providing you with complete responses to all enquiries made by you during the engagement.

e) providing you with additional information that you may request from us for the purpose of the engagement.

f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.

g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.

h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:

3) We have disclosed to you:

a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

b) all information in relation to fraud or suspected fraud that we are aware of that involves:

- management;
- employees who have significant roles in internal control over financial reporting; or
- others

where such fraud or suspected fraud could have a material effect on the financial statements.

c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.

d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.

e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

f) We have disclosed to you all information regarding investigations into possible fraud and/or non-compliance or suspected non-compliance with laws and regulations, including illegal acts, that we have undertaken at our discretion and completed, including the results of such investigations, and the resolution of the matters, if any, identified in such investigations.

SUBSEQUENT EVENTS:

4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

RELATED PARTIES:

5) We have disclosed to you the identity of the Entity's related parties.

6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.

7) All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

ESTIMATES:

8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

GOING CONCERN:

9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.

10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

OTHER INFORMATION:

11) We confirm that the final version of the Annual Report will be provided to you when available, and prior to issuance by the Entity, to enable you to complete your required procedures in accordance with professional standards.

NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:

12) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).

13) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

OTHER

14) We confirm that we have provided you with a complete list of service organizations (SO) and sub-service organizations (SSO) and that the relevant complementary user entity controls (CUECs) related to each SO/SSO have been designed and implemented.

Employee Benefits:

1) The employee benefits costs, assets and obligation, if any, have been determined, accounted for and disclosed in accordance with the financial reporting framework.

2) All arrangements (contractual or otherwise) by which programs have been established to provide employee benefits, which include post-employment benefits, and that are funded or unfunded have been disclosed to you and included in the determination of employee benefit costs and obligations.

3) The set of actuarial assumptions for each plan is individually consistent.

4) The assumptions included in the actuarial valuation are those that management instructed Nexus Actuarial Consultants Ltd. to use in computing amounts to be used by the Entity in determining employee benefit costs and obligations and in making required disclosures in the above-named financial statements, in accordance with the relevant financial reporting framework.

5) In arriving at these assumptions, management has obtained the advice of Nexus Actuarial Consultants Ltd. but has retained the final responsibility for them.

6) The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.

7) All changes to plan provisions or events occurring subsequent to the date of the actuarial valuation and up to the date of this letter have been considered in the determination of employee benefits costs and obligations and as such have been communicated to you as well as to the actuary.

8) The extrapolations are accurate and properly reflect the effects of changes and events that occurred subsequent to the most recent valuation and that had a material effect on the extrapolation.

9) All material events and changes to the plan subsequent to the most recent actuarial valuation have been properly reflected in the extrapolation.

10) Each actuarial assumption used reflects management's best estimate solely with respect to that individual assumption, determined on a basis that the plan will continue to be in effect in the absence of evidence to the contrary.

11) Each of the best estimate assumptions used reflects management’s judgment of the most likely set of conditions affecting future events.

12) The discount rate used to determine the accrued obligation for each plan was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments; or inherent in the amount at which the accrued benefit obligation could be settled.

Self-insurance:

13) The self-insurance liability has been determined, accounted for and disclosed in accordance with the financial reporting framework.

14) All arrangements (contractual or otherwise) by which programs have been established to provide self-insurance, and that are funded or unfunded have been disclosed to you and included in the determination of self- insurance liability.

15) The assumptions included in the actuarial valuation are those that management instructed J.S Cheng & Partners Inc. to use in computing amounts to be used by the Entity in determining self- insurance liability and in making required disclosures in the above-named financial statements, in accordance with the relevant financial reporting framework.

16) In arriving at these assumptions, management has obtained the advice of J.S Cheng & Partners Inc. but has retained the final responsibility for them.

17) The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.

18) All changes to plan provisions or events occurring subsequent to the date of the actuarial valuation and up to the date of this letter have been considered in the determination of self- insurance liability and as such have been communicated to you as well as to the actuary.

19) Each actuarial assumption used reflects management's best estimate solely with respect to that individual assumption, determined on a basis that the plan will continue to be in effect in the absence of evidence to the contrary.

20) Each of the best estimate assumptions used reflects management’s judgment of the most likely set of conditions affecting future events.

21) The discount rate used to determine the self-insurance liability was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected claims payments; or inherent in the amount at which the claims could be settled.

Management’s Use of Specialists:

22) We agree with the findings of Nexus Actuarial Consultants Ltd. as management’s expert in evaluating WSIB and employee benefits liabilities. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

23) We agree with the findings of J.S Cheng & Partners Inc. as management’s expert in evaluating actuarial assessment of the self-insured retention levels and reserve funds. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Adoption of new accounting standards:

24) The Entity has adopted new accounting standards that came into effect for the year beginning on January 1, 2024, and has recorded all required adjustments to recognize the impact of these new accounting standards. The presentation and disclosure in the financial statements has been updated accordingly to reflect these changes as well.

Approval of financial statements:

25) Marisa Chiu, Chief Financial Officer and Treasurer, has the recognized authority to take, and has taken, responsibility for the financial statements.

Yours very truly,

THE CORPORATION OF THE CITY OF MISSISSAUAGA

Geoff Wright, Chief Administrative Officer and City Manager

Marisa Chiu, Chief Financial Officer, and Treasurer

Mark Beauparlant, Manager, Accounting and Accounts Payable

cc: Audit Committee

Attachment I – Definitions

MATERIALITY

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

City of Mississauga
Corporate Report

MISSISSAUGA

Date: May 9, 2025	Originator's files:
To: Chair and Members of Audit Committee	
From: Marisa Chiu, CPA, CA, Commissioner of Corporate Services, Chief Financial Officer and Treasurer	Meeting date: June 9, 2025

Subject

2024 Audited Financial Statements

Recommendation

That the corporate report dated May 9, 2025 entitled "2024 Audited Financial Statements" from the Commissioner of Corporate Services, Chief Financial Officer and Treasurer be received for information.

Executive Summary

- One of the responsibilities of the Audit Committee is to review the annual audited financial statements of the City and its local boards and external audit results.
- The audited financial statements have been reviewed and approved by the Commissioner of Corporate Services, Chief Financial Officer and Treasurer.
- This report presents the 2024 Audited Financial Statements for:
  - City of Mississauga (Consolidated) (Appendix 1)
  - City of Mississauga Trust Funds (Appendix 2)
  - Mississauga Public Library Board (Appendix 3)
  - Tourism Mississauga (Appendix 4)
  - Clarkson Village Business Improvement Areas (Appendix 5)
  - Port Credit Business Improvement Area (Appendix 6)
  - Streetsville Business Improvement District Area (Appendix 7)
  - Cooksville Business Improvement Area (Appendix 8)
  - Enersource Corporation (Appendix 9)
- The Malton Business Improvement Area had not completed their audit at the time of this report being published.

Background

The Finance Division is responsible for the preparation of the annual financial statements as per Section 294.1 of the *Municipal Act, 2001* which requires municipalities to prepare financial statements, prepared by management in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The Consolidated Financial Statements provide information on the cost of City activities and how they were financed, investing activities, and the City's assets and liabilities. The information also reflects the full nature and extent of the City's financial affairs in a way that is similar to private sector financial statement presentation. The financial statements comprise all organizations, committees and local boards accountable to the City for the administration of their financial affairs, and resources which are owned or controlled by the City. The consolidated entities include the City of Mississauga Trust Funds, the Mississauga Public Library Board, Tourism Mississauga, the five Business Improvements Areas (Clarkson Village, Port Credit, Streetsville, Cooksville and Malton) and Enersource Corporation.

The *Municipal Act, 2001* also specifies that the municipality must appoint an external auditor licensed under the *Public Accounting Act, 2004* to annually audit and express an opinion about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report in accordance with Canadian public sector accounting standards.

KPMG LLP is the City's current external audit firm. KPMG is in the final year of a ten-year contract for the fiscal years 2015 to 2024. In 2025, the City will be issuing a Request for Proposal for external auditor services for a five-year contract (with an option to extend up to 10 years) for fiscal years 2025 to 2029.

One of the responsibilities of Audit Committee is to review with management and the external auditor the result of the annual financial statements and audit results, including any significant accounting estimates and adjustments to the statements required as a result of the audit, and any difficulties encountered in the course of the audit.

Comments

KPMG has completed its audit of the City's financial statements. As per the Independent Auditor's Report that accompanies the 2024 Audited Consolidated Financial Statements in Appendix 1, KPMG has rendered an opinion that the City's financial statements present fairly, in all material respects, the consolidated financial position for the year ended December 31, 2024. The financial statements have been approved by the Commissioner of Corporate Services, Chief Financial Officer and Treasurer.

The Malton BIA audit had not been completed at the time of this report being published. As a result, their financial results have been consolidated into the City’s financial statements based on their annual budget.

Change in Accounting Policies

The Public Sector Accounting Board introduced two new accounting standards and a guideline, effective for the 2024 financial year:

PS 3160
On January 1, 2024, the City adopted 3160 – Public Private Partnerships (“P3”). This new accounting standard identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the P3 term. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. The City adopted the standard prospectively. The implementation of this new standard did not result in identification of transactions that would meet the definition of P3.

PS 3400
On January 1, 2024, the City adopted 3400 – Revenue. This new accounting standard establishes how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and those that do not. Adoption of this standard has resulted in changes in the timing of revenue recognition for certain revenue streams such as licenses, building permits and development application fees. The City will recognize revenue from these exchange transactions when it satisfies its performance obligations. The City adopted the standard prospectively resulting in an immaterial adjustment to decrease user charges and increase deferred revenue – general for the year ended December 31, 2024.

Public Sector Guideline 8
On January 1, 2024, the City adopted Public Sector Guideline 8 – Purchased Intangibles. This new guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The City adopted the standard prospectively. The implementation of this new standard did not result in identification of assets that would meet the definition of purchases intangibles.

Reconciliation of the City’s Budget to Audited Financial Statements

The City prepares two main sets of financial documents annually: the annual financial statements, and the Business Plan & Budget.

The Business Plan & Budget document is a spending control document, a revenue rate-setting document and the means to calculate a property tax levy, as specified in sections 290 and 312 of the *Municipal Act, 2001*. The Business Plan & Budget is prepared using a modified accrual basis of accounting. In contrast, the City's financial statements are prepared under the accrual basis of accounting in accordance with public sector accounting standards, which creates significant differences between both documents. The main differences include:

- Certain revenue and expenses, such as contributed assets received through development, or changes in employment and other liabilities, are not included in the budget, but are in the financial statements.
- In the Business Plan & Budget, transfers in or out of the operating fund or capital fund from reserves are recorded as either revenue or expenses; these transfers are not recorded as revenue or expenses in the financial statements.
- Liabilities are fully recognized in the financial statements but are not fully funded in the Business Plan & Budget, as these are an estimate of future possible expenditures. Levying an amount to fully fund liabilities would significantly increase the tax levy.
- The Business Plan & Budget does not provide for amortization, although it does set aside funds in reserves to pay for the future renewal of City infrastructure.

Note 21 of the Consolidated Financial Statements reconciles the adopted operating and capital budgets with an adjusted budget reported in the financial statements. The City presents a full accrual-based budget to accompany the operating and capital budgets.

2024 Financial and Sustainability Report

To complement the financial statements, the 2024 Financial and Sustainability Report (Appendix 10) provides a comprehensive review of the City's accomplishments, activities and financial performance.

There has been a growing demand for sustainability reporting and disclosures due to increased global awareness around broader sustainability issues that affect decision-making for both private and public sector organizations. Organizations have developed voluntary sustainability reporting standards in an effort to report on a consistent basis and allow entities to be assessed on a common ground. The 2024 Financial and Sustainability Report provides an overview of the City's progress in sustainability related initiatives. Over the coming years, it is expected that sustainability-related disclosures, such as the recognition of unaudited natural assets presented in Note 28 of the Consolidated Financial Statements, will become mandatory in the future.

Enersource Corporation

As outlined in Note 6 of the Consolidated Financial Statements, the City has a 90 per cent interest in Enersource Corporation, which is accounted for on the modified equity basis. Enersource holds a 29.57 per cent interest in Alectra Inc., whose primary businesses are to distribute electricity to customers in the Greater Golden Horseshoe Area. The investment in

Enersource generates an annual dividend that helps fund City operations and moderate the property tax rate. Enersource Corporation's Audited Financial Statements are presented in Appendix 9.

The City's 90 per cent interest in Enersource Corporation in 2024 is $547.9 million (2023 $522.7 million), an increase of $25.2 million and is reported as a financial asset on the Consolidated Statement of Financial Position. $18.0 million in dividends were paid to the City from Enersource, and the $42.5 million in net income earned by the Corporation.

Financial Impact

There are no financial impacts resulting from the recommendation in this report.

Conclusion

The City's 2024 Audited Financial Statements provide information on the cost of all City activities, how they were financed, investing activities, and the City's assets and liabilities. The information also reflects the full nature and extent of the City's financial affairs.

Attachments

Appendix 1: 2024 City of Mississauga Audited Consolidated Financial Statements
Appendix 2: 2024 City of Mississauga Trust Funds Audited Financial Statements
Appendix 3: 2024 Mississauga Public Library Board Audited Financial Statements
Appendix 4: 2024 Tourism Mississauga Audited Financial Statements
Appendix 5: 2024 Clarkson Village Business Improvement Areas Audited Financial Statements
Appendix 6: 2024 Port Credit Business Improvement Area Audited Financial Statements
Appendix 7: 2024 Streetsville Business Improvement District Area Audited Financial Statements
Appendix 8: 2024 Cooksville Business Improvement Area Audited Financial Statements
Appendix 9: 2024 Enersource Corporation Audited Financial Statements
Appendix 10: 2024 Financial and Sustainability Report

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

Prepared by: Wesley Anderson, CPA, Senior Manager, Business Planning & Financial Services

Appendix 1

2024 Audited Consolidated Financial Statements

For the year ended December 31, 2024

Prepared by: Finance Division
City of Mississauga

MISSISSAUGA

The Corporation of the City of Mississauga
December 31, 2024

CONTENTS

Management's Responsibility for Financial Reporting

For the year ended December 31, 2024

The accompanying Consolidated Financial Statements of the Corporation of the City of Mississauga (the "City") are the responsibility of the City's management and have been prepared in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The City's Finance Division is responsible for the preparation of the Consolidated Financial Statements and accompanying notes. The statements and notes include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis to ensure that the Consolidated Financial Statements are presented fairly in all material respects.

There are four required Consolidated Financial Statements: the Consolidated Statement of Financial Position, the Consolidated Statement of Operations, the Consolidated Statement of Change in Net Financial Assets, and the Consolidated Statement of Cash Flows. These Consolidated Financial Statements provide information on the cost of all City activities, how they were financed, investing activities, assets, and liabilities. The Consolidated Financial Statements are reviewed and approved by the Chief Financial Officer and Treasurer.

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

The City's Consolidated Financial Statements have been audited by KPMG LLP, independent external auditors appointed by the City's Audit Committee. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City's Consolidated Financial Statements.

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

GWright

Geoff Wright
City Manager and
Chief Administrative Officer

Marisa Chiu

Marisa Chiu
Chief Financial Officer and
Treasurer

Mississauga, Ontario
April 4, 2025

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024, and its consolidated results of operations, its consolidated change in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

KPMG

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 4, 2025

The Corporation of the City of Mississauga
Consolidated Statement of Financial Position
as at December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Financial Assets		
Cash and cash equivalents	272,070	273,785
Property taxes receivable (Note 3)	107,486	89,186
Accounts receivable (Note 3)	111,414	200,339
Loans and other receivables	200	250
Inventories for resale	97	97
Investments (Note 4)	1,760,072	1,509,569
Investment in Enersource Corporation (Note 6)	547,872	522,683
Total Financial Assets	2,799,211	2,595,909
Financial Liabilities		
Accounts payable and accrued liabilities	293,451	274,046
Deferred revenue - general (Note 7)	63,750	36,280
Deferred revenue - obligatory reserve funds (Note 8)	864,389	859,129
Employee benefits and other liabilities (Note 9)	282,039	258,608
Asset retirement obligation (Note 11)	17,391	14,975
Long-term debt (Note 12)	260,745	208,040
Total Financial Liabilities	1,781,765	1,651,078
Net Financial Assets	1,017,446	944,831
Non-Financial Assets		
Tangible capital assets (Note 13)	9,645,382	8,888,802
Inventories of supplies	11,758	12,280
Prepaid expenses	10,871	7,902
Total Non-Financial Assets	9,668,011	8,908,984
	10,685,457	9,853,815
Accumulated surplus (Note 14)	10,685,110	9,854,107
Accumulated remeasurement gain/(loss)	347	(292)
	10,685,457	9,853,815

Contingent liabilities and guarantee (Note 17)
Contractual rights (Note 25)
Commitments (Note 26)
Contingent assets (Note 27)

The Corporation of the City of Mississauga
Consolidated Statement of Operations
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024 Budget (Note 21)	2024 Actual	2023 Actual
Revenue (Notes 18, 19 and 20)			
Property taxes (Note 15)	683,651	689,931	639,813
Payment in lieu of taxes	37,066	30,809	15,295
Municipal Accommodation Tax	18,000	23,163	16,195
User charges (Note 23)	285,583	285,610	260,313
Recoveries from third parties	110,728	45,093	161,883
Funding transfers from other governments (Note 24)	1,958	2,839	3,868
Development and other contributions applied	100,409	209,188	138,026
Investment income	30,215	40,660	39,755
Penalties and interest on taxes	10,110	18,687	17,152
Contributed and assumed assets (Note 13.b)	-	584,165	60,379
Other	(1,019)	1,510	1,011
City's share of net income in Enersource Corporation (Note 6)	20,619	42,549	36,153
Total Revenue	1,297,320	1,974,204	1,389,843
Expenses (Notes 18, 19 and 20)			
General government services	197,666	226,940	202,606
Protection services (Note 23)	175,461	170,811	164,383
Transportation services	407,338	442,770	421,694
Environmental services	22,435	26,249	24,983
Health services	927	910	833
Social and family services	805	377	359
Recreation and cultural services	215,578	225,750	219,601
Planning and development services	44,769	49,394	48,276
Total Expenses (Note 22)	1,064,979	1,143,201	1,082,735
Annual surplus	232,341	831,003	307,108
Accumulated surplus, beginning of year	9,854,107	9,854,107	9,546,999
Accumulated Surplus, end of year (Note 14)	10,086,448	10,685,110	9,854,107

The Corporation of the City of Mississauga
Consolidated Statement of Change in Net Financial Assets
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024 Budget (Note 21)	2024 Actual	2023 Actual
Annual surplus	232,341	831,003	307,108
Acquisition of tangible capital assets	-	(926,084)	(481,185)
Amortization of tangible capital assets (Note 13)	157,370	169,006	165,679
(Gain)/loss on disposal of tangible capital assets (Note 13)	-	(871)	10,723
Proceeds of disposition of tangible capital assets (Note 13)	-	1,223	3,490
Loss on disposal of asset retirement obligation	-	146	34
	389,711	74,423	5,849
Acquisition of inventories of supplies	-	(11,758)	(12,280)
Prepaid expenses, current year	-	(10,871)	(7,902)
Inventories of supplies	-	12,280	10,929
Prepaid expenses, prior year	-	7,902	8,758
Change in net financial assets before the under-noted	389,711	71,976	5,354
Net financial assets, beginning of year	944,831	944,831	939,769
Remeasurement gain/(loss)	-	639	(292)
Net Financial Assets, end of year	1,334,542	1,017,446	944,831

The Corporation of the City of Mississauga
Consolidated Statement of Cash Flows
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Cash provided by (used in):		
Operating activities		
Annual surplus	831,003	307,108
Items not involving cash		
Amortization of tangible capital assets	169,006	165,679
(Gain)/loss on disposal of tangible capital assets	(871)	10,723
Contributed and assumed assets	(584,165)	(60,379)
Change in employee benefits and other liabilities	23,431	17,868
Accretion of asset retirement obligations	447	417
Loss on disposal of asset retirement obligation	146	34
City's share of net income in Enersource Corporation	(42,549)	(36,153)
Change in non-cash assets and liabilities		
Property taxes receivable	(18,300)	(22,949)
Accounts receivable	88,925	(78,482)
Accounts payable and accrued liabilities	19,405	8,091
Deferred revenue - general	27,470	14,467
Deferred revenue - obligatory reserve funds	5,260	74,443
Asset retirement obligations	1,969	1,214
Inventories of supplies	522	(1,351)
Prepaid expenses	(2,969)	856
Net change in cash from operating activities	**518,730**	**401,586**
Capital activities		
Tangible capital asset additions	(341,920)	(420,806)
Proceeds of disposition of tangible capital assets	1,223	3,490
Net change in cash from capital activities	**(340,697)**	**(417,316)**
Investing activities		
Increase in investments	(250,503)	8,760
Decrease in loans and other receivables	50	50
Dividends from Enersource Corporation	18,000	18,594
Net change in cash from investing activities	**(232,453)**	**27,404**
Financing activities		
Proceeds from issuance of long-term debt	90,000	-
Repayment of long-term debt	(37,295)	(41,055)
Net change in cash from financing activities	**52,705**	**(41,055)**
Net change in cash and cash equivalents	**(1,715)**	**(29,381)**
Cash and cash equivalents, beginning of year	273,785	303,166
Cash and Cash Equivalents, end of year	**272,070**	**273,785**

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
(All dollar amounts are in $000s)

The Corporation of the City of Mississauga (the "City") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the *Municipal Act, 2001, Planning Act, Building Code Act, 1992, Provincial Offences Act* and other related legislation.

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

Accounting standards specify how transactions and other events are to be recognized, measured, presented, and disclosed in a public sector entity's financial statements. These standards are numbered and are referenced throughout these notes beginning with the letters "PS".

1. Significant Accounting Policies

a) Basis of consolidation

(i) Consolidated entities

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

The entities and organizations included in the reporting entity are:

- Mississauga Public Library Board
- Tourism Mississauga
- Clarkson Village Business Improvement Association
- Cooksville Business Improvement Area
- Malton Business Improvement Area
- Port Credit Business Improvement Area
- Streetsville Business Improvement District Association
- Enersource Corporation

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

(ii) Investment in a government business enterprise

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

(iii) Accounting for Region and school board transactions

Revenue (including taxation), expenses, assets and liabilities with respect to the operations of the Regional Municipality of Peel ("the Region") and the school boards within the Region are not reflected in these Consolidated Financial Statements.

(iv) Trust funds

Trust funds and their related operations administered by the City are not included in these Consolidated Financial Statements. The Care and Maintenance Fund and Election Surplus Fund are not accounted for as part of the City's assets. The City acts as a trustee, investing and administering such funds, in accordance with regulations of the *Funeral, Burial and Cremations Services Act, 2002* and the *Municipal Elections Act, 1996.*

b) Basis of accounting

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

c) Deferred revenue - general

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

d) Deferred revenue - obligatory reserve funds

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

e) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with original dates to maturity of 90 days or less. Cash and short-term investments are recorded at amortized cost.

f) Loans and other receivables

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

g) Inventories for resale

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

h) Land held for sale

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

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 something other than a temporary decline in value, the respective investment is written down to recognize the loss in the Consolidated Statement of Operations.

j) Measurement of financial instruments

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

(i) Cash at amortized cost

(ii) Investments at amortized cost (with fair market value disclosed in Note 4)

(iii) Taxes receivable, accounts receivable, loans and other receivables at amortized cost

(iv) Accounts payable and accrued liabilities at amortized cost

(v) Long-term debt at amortized cost

At the end of 2024, there are no financial instruments recognized at fair value.

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

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

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

k) Employee future benefits

(i) The City provides certain employee benefits which will require funding in future years. These benefits include sick leave, benefits under the *Workplace Safety and Insurance Act, 1997*, long-term disability, life insurance, and extended health and dental benefits for early retirees.

These benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discounted rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the years of service provided by employees (such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees), the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, (such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave), the cost is recognized immediately in the year when the events occur. Any actuarial gains or losses that are related to these benefits are recognized immediately in the year they arise.

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

l) Asset retirement obligation

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

Asset retirement obligations are measured based on the best estimate of directly attributable expenditures required to settle the obligation. The amount of the obligation is added to the carrying amount of the associated asset and amortized on a straight-line basis over the estimated remaining useful life of the asset. If an obligation exists and does not have a corresponding asset, the amount of the obligation is recognized as a liability and an expense in the year of acquisition. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised annualy.

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

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

(i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset

(ii) The past transaction, or event giving rise to the liability, has occurred

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

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

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

(i) Removal of asbestos in buildings owned by the City

(ii) Remediation and/or restoration of leased real property and facility space

(iii) Remediation of fuel tank and ammonia systems in City facilities

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

m) Loan guarantees

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

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n) Contaminated sites

Contaminated sites are defined as the result of contamination being introduced that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

(i) An environmental standard exists

(ii) Contamination exceeds the environmental standard

(iii) The organization is directly responsible or accepts responsibility for the liability

(iv) Future economic benefits will be given up

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

o) Non-financial assets

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

(i) Tangible capital assets

Tangible capital assets are recorded at cost. This category includes amounts that are directly attributed to the acquisition, construction, development or betterment of the asset, and estimated costs for asset retirement obligations. The cost, less residual value, of the tangible capital assets (excluding land), are amortized on a straight-line basis over their estimated useful lives in accordance with City policy as follows:

Asset	Useful Life (Years)
Land	Unlimited
Land improvements	15 - 20
Buildings	5 - 50
Equipment, books and other	4 - 40
Linear - storm drainage	25 - 100
Linear - transportation	15 - 100
Vehicles	5 - 15

A full year of amortization is charged in the year of acquisition. Amortization is not charged in the year of disposition. Assets under construction are not amortized until the asset is available for productive use. Amortization expense is not recorded on land because it has an unlimited useful life.

(ii) Contributed and assumed assets

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

(iii) Works of art and cultural and historic assets

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

(iv) Leased assets

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

(v) Inventories of supplies

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

p) Contingent assets

PS 3320 - Contingent Assets requires disclosure of possible assets arising from existing conditions or situations involving uncertainty which will be ultimately resolved when one or more future events occur that are not wholly within the government's control, and when the occurrence of a confirming future event is likely.

q) Contractual rights

PS 3380 - Contractual Rights requires disclosure of information pertaining to future rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Note 25 provides disclosure regarding the nature, extent and timing of contractual rights.

r) Related-party disclosures

PS 2200 - Related Party Disclosures requires disclosure of related-party transactions when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control over. Related-party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has a material effect on the Consolidated Financial Statements.

There were no material related-party transactions to disclose for the year ended December 31, 2024.

s) Inter-entity transactions

PS 3420 - Inter-entity Transactions requires disclosure of transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. All City transactions are recorded at the exchange amount, being the amount agreed to by both parties.

There were no material inter-entity transactions to disclose for the year ended December 31, 2024.

t) Use of estimates

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

Actual results could differ from estimates.

u) Assets

PS 3210 - Assets provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events, and from which future economic benefits are to be obtained. For the year ended December 31, 2024, all material assets have been disclosed and reported within this definition.

v) Adoption of budgets

The 2024 operating and capital budgets were adopted on Monday, December 18, 2023.

w) Revenue

(i) Property taxes

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

(ii) Payment in lieu of taxes

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

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

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

The City does not collect penalty and interest for PILTs.

(iii) Municipal Accommodation Tax revenue

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

(iv) User charges

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

(v) Recoveries from third parties

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

(vi) Government transfers

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

(vii) Investment income

Investment income is reported as revenue in the year earned. Investment income earned on deferred revenue - obligatory reserve funds is not included in investment income but recognized as a receipt. Receipts are then recognized as obligatory reserve fund revenue when the actual operating or capital expenditures are incurred.

(viii) Penalties and interest

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

(ix) Development and other contributions applied

The City receives funding from external parties or other levels of government with no contractual or legislated requirements. Funding is recognized as revenue once it is received by the City. The City also receives funding from external parties or other levels of government with specific contractual or legislated requirements. These funds must be set aside as deferred revenue and applied as revenue against operating and capital expenditures as they occur.

(x) Contributed and assumed assets

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

(xi) Other revenue

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

x) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2024 and have therefore not been applied to these Consolidated Financial Statements. Management is currently assessing the impact of the following accounting standards updates on the future Consolidated Financial Statements.

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

(ii) PS 3251 - Employee Benefits will replace PS 3250 - Retirement Benefits and PS 3255 - Post-employment Benefits, Compensated Absences and Termination Benefits. The proposed standard is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

2. Change in Accounting Policies

a) PS 3160

On January 1, 2024, the City adopted 3160 – Public Private Partnerships ("P3"). This new accounting standard identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the P3 term. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. The City adopted the standard prospectively. The implementation of this new standard did not result in identification of transactions that would meet the definition of P3.

b) PS 3400

On January 1, 2024, the City adopted 3400 – Revenue. This new accounting standard establishes how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and those that do not. Adoption of this standard has resulted in changes in the timing of revenue recognition for certain revenue streams such as licences and permits. The City will recognize revenue from these exchange transactions when it satisfies its performance obligations. The City adopted the standard prospectively resulting in an immaterial adjustment to decrease user charges and increase deferred revenue – general for the year ended December 31, 2024.

c) Public Sector Guideline 8

On January 1, 2024, the City adopted Public Sector Guideline 8 – Purchased Intangibles. This new guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The City adopted the standard prospectively. The implementation of this new standard did not result in identification of assets that would meet the definition of purchases intangibles.

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3. Property Taxes Receivable and Accounts Receivable

Property taxes receivable are reported net of valuation allowances of $355 (2023 $274). Accounts receivable are reported net of a valuation allowance of $550 (2023 $609) and comprises the following:

	2024	2023
Government of Canada	35,944	75,617
Government of Ontario	18,172	74,842
Other municipalities	22,941	22,796
School boards	289	4,139
Other	34,618	23,554
Less: valuation allowance	550	609
Total Accounts Receivable	**111,414**	**200,339**

4. Investments

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

	2024		2023	
	Cost	Market Value	Cost	Market Value
Government and government guaranteed bonds	1,485,958	1,343,823	1,246,175	1,096,491
Municipal bonds	274,114	243,308	263,394	231,445
Total	**1,760,072**	**1,587,131**	**1,509,569**	**1,327,936**

As at December 31, 2024, the City's investments measured at amortized cost exceed market value, representing a temporary decline in market value but no decline in the amortized cost value reported. There is no impairment due to the low-risk nature of the investments, the high credit ratings of the issuers, and the City's intention to hold these investments to their maturities.

5. Financial Instruments

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

a) Credit risk

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

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

b) Liquidity risk

Liquidity risk is the risk that the City will encounter difficulty in meeting its financial obligations associated with its financial liabilities. The City mitigates its exposure to liquidity risk through the monitoring of cash flows relative to operational needs. The City's levels of cash, expected cash, and short-term investments provide liquidity for its operations. The City further mitigates liquidity risk through access to an operational line of credit $250,000 (2023 $250,000).

c) Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument (asset or liability) will fluctuate because of changes in market interest rates. The City is exposed to interest rate risk on its short- and long-term investments and long-term debt, all of which are regularly monitored. The City has only issued serial debt with fixed interest rate terms to help mitigate risk. The City does not have outstanding debt subject to variable interest rates. The City has access to an operational line of credit with a variable interest rate. The balance drawn from this line of credit is $nil as of December 31, 2024 (2023 $nil).

(ii) Currency risk

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

(iii) Price risk

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

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

6. Investment in Enersource Corporation

The City has a 90 per cent interest in Enersource Corporation (the "Corporation") which is accounted for on the modified equity basis in these Consolidated Financial Statements.

Enersource is a company whose principal business activities are to hold the shareholders' equity interest in Alectra, receive dividends from Alectra, service its debt and distribute dividends to its shareholders annually. The City is a 90 per cent shareholder in Enersource. Alectra's primary businesses are to distribute electricity to customers in the Greater Golden Horseshoe Area, as well as provide non-regulated energy services. As at December 31, 2024, Enersource's interest in Alectra was 29.57 per cent (2023 29.57 per cent).

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

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The following table provides condensed financial information for Enersource Corporation for its 2024 fiscal year, together with comparative figures for 2023:

Financial Position	2024	2023
Assets		
Current	6,173	6,184
Investment in Alectra	643,403	617,397
Other	99	344
Total Assets	**649,675**	**623,925**
Liabilities		
Current	2,804	2,541
Non-current	38,125	40,625
Total Liabilities	**40,929**	**43,166**
Shareholders' Equity		
Share capital	175,691	175,691
Accumulated other comprehensive income/(loss)	2,557	1,847
Retained earnings	430,498	403,221
Total Shareholders' Equity	**608,746**	**580,759**
Total Liabilities and Shareholders' Equity	**649,675**	**623,925**
Results of Operations and Non-Operations		
Revenue	49,414	42,560
Expenses (including income tax provision)	2,137	2,389
Net Income	**47,277**	**40,171**
Other comprehensive income	**710**	**(325)**
Total comprehensive income	**47,987**	**39,846**
City's share of net income in Enersource Corporation	**42,549**	**36,153**

During the year, the City received a dividend of $18,000 (2023 $18,594) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in the following table for its 2024 fiscal year, together with comparative figures for 2023:

Investment in Enersource Corporation	2024	2023
Opening balance, beginning of year	522,683	505,416
City's share of net income in Enersource Corporation	42,549	36,153
City's share of other comprehensive income	640	(292)
Dividend received	(18,000)	(18,594)
Closing Balance, end of year	**547,872**	**522,683**

(All dollar amounts are in $000s)

7. Deferred Revenue - General

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

Deferred revenue - general comprises the following:

	2024	2023
Deferred advance sales	22,435	22,725
Deferred grants	224	2,019
Deferred building and development fees	18,609	19
Deferred other contributions	1,808	1,214
Long-term disability contributions	20,674	10,303
Total Deferred Revenue - General	63,750	36,280

8. Deferred Revenue - Obligatory Reserve Funds

Revenue received that has been set aside for specific purposes by provincial legislation or third-party agreements and is included in deferred revenue - obligatory reserve funds and reported on the Consolidated Statement of Financial Position. In the schedule below, $24,475 of investment earnings (2023 $23,065) are included in the interest applied balances.

	2024	2023
Development Charges	410,972	413,797
Cash-in-lieu (CIL) Parkland	206,148	170,073
CIL Parking	2,566	7,169
Community Benefit Charges	15,545	12,405
Provincial Gas Tax	45,771	40,159
Canada Community-Building Fund	124,583	160,577
Provincial Public Transit Funds	8,053	8,040
Federal Public Transit Funds	5,450	5,503
Housing Accelerator Fund	30,484	28,426
Bonus Zoning	14,817	12,980
Total Deferred Revenue - Obligatory Reserve Funds	864,389	859,129

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

Source	Opening Balance	Receipts	Interest Applied	Recognized as Revenue	Closing Balance
Development Charges	413,797	41,023	6,879	50,727	410,972
CIL Parkland	170,073	77,131	9,957	51,013	206,148
CIL Parking	7,169	-	296	4,899	2,566
Community Benefit Charges	12,405	2,008	1,132	-	15,545
Provincial Gas Tax	40,159	23,363	3,440	21,191	45,771
Canada Community-Building Fund	160,577	41,665	(150)	77,509	124,583
Provincial Public Transit Funds	8,040	-	16	3	8,053
Federal Public Transit Funds	5,503	-	8	61	5,450
Housing Accelerator Fund	28,426	(30)	2,306	218	30,484
Bonus Zoning	12,980	2,574	591	1,328	14,817
Total	**859,129**	**187,734**	**24,475**	**206,949**	**864,389**

The development and other contributions applied value ($209,188) noted in the Consolidated Statement of Operations includes the recognized as revenue value shown in the continuity schedule above ($206,949).

During the year the City received unrestricted contributions from developers in the amount of $2,239 (2023 $10,472). These developer contributions are recognized as revenue in the year received and reported in the Consolidated Statement of Operations as part of development and other contributions applied.

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

Name	Committed Funds	Uncommitted Funds	Total
Development Charges	215,891	195,081	410,972
CIL Parkland	66,382	139,766	206,148
CIL Parking	6,703	(4,137)	2,566
Community Benefit Charges	-	15,545	15,545
Provincial Gas Tax	10,065	35,706	45,771
Canada Community-Building Fund	93,273	31,310	124,583
Provincial Public Transit Funds	7,855	198	8,053
Federal Public Transit Funds	5,324	126	5,450
Housing Accelerator Fund	(18)	30,502	30,484
Bonus Zoning	6,440	8,377	14,817
Total	**411,915**	**452,474**	**864,389**

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9. Employee Benefits and Other Liabilities

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

	2024	2023
Workplace Safety and Insurance Board (WSIB)	56,140	49,689
Sick leave benefits	23,187	22,363
Early retirement benefits	47,179	45,712
Post-employment benefits	16,015	14,294
Long-term disability benefits	13,764	8,440
Vacation pay	38,011	34,317
Lot levy credits	50,268	41,140
Contaminated sites	1,601	5,484
Other liabilities	35,874	37,169
Total	**282,039**	**258,608**

Information about liabilities for defined benefit plans is as follows:

	WSIB	Sick Leave	Early Retirement	Post-Employment	Long-Term Disability	2024 Total	2023 Total
Accrued Benefit Liability, beginning of year	49,689	22,363	45,712	14,294	8,440	140,498	120,966
Service cost	8,999	1,704	1,824	3,446	5,415	21,388	12,764
Interest cost	3,072	1,183	2,094	498	542	7,389	4,739
Amortization of actuarial (gain)/loss	2,123	889	(112)	(1,013)	-	1,887	1,651
Benefit payments	(8,344)	(2,952)	(2,339)	(1,210)	(633)	(15,478)	(11,237)
Increase due to survivor claims/plan amendments	601	-	-	-	-	601	11,615
Accrued Benefit Liability, end of year	**56,140**	**23,187**	**47,179**	**16,015**	**13,764**	**156,285**	**140,498**
Unamortized actuarial (gain)/loss	12,522	2,285	(1,264)	(3,917)	-	9,626	3,031
Actuarial Valuation Update, end of year	**68,662**	**25,472**	**45,915**	**12,098**	**13,764**	**165,911**	**143,529**
Expected average remaining service life	11 yrs	3 yrs	13 yrs	8 yrs	8 yrs		

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

	WSIB	Sick Leave	Early Retirement	Post-Employment - Health and Dental	Post-Employment - Life Insurance	Long-Term Disability
Expected inflation rate	2.00 %	2.00 %	2.00 %	2.00 %	1.75 %	2.00 %
Expected level of salary increases	N/A	3.00 %	3.00 %	3.00 %	2.75 %	3.00 %
Interest discount rate	4.75 %	4.75 %	4.75 %	4.75 %	3.25 %	5.00 %
Expected health care increases	4.00 %	N/A	5.33 %	5.75 %	N/A	N/A

a) The City has elected to be a Schedule 2 employer under the provisions of the WSIB, and remits payments to WSIB only as required to fund disability payments. An independent actuarial valuation of this obligation was completed in December 2024, in accordance with the accounting standards established by PSAB and with liability extrapolations for 2024, 2025 and 2026.

b) Sick leave benefits accrue for certain employees of the City and are paid out either on approved retirement, termination or death. The accrued benefit obligation and the net periodic benefit cost were determined by an independent actuarial valuation completed in December 2023, in accordance with the accounting standards established by PSAB and with liability extrapolations for 2024, 2025 and 2026.

c) Early retirement benefits are representative of the City's share of the cost to provide certain employees with extended benefits upon early retirement. The accrued benefit obligation and the net periodic benefit cost were determined by an independent actuarial valuation completed in December 2023, in accordance with the accounting standards established by PSAB and with liability extrapolations for 2024, 2025 and 2026.

d) Post-employment benefits are paid on behalf of any employee on long-term disability. The accrued benefit obligation and the net periodic cost were determined by an independent actuarial valuation completed in December 2023, in accordance with the accounting standards established by PSAB and with liability extrapolations for 2024, 2025 and 2026.

e) In January 2023, the City adopted a self-insured arrangement for its long-term disability benefit program. Under this arrangement, the City funds its own claims through segregated reserve funds and contracts with an insurance carrier to adjudicate and administer all claims on an administrative services-only basis. An independent actuarial valuation, dated December 2023, estimates the liability for the claims incurred to be $13,764 (2023 $8,440) as at December 31, 2023, which is reported in the Consolidated Statement of Financial Position. Liability extrapolations were completed for 2024, 2025, and 2026.

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

g) Developer charges credits are liabilities and obligations that arise through the *Development Charges Act, 1997*. For the year ended December 31, 2024, the developer charge credit liability is $50,268 (2023 $41,140).

h) The City is responsible for the remediation of contaminated sites that are no longer in productive use where the City is directly responsible or has accepted responsibility for remediation. A provision for future clean-up costs and monitoring has been accrued based on environmental assessments.

The liability for contaminated sites includes sites associated with former industrial operations. The nature of contamination generally includes, but is not limited to, metals, petroleum hydrocarbons and polycyclic aromatic hydrocarbons. The sources of the contamination include, but are not limited to, activities related to historical operations (such as a former industrial or commercial operation) and non-sanctioned activities on City lands. Sites can often have multiple sources of contamination.

From time to time, there may be uncertainty as to whether the City has a legal responsibility or accepts responsibility for a contaminated site, or whether economic benefits will be foregone for a contaminated site. It is not expected that the impact of any such sites would have a material impact on the Consolidated Financial Statements. When the City is able to determine that all inclusion criteria have been met, the City will accrue a liability for these future remediation costs. As at December 31, 2024, the amount of estimated recoveries is $nil (2023 $nil).

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

10. OMERS

The City makes contributions to OMERS, a multi-employer plan, on behalf of 5,831 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 $68,500 and at a rate of 14.6 per cent for earnings greater than the annual maximum pensionable earnings. Contributions for employees with a normal retirement age of 60 (firefighters) are being made at a rate of 9.2 per cent up to the annual maximum pensionable earnings of $68,500 and at a rate of 15.8 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2024 was $48,217 (2023 $45,287) for current service and is included as an expense on the Consolidated Statement of Operations. Employees' contributions to OMERS in 2024 totalled $48,218 (2023 $45,445).

The City is current with all payments to OMERS; therefore, there is neither a surplus nor deficit with the pension plan contributions. The pension plan's funding deficit at OMERS in 2024 increased to $2.9 billion (2023 $4.2 billion).

OMERS has held contributions for both employees and employers in 2024 at the 2016 rates for employees with a normal retirement age of 65 and for employees and employers with a normal retirement age of 60 (firefighters). If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, additional increases in the contributions may be required.

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Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
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11. Asset Retirement Obligation

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

a) Buildings

The City owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the City recognized an obligation relating to the removal of the asbestos in these buildings as estimated at January 1, 2022.

b) Lease agreements

The City leases real property and facility space with requirements to return the property to the original condition, which represents a legal obligation to remediate or restore at the end of the lease term. Following the adoption of PS 3280 – Asset Retirement Obligations, the City recognized an obligation relating to the restoration and remediation of leased space as estimated at January 1, 2022.

c) Fuel tank and ammonia systems

The City owns and operates fuel tanks and ammonia systems which have regulated lifecycle activities, including removal and replacement. The regulated activities represent an obligation to remove the fuel tanks and ammonia systems at the end of their useful life. Following the adoption of PS 3280 - Asset Retirement Obligations, the City recognized an obligation relating to the remediation of the fuel tank and ammonia systems as estimated at January 1, 2022.

Changes to the asset retirement obligation in 2024 are as follows:

	2024			
Asset Retirement Obligation	Buildings	Lease agreements	Fuel tank and ammonia systems	Total
Opening balance	8,639	3,552	2,784	14,975
Obligation incurred in year	263	71	-	334
Obligation settled in year	(228)	(26)	-	(254)
Accretion of asset retirement obligations	304	63	80	447
Change in estimate	1,889	-	-	1,889
Closing balance	**10,867**	**3,660**	**2,864**	**17,391**

	2023			
Asset Retirement Obligation	Buildings	Lease agreements	Fuel tank and ammonia systems	Total
Opening balance	6,994	3,594	2,756	13,344
Obligation incurred in year	1,417	-	-	1,417
Obligation settled in year	(64)	(139)	-	(203)
Accretion of asset retirement obligations	292	97	28	417
Closing balance	**8,639**	**3,552**	**2,784**	**14,975**

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Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
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12. Long-Term Debt

All of the City's long-term debt is acquired through the Region of Peel. In 2024, the City acquired new debt of $90,000 (2023 $nil), changing the debt balance to $260,745 (2023 $208,040) on the Consolidated Statement of Financial Position. The following table summarizes outstanding principal payments along with their respective interest rates and maturity dates:

				Outstanding Principal	
Debt Series	Interest Rate	Maturity Date	Principal Amount	2024	2023
2014	1.20%-3.30%	June 10, 2024	36,607	-	3,000
2015	0.95%-2.40%	August 20, 2025	40,000	4,000	8,000
2016	1.15%-2.50%	June 1, 2026	37,584	8,500	12,000
2017	1.70%-3.00%	September 28, 2027	38,853	12,000	15,500
2018	1.80%-3.05%	March 27, 2028	46,270	17,145	21,140
2019	1.90%-2.25%	October 15, 2029	48,150	25,000	30,000
2021-1	0.25%-1.50%	February 17, 2031	43,000	30,100	34,400
2021-2	0.08%-2.30%	November 8, 2031	47,000	34,000	39,000
2022	1.45%-2.75%	March 7, 2032	50,000	40,000	45,000
2024-1	3.77%	October 29, 2034	40,000	40,000	-
2024-2	4.34%	October 29, 2044	50,000	50,000	-
Total				260,745	208,040

There was no debt issued in 2020 or 2023.

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

	2024	2023
Interest expense on debt	4,701	4,827
Debt issuance costs	265	207
Total	4,966	5,034

Debt issuance has been approved by Council by-law. The annual principal and interest payments required to service this liability are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing and the City's Debt Management Policy.

Principal and interest payments are repayable annually, as follows:

	Principal Contributions	Interest	Total
2025	39,363	7,174	46,537
2026	37,180	6,237	43,417
2027	34,010	5,396	39,406
2028	29,356	4,533	33,889
2029	25,106	3,857	28,963
Thereafter	95,730	19,029	114,759
Total	260,745	46,226	306,971

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
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13. Tangible Capital Assets

a) Assets under construction

Assets under construction having a value of $237,064 (2023 $155,970) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed and assumed assets

Contributed and assumed assets have been recognized at fair market value at the date of contribution. The gross value of contributed and assumed assets received during the year is $584,165 (2023 $60,557) comprising infrastructure in the amount of $1,250 (2023 $15,368), equipment in the amount of $nil (2023 $453), land in the amount of $577,366 (2023 $31,266), vehicles in the amount of $113 (2023 $nil) and buildings in the amount of $5,478 (2023 $13,470). Contributed assets of $584,165 (2023 $60,379) includes a net adjustment decrease of $41 (2023 decrease of $178) resulting from changes to land ownership between the City and other entities.

c) Works of art and historical treasures

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

d) Write-down of tangible capital assets

The write-down of tangible capital assets during the year was $66 (2023 $94), mainly due to replacing tangible capital assets that were near the end of their useful lives. The value of write-down on tangible capital assets is recorded within disposal of tangible capital assets, which totals $215,931.

e) Disposal of tangible capital assets

The costs of assets under construction of $156,836 (2023 $155,970) are excluded in calculating the (gain)/loss on disposal of tangible capital assets. The write-down value of tangible capital assets was $66 (2023 $94) and is included in the total disposal of tangible capital assets. Asset purchase costs of $140,189 (2023 $134,246) include land $nil; buildings $1,532; land improvements $1,000; equipment $47,235; linear transportation $83,322 and vehicles $7,100, less the accumulated amortization of $139,693 (2023 $119,999) and proceeds of $1,223 (2023 $3,490) which resulted in a gain on disposal of $871 (2023 loss on disposal of $10,723).

f) Interest capitalization

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

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Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
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Tangible Capital Assets Cost	December 31, 2023	Additions	Disposals	December 31, 2024
Land	5,523,577	613,399	-	6,136,976
Land improvements	286,676	15,271	1,000	300,947
Buildings	1,339,502	61,603	1,532	1,399,573
Equipment, books and other	391,302	37,249	47,235	381,316
Linear - storm drainage	969,641	10,360	-	980,001
Linear - transportation	2,454,161	79,066	83,322	2,449,905
Vehicles	433,704	28,042	7,100	454,646
Assets under construction	155,970	156,836	75,742	237,064
Total	11,554,533	1,001,826	215,931	12,340,428

Included in the additions of $1,001,826 (2023 $577,173) are contributed assets of $584,165 (2023 $60,379).

Tangible Capital Assets Accumulated Amortization	December 31, 2023	Amortization Expense	Disposals	December 31, 2024
Land improvements	151,306	11,358	915	161,749
Buildings	538,114	39,769	1,381	576,502
Equipment, books and other	259,667	28,809	47,221	241,255
Linear - storm drainage	290,699	9,505	-	300,204
Linear - transportation	1,238,355	52,012	83,085	1,207,282
Vehicles	187,590	27,556	7,091	208,055
Total	2,665,731	169,009	139,693	2,695,047

Tangible Capital Assets Net Book Value	December 31, 2023	December 31, 2024
Land	5,523,577	6,136,977
Land improvements	135,370	139,199
Buildings	801,388	823,071
Equipment, books and other	131,635	140,060
Linear - storm drainage	678,942	679,796
Linear - transportation	1,215,806	1,242,623
Vehicles	246,114	246,592
Assets under construction	155,970	237,064
Total	8,888,802	9,645,382

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Notes to Consolidated Financial Statements
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14. Accumulated Surplus

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

	2024	2023
Surplus		
Tangible capital assets	9,645,382	8,888,802
Employee benefits and other liabilities	(282,039)	(258,608)
Long-term debt	(260,745)	(208,040)
Investment in Enersource	547,872	522,683
Asset retirement obligation	(17,391)	(14,975)
Total Surplus	9,633,079	8,929,862
Discretionary Reserves		
Fiscal Stability Reserve	62,368	45,570
Operating Reserves	52,604	70,909
Stormwater Fiscal Stability Reserve	6,245	6,007
BIA Reserves	745	571
Total Discretionary Reserves	121,962	123,057
Discretionary Reserve Funds		
Tax Reserve Funds	517,784	427,976
Stormwater Reserve Funds	198,157	170,047
Lot Levy Reserve Funds	57,207	52,907
Insurance Reserve Funds	37,056	39,610
Employee Benefits Reserve Funds	22,421	26,189
Developer Contributions Reserve Funds	36,045	36,946
Other Reserve Funds	61,746	47,221
Total Discretionary Reserve Funds	930,416	800,896
	10,685,457	9,853,815
Accumulated surplus	10,685,110	9,854,107
Accumulated remeasurement gain/(loss)	347	(292)
	10,685,457	9,853,815

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The following reserve and reserve fund balances are broken down between committed and uncommitted funds to help identify the funds available for future projects. The committed balances represent approved planned spending through the City's capital budget.

Discretionary Reserves	Committed Funds	Uncommitted Funds	Total
Fiscal Stability Reserve	2,581	59,787	62,368
Operating Reserves	1,329	51,275	52,604
Stormwater Fiscal Stability Reserve	-	6,245	6,245
BIA Reserves	-	745	745
Total	3,910	118,052	121,962

Discretionary Reserve Funds	Committed Funds	Uncommitted Funds	Total
Tax Reserve Funds	340,302	177,482	517,784
Stormwater Reserve Funds	119,609	78,548	198,157
Lot Levy Reserve Funds	-	57,207	57,207
Insurance Reserve Funds	-	37,056	37,056
Employee Benefits Reserve Funds	-	22,421	22,421
Developer Contributions Reserve Funds	203	35,842	36,045
Other Reserve Funds	3,087	58,659	61,746
Total	463,201	467,215	930,416

15. Property Taxes

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

	2024	2023
City, Region, and school boards taxation	2,116,262	1,969,876
Payments to the Region and school boards	(1,426,331)	(1,330,063)
Net Property Taxes Available for Municipal Purposes	689,931	639,813

16. Trust Funds

Trust funds administered by the City amounting to $1,120 (2023 $1,112) have not been included in the Consolidated Statement of Financial Position, nor have their operations been included in the Consolidated Statement of Operations. The Trust Funds category comprises net financial assets and accumulated surplus for Care and Maintenance Funds of $1,120 (2023 $1,112).

17. Contingent Liabilities and Guarantee

As at December 31, 2024, the City has been named as defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed exposure as being likely (and is able to reasonably assess the exposure), an amount is provided for in these Consolidated Financial Statements.

On February 1, 2017, Enersource Corporation became a shareholder of Alectra, an entity created through the merger of certain hydro holding companies. The transactions included Enersource Corporation exchanging all of its ownership in its operating companies for this ownership in the newly created, merged entity of Alectra. Included in these transactions and as of the same date, the City entered into an arrangement to provide $70,000 of loan guarantees to Enersource Corporation. The secured bank loan balance as at December 31, 2024 is $40,625 (2023 $43,125). Enersource Corporation's obligations are in good standing and no loss has been recognized by the City.

18. Segmented Information

The segmented information is provided in accordance with the financial reporting guidelines established by PS 2700 - Segment Disclosures. Segmented information has been identified based on lines of service provided by the City. City services are provided by departments and their activities are reported by functional areas in the Consolidated Statement of Operations. Functional areas are determined by the Financial Information Return, a standardized reporting requirement of a municipality's financial activities in the fiscal year under the *Municipal Act, 2001*.

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

Property taxes are reflected under General Government Services and not segmented based upon functional lines of service provided by the City. Property taxes are allocated to the City's services based on the adopted 2024 operating budget. The adopted budget outlines how and where public resources will be spent, including the established framework for services, the way they will be provided, and how they will be funded.

The accounting policies used in these segments are consistent with those followed in the preparation of the Consolidated Financial Statements as disclosed in Note 1.

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

a) General Government Services

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

b) Protection Services

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

c) Transportation Services

The Transportation Services segment comprises the following: road services including road maintenance, public works, street cleaning, traffic operations, planning, engineering and development, winter maintenance control, transit, and street lighting.

d) Environmental Services

The Environmental Services segment comprises primarily storm sewer services. The City's stormwater program manages the overall health and maintenance of creeks, rivers, and water channels in Mississauga. Water and sanitary sewer services are provided by the Region of Peel.

e) Health Services

The Health Services segment consists of the maintenance and operation of City-owned cemeteries.

f) Social and Family Services

The Social and Family Services segment comprises primarily assistance to older adults. While Social and Family Services is handled directly by the Region of Peel, the City does offer some programs and services to support and aid seniors in Mississauga.

g) Recreation and Cultural Services

The Recreation and Cultural Services segment comprises the following: parks, forestry and environment, recreation programs and facilities, marinas and golf courses, libraries, museums, the Living Arts Centre, and other cultural services and activities.

h) Planning and Development Services

The Planning and Development Services segment comprises the following areas: planning and zoning, commercial and industrial developments, and City planning strategies. Planning and Development Services manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods and the downtown area through City planning and community development.

i) Other

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

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Segmented by Financial Information Return

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services	Other	2024 Total	2023 Total
Revenue											
Property taxes	687,774	-	-	-	-	-	-	2,157	-	689,931	639,813
Payment in lieu of taxes	30,809	-	-	-	-	-	-	-	-	30,809	15,295
Municipal Accommodation Tax	11,654	-	-	-	-	-	11,509	-	-	23,163	16,195
User charges	4,621	27,723	139,305	48,600	88	121	63,859	1,293	-	285,610	260,313
Recoveries from third parties	2,170	1,101	32,724	7	42	-	8,916	133	-	45,093	161,883
Funding transfers from other governments	106	60	20	-	-	-	2,137	516	-	2,839	3,868
Development and other contributions applied	29,620	9,865	75,784	2,723	-	-	88,704	263	2,229	209,188	138,026
Investment income	14,474	-	-	-	-	-	6	49	26,131	40,660	39,755
Penalties and interest on taxes	18,687	-	-	-	-	-	-	-	-	18,687	17,152
Contributed and assumed assets	584,165	-	-	-	-	-	-	-	-	584,165	60,379
Other	472	78	135	-	-	27	763	35	-	1,510	1,011
City's share of net income in Enersource Corporation	42,549	-	-	-	-	-	-	-	-	42,549	36,153
Total Revenue	1,427,101	38,827	247,968	51,330	130	148	175,894	4,446	28,360	1,974,204	1,389,843

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	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services	Other	2024 Total	2023 Total
Expenses											
Salaries, wages and employee benefits	144,008	151,869	218,804	7,508	689	184	127,437	24,811	-	675,310	622,024
Long-term debt interest and fees	1,128	275	2,185	34	-	-	1,142	202	-	4,966	5,034
Materials and supplies	3,916	4,874	47,836	17	39	10	12,730	3,158	-	72,580	76,351
Contracted services	11,787	1,915	65,634	4,598	109	1	21,334	5,234	-	110,612	109,017
Rents and financial expenses	43,340	4,963	24,623	2,462	26	2	27,373	1,089	-	103,878	87,584
External transfers to others	-	1	-	2,118	-	31	4,838	139	-	7,127	5,872
(Gain)/loss on disposal of tangible capital assets	(39)	(65)	(775)	-	-	-	(8)	16	-	(871)	10,723
Amortization of tangible capital assets	22,623	6,978	84,371	9,512	47	121	30,660	14,694	-	169,006	165,679
Accretion of asset retirement obligations	31	1	92	-	-	28	244	51	-	447	417
Loss on disposal of asset retirement obligation	146	-	-	-	-	-	-	-	-	146	34
Total Expenses	226,940	170,811	442,770	26,249	910	377	225,750	49,394	-	1,143,201	1,082,735
Annual Surplus/(Deficit)	1,200,161	(131,984)	(194,802)	25,081	(780)	(229)	(49,856)	(44,948)	28,360	831,003	307,108

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19. Segmented Information by Service Area

Segmented information by service area has been identified based on lines of service provided by the City as presented in the City's Business Plan & Budget document. City services are provided by departments and their activities are reported by service areas. These service areas are not presented in the Consolidated Statement of Operations. Rather, they are reported as an additional note to relate back to the budget presentation. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) Corporate Transactions

Corporate Transactions accounts for certain operating budget revenue and expense transactions required for the general administration of City finances. These include ongoing operations support; reserves and reserve funds; payments in lieu of taxes and taxation; Citywide sources of revenue; and the Capital Infrastructure & Debt Repayment Levy.

b) Facilities & Property Management

Facilities & Property Management deals with the planning, design and construction, and compliance of new and existing City facilities with consideration for accessibility, space planning and environmental sustainability, and manages the maintenance of existing buildings including operations, energy conservation, asset management, and the safety and security of the public and City staff.

c) Fire & Emergency Services

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

d) General Government

General Government comprises eight business areas: Corporate Business Services, Finance, Human Resources, Internal Audit, Legal Services, Legislative Services, the Office of Emergency Management, and Strategic Communications & Initiatives. Together, these areas support diligent business planning and reporting, and keep the City safely, fairly and inclusively staffed and supplied; properly financed and accounted for; legally compliant, transparent and accountable; connected and communicating with people; and innovating and performing at a high standard of efficiency.

e) Information Technology

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

f) Mayor & Members of Council

Mississauga's elected governing Council consists of a mayor and 11 ward councillors. This service area budget includes the salaries and expenses of these elected officials and their support staff. In Ontario, municipal elections take place every four years.

g) Mississauga Library

Mississauga Library operates 18 libraries of various sizes that provide a physical space where people can gather, attend programs, and access the library's collections and services. The library runs thousands of free programs a year for all demographics, operates four permanent makerspaces, has thousands of electronic resources available, and operates the Open Window Hub which supports at-risk residents from across the city.

h) Parks, Forestry & Environment

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

i) Planning & Building

Planning & Building facilitates the City’s physical and economic development to ensure the health, safety, and well-being of the public and business community. This includes strategic, long-term and community land use planning; creating urban design and built form policies and plans; conducting development and design studies; processing development applications and building permits; carrying out building inspections and site inspections; and supporting business start-up, growth and investment.

j) Recreation & Culture

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

k) Regulatory Services

Regulatory Services aims to achieve compliance with municipal by-laws and provide services in a safe and professional manner to maintain order, safety and community standards in the city. This includes education on by-laws, pets and wildlife; licensing of businesses, public vehicles and pets; animal investigations, care, adoption and fostering; by-law administration; and enforcement of over 35 by-laws including Zoning, Property Standards, Public Vehicle, Parking, and Animal Care and Control.

l) Roads

Roads plans, develops, constructs, operates, maintains and manages a multi-modal transportation system which efficiently and safely moves people and goods, respects the environment, supports the development of Mississauga as a 21st century city and serves the municipality’s social, economic and physical needs.

m) Stormwater

Stormwater plans, develops, constructs, maintains and renews the City’s stormwater system which protects property, infrastructure and the natural environment from flooding and erosion and helps to protect water quality.

n) Transit

The purpose of Transit is to plan and deliver a safe, reliable, and efficient travel choice that provides an excellent customer experience. MiWay is Mississauga’s transit service, and is Ontario’s third-largest municipal transit service. MiWay routes create economical and efficient transportation connections between popular destinations throughout Mississauga and connect with neighbouring transit systems including GO Transit, Toronto Transit Commission (TTC), Brampton Transit, and Oakville Transit.

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
(All dollar amounts are in $000s)

o) Revenue by Service Area

The service area budget excludes the budgets for transfers between funds because they are eliminated in the financial statement consolidation.

	Property Tax, PILT and MAT	User charges	Recoveries from third parties	Funding transfers from other governments	Development and other contributions applied	Investment income	Penalties and interest on taxes	Contributed and assumed assets	Other	City's share of net income in Enersource Corporation	2024 Total	2024 Budget	2023 Total
Corporate Transactions	741,746	105	482	-	2,238	40,605	18,608	584,165	472	42,549	1,430,970	219,220	806,767
Facilities & Property Management	-	100	95	105	8,470	-	-	-	-	-	8,770	32,519	19,324
Fire & Emergency Services	-	2,893	686	60	9,864	-	-	-	-	-	13,503	154,105	3,713
General Government	-	14,901	251	-	(51)	-	79	-	24	-	15,204	71,284	14,828
Information Technology	-	68	1,343	-	-	-	-	-	-	-	1,411	37,788	1,296
Mayor & Members of Council	-	-	1	-	-	-	-	-	-	-	1	5,401	-
Mississauga Library	-	840	682	715	293	1	-	-	121	-	2,652	43,135	15,361
Parks, Forestry & Environment	-	8,313	1,165	198	68,601	2	-	-	32	-	78,311	63,566	33,258
Planning & Building	2,157	9,862	2	513	263	49	-	-	36	-	12,882	33,771	18,449
Recreation & Culture	-	56,006	7,778	1,228	19,828	3	-	-	620	-	85,463	121,224	86,989
Regulatory Services	-	19,629	648	-	-	-	-	-	70	-	20,347	21,233	18,782
Roads	-	13,597	9,448	20	70,476	-	-	-	-	-	93,541	127,638	64,608
Stormwater	-	48,476	17	-	2,724	-	-	-	-	-	51,217	49,088	47,402
Transit	-	110,820	22,495	-	26,482	-	-	-	135	-	159,932	317,348	259,066
Total Revenue	**743,903**	**285,610**	**45,093**	**2,839**	**209,188**	**40,660**	**18,687**	**584,165**	**1,510**	**42,549**	**1,974,204**	**1,297,320**	**1,389,843**

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
(All dollar amounts are in $000s)

p) Expenses by Service Area

The service area budget excludes the budgets for transfers between funds because they are eliminated in the financial statement consolidation. An assigned budget for amortization has been included due to the large dollar value.

	Salaries, wages and employee benefits	Long-term debt interest and fees	Materials and supplies	Contracted services	Rents and financial expenses	External transfers to others	(Gain)/loss on disposal of tangible capital assets	Amortization of tangible capital assets	Accretion of asset retirement obligations	Loss on disposal of asset retirement obligation	2024 Total	2024 Budget	2023 Total
Corporate Transactions	38,177	-	2,270	3,756	20,150	727	(39)	-	-	146	65,187	47,497	50,197
Facilities & Property Management	18,751	1,080	294	2,188	10,049	-	-	-	-	-	32,362	30,713	25,999
Fire & Emergency Services	127,654	275	3,941	315	3,672	-	(65)	6,862	1	-	142,655	148,082	137,766
General Government	68,249	-	1,387	10,958	5,396	31	-	22,623	31	-	108,675	99,916	97,383
Information Technology	26,917	48	79	39	12,579	-	-	-	-	-	39,662	39,820	34,961
Mayor & Members of Council	4,248	-	354	-	156	-	-	-	-	-	4,758	5,436	5,259
Mississauga Library	26,935	245	3,317	(748)	2,446	-	-	7,056	13	-	39,264	41,078	47,788
Parks, Forestry & Environment	36,739	202	4,693	17,158	5,381	48	-	14,648	43	-	78,912	63,647	74,394
Planning & Building	27,184	-	2,651	682	1,157	140	16	441	7	-	32,278	32,588	32,161
Recreation & Culture	64,137	896	5,163	5,316	15,237	4,790	(8)	23,377	260	-	119,168	117,482	119,840
Regulatory Services	19,009	-	1,090	721	1,482	-	-	116	-	-	22,418	21,041	21,173
Roads	41,393	1,103	8,712	54,604	1,707	-	(479)	49,574	32	-	156,646	147,701	158,263
Stormwater	5,163	34	14	4,800	2,465	1,391	-	9,512	-	-	23,379	20,610	23,051
Transit	170,754	1,083	38,615	10,823	22,001	-	(296)	34,797	60	-	277,837	249,368	254,500
Total Expenses	**675,310**	**4,966**	**72,580**	**110,612**	**103,878**	**7,127**	**(871)**	**169,006**	**447**	**146**	**1,143,201**	**1,064,979**	**1,082,735**

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
(All dollar amounts are in $000s)

20. Segmented Information Summary

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services	Other	2024 Total	2024 Budget
Revenue											
Corporate Transactions	1,391,101	-	-	-	-	-	11,509	-	28,360	1,430,970	219,220
Facilities & Property Management	8,816	-	-	-	-	-	(46)	-	-	8,770	32,519
Fire & Emergency Services	-	13,503	-	-	-	-	-	-	-	13,503	154,105
General Government	4,546	9,655	-	-	-	-	29	974	-	15,204	71,284
Information Technology	1,411	-	-	-	-	-	-	-	-	1,411	37,788
Mayor & Members of Council	1	-	-	-	-	-	-	-	-	1	5,401
Mississauga Library	-	-	-	-	-	-	2,652	-	-	2,652	43,135
Parks, Forestry & Environment	-	-	124	-	130	-	76,990	1,067	-	78,311	63,566
Planning & Building	-	10,374	-	-	-	-	-	2,508	-	12,882	33,771
Recreation & Culture	36	192	430	-	-	148	84,760	(103)	-	85,463	121,224
Regulatory Services	-	5,103	15,244	-	-	-	-	-	-	20,347	21,233
Roads	-	-	93,418	123	-	-	-	-	-	93,541	127,638
Stormwater	-	-	10	51,207	-	-	-	-	-	51,217	49,088
Transit	21,190	-	138,742	-	-	-	-	-	-	159,932	317,348
Total Revenue	1,427,101	38,827	247,968	51,330	130	148	175,894	4,446	28,360	1,974,204	1,297,320

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
(All dollar amounts are in $000s)

	General Government Services	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Recreation and Cultural Services	Planning and Development Services	Other	2024 Total	2024 Budget
Expenses											
Corporate Transactions	55,107	986	436	727	-	-	7,931	-	-	65,187	47,497
Facilities & Property Management	31,158	-	(362)	-	-	-	1,566	-	-	32,362	30,713
Fire & Emergency Services	1,351	141,303	1	-	-	-	-	-	-	142,655	148,082
General Government	98,463	4,065	-	-	-	31	5,651	465	-	108,675	99,916
Information Technology	35,884	283	1,761	-	-	-	1,734	-	-	39,662	39,820
Mayor & Members of Council	4,758	-	-	-	-	-	-	-	-	4,758	5,436
Mississauga Library	-	-	-	-	-	-	39,264	-	-	39,264	41,078
Parks, Forestry & Environment	-	-	-	-	910	-	51,189	26,813	-	78,912	63,647
Planning & Building	-	10,162	-	-	-	-	-	22,116	-	32,278	32,588
Recreation & Culture	219	188	-	-	-	346	118,415	-	-	119,168	117,482
Regulatory Services	-	13,824	8,594	-	-	-	-	-	-	22,418	21,041
Roads	-	-	154,064	2,582	-	-	-	-	-	156,646	147,701
Stormwater	-	-	439	22,940	-	-	-	-	-	23,379	20,610
Transit	-	-	277,837	-	-	-	-	-	-	277,837	249,368
Total Expenses	226,940	170,811	442,770	26,249	910	377	225,750	49,394	-	1,143,201	1,064,979
Annual Surplus/(Deficit)	1,200,161	(131,984)	(194,802)	25,081	(780)	(229)	(49,856)	(44,948)	28,360	831,003	232,341

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
(All dollar amounts are in $000s)

21. Budget Data

Budget data presented in these Consolidated Financial Statements is based on the 2024 operating and capital budgets as adopted on December 18, 2023. The table below reconciles the adopted budget, which is developed using a modified accrual basis of accounting, and the budget figures presented in these Consolidated Financial Statements, which are produced using the accrual basis of accounting.

Revenue	2024 Adopted Budget
Adopted operating revenue budget and tax levy	**1,187,347**
Adjustments:	
In-year budget adjustments	1,651
Final assessment growth	2,510
Contributions from reserves & reserve funds	(85,594)
Obligatory reserve fund revenue applied	81,759
Business Improvement Areas (BIAs) budgeted revenue	2,814
BIA contributions from reserves & reserve funds	(233)
Enersource net income	20,619
Enersource dividend	(17,577)
Tax adjustments reclassified from expense	(6,008)
Adjusted Operating Budget	**1,187,288**
Approved Capital Budget	**531,309**
Transfers from reserves & reserve funds and debt proceeds	(531,309)
Capital project revenue and recoveries	94,332
Adjusted Capital Budget	**94,332**
Discretionary reserve fund investment income	15,700
Adjusted Budget	1,297,320

Expenses	
Adopted operating expense budget	**1,188,494**
Adjustments:	
In-year budget adjustments	3,012
Contributions to reserves & reserve funds	(249,462)
BIA budgeted expenses	2,737
BIA contributions to reserves & reserve funds	(4)
BIA amortization of tangible capital assets	78
Amortization of tangible capital assets	157,293
Debt principal repayments	(44,735)
Changes in employee benefits and other liabilities	13,574
Tax adjustments reclassified from expense	(6,008)
Adjusted Operating Budget	**1,064,979**
Approved Capital Budget	**531,309**
Adjustments:	
Eliminate capital expense budget	(531,309)
Adjusted Budget	1,064,979
Annual Surplus	232,341

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
(All dollar amounts are in $000s)

22. Expenses by Object

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

	2024 Budget	2024 Actual	2023 Actual
Salaries, wages and employee benefits	647,142	675,310	622,024
Long-term debt interest and fees	11,436	4,966	5,034
Materials and supplies	76,337	72,580	76,351
Contracted services	73,346	110,612	109,017
Rents and financial expenses	93,416	103,878	87,584
External transfers to others	5,932	7,127	5,872
(Gain)/loss on disposal of tangible capital assets	-	(871)	10,723
Amortization of tangible capital assets	157,370	169,006	165,679
Accretion of asset retirement obligations	-	447	417
Loss on disposal of asset retirement obligation	-	146	34
Total	1,064,979	1,143,201	1,082,735

23. Provincial Offences Administration

The Ministry of the Attorney General in the Province of Ontario requires all municipal partners with Provincial Offences Administration (POA) operations to disclose in the year-end audited financial statements, the gross and net provincial offence revenue earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding between the City and the Ontario Ministry of the Attorney General:

	2024	2023
Revenue		
Gross revenue	13,356	9,875
Expenses		
Provincial charges	777	734
City's operating expenses	5,562	4,867
Total Expenses	**6,339**	**5,601**
Net Contribution	**7,017**	**4,274**

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

The Corporation of the City of Mississauga
Notes to Consolidated Financial Statements
For the Year Ended December 31, 2024
(All dollar amounts are in $000s)

24. Funding Transfers from Other Governments

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

	Federal Grants	Provincial Grants	Other Grants	BIA Grants	2024	2023
General government services	-	-	105	-	105	703
Protection services	-	60	-	-	60	65
Transportation services	-	-	20	-	20	-
Social and family services	-	-	-	-	-	51
Recreation and cultural services	352	1,621	165	-	2,138	2,575
Planning and development services	-	277	21	218	516	474
Total	352	1,958	311	218	2,839	3,868

25. Contractual Rights

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

The City has a number of federal and provincial funding agreements, revenue from incoming lease agreements for City-owned properties, and a number of third-party contracts to provide shared services with estimated future funding/recoveries as follows:

Contractual Rights	2025	2026	2027	2028	2029	Thereafter	Total
Development Charge Agreements	3,441	3,767	4,010	1,413	1,413	2,057	**16,101**
Provincial Agreements	75,893	61,095	31,175	29,923	24,657	666	**223,409**
Federal Agreements	133,767	89,229	61,216	59,692	28,896	160	**372,960**
Incoming Lease Payments	2,770	2,589	2,338	2,035	1,577	1,516	**12,825**
Third Party Contracts	4,461	4,258	4,339	4,398	2,444	15,430	**35,330**
Total	220,332	160,938	103,078	97,461	58,987	19,829	660,625

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

(All dollar amounts are in $000s)

26. Commitments

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

Year	Lease Committment
2025	1,288
2026	1,240
2027	766
2028	483
2029	491
Total	**4,268**

The City has entered into an agreement with a third party to construct an Avro Arrow sculpture to be displayed in Malton for a remaining cost of up to $2.2 million. As at December 31, 2024, the cumulative contributions made by the City is $754 (2023 $754).

27. Contingent Assets

In the ordinary course of business, various claims and lawsuits are brought by the City. It is the opinion of management that the settlement of these actions will result in the City's favour and that the settlement amounts will be available for the City's use. These contingent assets are not recorded in these Consolidated Financial Statements.

28. Recognition of Natural Assets (Unaudited)

Canadian public sector accounting standards do not provide guidance for financial statement valuation and recording of natural assets or their related services; consequently, they are not reported in these Consolidated Financial Statements. The City must continue to maintain its existing natural assets in order to deliver an expected level of service to its taxpayers.

The City has a variety of natural assets that provide ecosystem benefits and services and reduce some needs for engineered infrastructure. These natural assets include approximately 303,000 trees that moderate urban temperature, lower atmospheric carbon dioxide (CO_2), reduce building energy use, mitigate rainfall run-off and flooding, moderate noise levels, and improve air quality. Trees owned by other entities including the Region of Peel, utility organizations and conservation authorities were not included in the City's tree inventory. In 2024, the City increased its investment in its natural assets by planting approximately 50,000 new trees with its partners. The City's 2024 tree inventory has increased by 0.33 per cent over the 2023 inventory.

The City oversees the management and maintenance of approximately 237 hectares of boulevard grass areas, 425 horticultural features amounting to approximately 4.5 hectares of area, and 137 amended boulevard treatment areas, including enhanced boulevard conditions such as soil cells. Additionally, the City owns and manages approximately 1,700 hectares of natural areas including woodlands, wetlands, grasslands and more.

2024 Audited Trust Funds Financial Statements

For the year ended December 31, 2024

Prepared by: Finance Division
City of Mississauga

MISSISSAUGA

Management's Responsibility for Financial Reporting

For the year ended December 31, 2024

The accompanying financial statements of the City of Mississauga Trust Funds ("the Trust Funds") are the responsibility of management at the City of Mississauga (the "City") and have been prepared in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The City's Finance Division is responsible for the preparation of the Trust Funds' financial statements and accompanying notes. The statements and notes include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis to ensure that the Trust Funds' financial statements are presented fairly in all material respects.

There are two required financial statements: the Statement of Financial Position and the Statement of Operations. These financial statements provide information on the cost of all Trust Funds activities, how they were financed, investing activities, assets, and liabilities. The financial statements are reviewed and approved by the Chief Financial Officer and Treasurer.

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

The Trust Funds' financial statements have been audited by KPMG LLP, independent external auditors appointed by the City's Audit Committee. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Trust Funds' financial statements.

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

Geoff Wright
City Manager and
Chief Administrative Officer

Marisa Chiu
Chief Financial Officer and
Treasurer

Mississauga, Ontario
April 4, 2025

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust funds of the Entity as at December 31, 2024, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 4, 2025

City of Mississauga Trust Funds
Statement of Financial Position

as at December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	Care and Maintenance Fund (Note 5)	Election Surplus Fund (Note 6)	2024 Total	2023 Total
Financial Assets				
Cash and cash equivalents	38	91	129	341
Accounts receivable	8	-	8	9
Investments (Note 4)	1,135	-	1,135	937
Total Financial Assets	1,181	91	1,272	1,287
Financial Liabilities				
Due to the City of Mississauga (Note 3)	61	2	63	27
Deferred revenue – election proceeds	-	89	89	148
Total Financial Liabilities	61	91	152	175
Net Financial Assets and Accumulated Surplus	1,120	-	1,120	1,112

City of Mississauga Trust Funds
Statement of Operations
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	Care and Maintenance Fund (Note 5)	Election Surplus Fund (Note 6)	2024 Total	2023 Total
Revenue				
Interest	42	2	44	39
Burial receipts	8	-	8	12
Surplus proceeds	-	148	148	-
Total Revenue	**50**	**150**	**200**	**51**
Expenses				
Cemetery maintenance	42	-	42	39
Surplus forfeited to the City of Mississauga	-	150	150	-
Total Expenses	**42**	**150**	**192**	**39**
Annual Surplus	**8**	**-**	**8**	**12**
Accumulated surplus, beginning of year	1,112	-	1,112	1,100
Accumulated Surplus, end of year	**1,120**	**-**	**1,120**	**1,112**

City of Mississauga Trust Funds
Notes to the Financial Statements
for the year ended December 31, 2024
(All dollar amounts are in $000s)

The City of Mississauga acts as a trustee, investing and administering these Trust Funds, in accordance with regulations of the *Funeral, Burial and Cremations Services Act, 2002* and the *Municipal Elections Act, 1996*.

The Trust Funds' financial statements are prepared by management in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Accounting standards specify how transactions and other events are to be recognized, measured, presented and disclosed in a public sector entity's financial statements. These standards are numbered and are referenced throughout these notes beginning with the letters "PS".

1. Significant Accounting Policies

a) Basis of accounting

The Trust Funds follows the accrual method of accounting for revenue and expenses. Revenue is normally recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

b) Revenue

Interest income that is unrestricted is recognized when earned. Burial receipt income is recognized when the service is provided.

c) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2024 and have therefore not been applied to these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

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

(ii) PS 3251 – Employee Benefits will replace PS 3250 – Retirement Benefits and PS 3255 – Post-employment Benefits, Compensated Absences and Termination Benefits. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

2. Change in Accounting Policies

a) PS 3160

On January 1, 2024, the Trust Funds adopted PS 3160 – Public Private Partnerships ("P3"). This new accounting standard identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the P3 term. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. The Trust Funds adopted the standard prospectively. The implementation of this new standard did not result in identification of transactions that would meet the definition of P3.

b) PS 3400

On January 1, 2024, the Trust Funds adopted PS 3400 – Revenue. This new accounting standard establishes how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and those that do not. Adoption of this standard has resulted in changes in the timing of revenue recognition for certain revenue streams such as licences and permits. The Trust Funds will recognize revenue from these exchange transactions when it satisfies its performance obligations. There is no impact on the presentation, measurement, or recognition of revenue in the prior periods of these financial statements.

c) Public Sector Guideline 8

Effective January 1, 2024, the Trust Funds adopted Public Sector Guideline 8 – Purchased Intangibles. This new guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The Trust Funds adopted the standard prospectively. The implementation of this new standard did not result in identification of assets that would meet the definition of purchased intangibles.

3. Due to/from the City of Mississauga

This category represents the net effect of the perpetual care receipts and election surplus proceeds collected during the year and offset by the interest earned, resulting in an amount due to the Trust Funds as at December 31, 2024. The balance due to/from the City of Mississauga is non-interest bearing and due on demand.

4. Investments

The total investments by the Trust Funds of $1,135 (2023 $937) reported on the Statement of Financial Position at cost, have a market value of $1,015 (2023 $827) as at December 31, 2024.

5. Care and Maintenance Fund

The Care and Maintenance Fund, formerly known as the Perpetual Care Fund, administered by the City is funded by the sale of cemetery burial rights. These funds are invested and earnings derived there from are used to perform perpetual care maintenance to the municipality's cemeteries.

6. Election Surplus Fund

The Election Trust Fund is established in accordance with the *Municipal Elections Act, 1996* (the "Act"). The Act states, per S.88.31 (4), that if the financial statement or supplementary financial statement filed with the clerk shows a surplus and the campaign period has ended at the time the statement is filed, the candidate or registered third party shall, when the statement is filed, pay the surplus to the clerk. Per S.88.31 (5), the clerk shall hold the amount paid under subsection (4) in trust for the candidate or registered third party.

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

a) The election campaign period has ended under paragraph 2, 3 or 4 of subsection 88.24 (1)

b) It is no longer possible to recommence the campaign period under paragraph 5 of subsection 88.24 (1)

c) No recount, proceeding under S.83 (controverted elections) or compliance audit has been commenced

d) The period for commencing a recount, a proceeding under S.83, or a compliance audit, has expired. 2016, c. 15, s. 62

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

a) The campaign period has ended under paragraph 2 or 3 of S.88.28

b) It is no longer possible to recommence the campaign period under paragraph 4 of S.88.28

c) No compliance audit has been commenced

d) The period for commencing a compliance audit has expired. 2016, c. 15, s. 62

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

Appendix 3

2024 Audited Mississauga Public Library Board Financial Statements

For the year ended December 31, 2024

Prepared by: Finance Division
City of Mississauga

MISSISSAUGA

Management’s Responsibility for Financial Reporting

For the year ended December 31, 2024

The accompanying financial statements of the Mississauga Public Library Board (the “Board”) are the responsibility of management at the City of Mississauga (the “City”) and have been prepared in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The City’s Finance Division is responsible for the preparation of the Board’s financial statements and accompanying notes. The statements and notes include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis to ensure that the Board’s financial statements are presented fairly in all material respects.

There are four required financial statements: the Statement of Financial Position, the Statement of Operations, the Statement of Change in Net Financial Assets, and the Statement of Cash Flows. These financial statements provide information on the cost of the Board’s activities, how they were financed, investing activities, assets, and liabilities. The financial statements are reviewed and approved by the Chief Financial Officer and Treasurer.

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

The Board’s financial statements have been audited by KPMG LLP, independent external auditors appointed by the City’s Audit Committee. The accompanying Independent Auditor’s Report outlines their responsibilities, the scope of their examination and their opinion on the Board’s financial statements.

The City’s Audit Committee meets with management and the external auditors to review the Board’s financial statements and discuss any significant financial reporting or internal control matters.

Marisa Chiu
Chief Financial Officer and Treasurer

Rona O’Banion
Director, Library

Mississauga, Ontario
April 4, 2025

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of The Corporation of the City of Mississauga - Mississauga Public Library Board (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 4, 2025

Mississauga Public Library Board
Statement of Financial Position
as at December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Financial Assets		
Cash and cash equivalents	4	10
Accounts receivable	19	769
Due from the City of Mississauga (Note 3)	6,431	6,093
Total Financial Assets	6,454	6,872
Financial Liabilities		
Accounts payable and accrued liabilities	1,004	937
Employee benefits and other liabilities (Note 5)	4,915	4,225
Asset retirement obligation (Note 8)	476	463
Total Financial Liabilities	6,395	5,625
Net Financial Assets/(Liabilities)	59	1,247
Non-Financial Assets		
Tangible capital assets (Note 7)	93,115	86,558
Prepaid expenses	151	71
Total Non-Financial Assets	93,266	86,629
Accumulated Surplus	93,325	87,876

Contractual rights (Note 9)
Commitments (Note 10)

Mississauga Public Library Board
Statement of Operations
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024 Budget (Note 6)	2024 Actual	2023 Actual
Revenue			
Funding transfer from the City of Mississauga	33,994	31,844	28,767
Contributed assets from the City of Mississauga	-	10,516	43,469
User charges and rents	714	840	767
Funding transfers from other governments	715	715	783
Donations	-	121	32
Recoveries from third parties	40	41	93
Investment income	-	1	-
Total Revenue	**35,463**	**44,078**	**73,911**
Expenses			
Salaries, wages and employee benefits	24,723	26,887	22,905
Amortization of tangible capital assets (Note 7)	6,714	7,056	6,706
Materials and supplies	1,803	2,005	1,714
Occupancy	1,788	1,505	1,415
Equipment	1,041	467	133
Contractors and professional services	194	263	100
Staff development	184	139	135
Communication	58	77	85
Advertising and promotion	67	69	80
Collection fees	25	52	53
Transportation	45	40	65
Administrative support charged by the City of Mississauga	53	35	516
Bank charges	27	20	16
Accretion of asset retirement obligation (Note 8)	-	13	13
Other	10	1	5
Loss on disposal of tangible capital assets	-	-	13,243
Total Expenses	**36,732**	**38,629**	**47,184**
Annual Surplus/(Deficit)	**(1,269)**	**5,449**	**26,727**
Accumulated surplus, beginning of year	87,876	87,876	61,149
Accumulated Surplus, end of year	**86,607**	**93,325**	**87,876**

Mississauga Public Library Board
Statement of Change in Net Financial Assets
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024 Budget (Note 6)	2024 Actual	2023 Actual
Annual surplus/(deficit)	(1,927)	5,449	26,727
Acquisition of tangible capital assets (Note 7)	-	(13,613)	(46,772)
Amortization of tangible capital assets (Note 7)	6,714	7,056	6,706
Loss on disposal of tangible capital assets	-	-	13,243
Acquisition of prepaid expenses	-	(151)	(71)
Use of prepaid expenses	-	71	228
Change in Net Financial Assets	**4,787**	**(1,188)**	**61**
Net financial assets, beginning of year	1,247	1,247	1,186
Net Financial Assets/(Liabilities), end of year	**6,034**	**59**	**1,247**

Mississauga Public Library Board
Statement of Cash Flows
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus/(deficit)	5,449	26,727
Items not involving cash:		
Amortization of tangible capital assets	7,056	6,706
Contributed assets from the City of Mississauga	(10,516)	(43,469)
Loss on disposal of tangible capital assets	-	13,243
Accretion of asset retirement obligation	13	13
Change in employee benefits and other liabilities	690	273
Change in non-cash working capital:		
Accounts receivable	750	(714)
Due from the City of Mississauga	(338)	73
Accounts payable and accrued liabilities	67	306
Asset retirement obligation	-	(10)
Deferred revenue	-	-
Prepaid expenses	(80)	157
Net change in cash from operating activities	**3,091**	**3,305**
Capital Activities:		
Tangible capital asset additions	(3,097)	(3,303)
Net Change in Cash and Cash Equivalents	**(6)**	**2**
Cash and cash equivalents, beginning of year	10	8
Cash and Cash Equivalents, end of year	**4**	**10**

Mississauga Public Library Board
Notes to the Financial Statements
for the year ended December 31, 2024
(All dollar amounts are in $000s)

The Mississauga Public Library Board (the "Board") operates in accordance with the *Public Libraries Act*. Board members are appointed by the City Council ("Council") of the City of Mississauga (the "City"), concurrent with the four-year term of Council. The purpose of the Board is to govern the affairs of the public library in service to the community. This includes developing and expressing the Board's philosophy and values, contributing to the development of a mission and vision statement, upholding service priorities and furthering the Library's long-term strategy.

The Board's financial statements are prepared by the City's management in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Accounting standards specify how transactions and other events are to be recognized, measured, presented and disclosed in a public sector entity's financial statements. These standards are numbered and are referenced throughout these notes beginning with the letters "PS".

The Board is economically dependent on the City for financial support.

1. Significant Accounting Policies

a) Basis of accounting

The Board follows the accrual method of accounting for revenue and expenses. Revenue is normally recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

b) Pensions and employee benefits

The Board accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer, public sector pension fund, as a defined contribution plan.

Vacation entitlements are accrued as earned by the employee. Other post-employment benefits and compensated absences are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was determined by reference-to-market interest rates at the measurement date on high-quality debt instruments (with cash flows that match the timing and amount of expected benefit payments). Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

Unamortized gains/losses for event-triggered liabilities, such as those determined as claims related to the Workplace Safety and Insurance Board (WSIB), are amortized over the average expected period during which the benefits will be paid.

Costs related to prior-period employee service arising out of related benefit plan amendments are recognized in the period in which the plan is amended. For the purposes of these financial statements, the plans are considered unfunded.

c) Non-financial assets

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

(i) Tangible capital assets

Tangible capital assets are recorded at cost. This category includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset, and estimated costs for asset retirement obligations. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives in accordance with Board policy as follows:

Tangible Capital Asset	Useful Life (Years)
Land	Unlimited
Land improvements	15 - 20
Buildings	5 - 45
Equipment, books and other	4 - 40
Vehicles	5 - 15

A full year of amortization is charged in the year of acquisition. Amortization is not charged in the year of disposition. Assets under construction are not amortized until the asset is available for productive use. Amortization expense is not recorded on land because it has an unlimited useful life.

(ii) Contributions of tangible capital assets

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

(iii) Leased assets

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

(iv) Works of art and historical treasures

The Board does not own any notable works of art nor historical treasures. Typically, these assets are deemed worthy of preservation because of the social (rather than financial) benefits they provide to the community. The historic cost of art and treasures is not determinable or relevant to their significance: hence a valuation is not assigned to such assets, nor would they be disclosed of in the financial statements.

d) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Significant estimates and assumptions include estimated useful life of tangible capital assets, estimated costs and applicability of the asset retirement obligation, and provisions for accrued liabilities and obligations related to employee benefits. Actual amounts could differ from these estimates.

e) Asset retirement obligation

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

Asset retirement obligations are measured based on the best estimate of directly attributable expenditures required to settle the obligation. The amount of the obligation is added to the carrying amount of the associated asset and amortized on a straight-line basis over the estimated remaining useful life of the asset. If an obligation exists and does not have a corresponding asset, the amount of the obligation is recognized as a liability and an expense in the year of acquisition. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised annually.

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

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

(i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset

(ii) The past transaction or event giving rise to the liability has occurred

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

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

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

(i) Removal of asbestos in buildings owned by the Board

(ii) Remediation and/or restoration of leased real property and facility space

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

f) Revenue

Funding transfers from the City of Mississauga and funding transfers from other governments (e.g., transfers from the Province of Ontario) are recognized in the financial statements in the period in which the 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. The City's contribution consists of the current year's net levy as adopted. Government transfers consist of a provincial funding transfer.

Contributed assets from the City of Mississauga are tangible capital assets received as contributions and are recorded at their fair market value on the date of receipt. The contributions are recognized as contributed assets from the City of Mississauga in the Statement of Operations.

User charges and rents are paid by anyone using fee-based programs and services offered by the Board. User charges and rents are generally charged when services offered by the Board benefit specific individuals. User charges and rents are recognized when earned and measurable.

Recoveries from third parties are recognized in the financial statements when the Board expects to recover costs it has incurred from an external party. Recoveries from third parties are recognized when earned and measurable.

Other revenue that is restricted is recognized when the corresponding expenses are incurred. Other revenue that is not restricted is recognized into revenue upon receipt.

g) Measurement of financial instruments

The Board's financial instruments (assets and liabilities) are measured as follows:

(i) Cash at amortized cost

(ii) Accounts receivable and due from the City of Mississauga at amortized cost

(iii) Accounts payable and accrued liabilities at amortized cost

(iv) Deferred revenue at amortized cost

At the end of 2024, there are no financial instruments recognized at fair value.

All financial assets are tested annually for impairment. The Board’s investment policies and practices reduce the risk of asset impairment. If financial assets are impaired, these losses are recorded in the Statement of Operations. Financial instruments are measured using amortized cost, with the effective interest rate method used to determine expenses. Transaction costs incurred on the acquisition of financial instruments are amortized using the straight-line method over the life of the instrument.

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

h) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2024 and have therefore not been applied to these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

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

(ii) PS 3251 – Employee Benefits will replace PS 3250 – Retirement Benefits and PS 3255 – Post-employment Benefits, Compensated Absences and Termination Benefits. The proposed standard is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

2. Change in Accounting Policies

a) PS 3160

On January 1, 2024, the Board adopted 3160 – Public Private Partnerships (“P3”). This new accounting standard identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the P3 term. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. The Board adopted the standard prospectively. The implementation of this new standard did not result in identification of transactions that would meet the definition of P3.

b) PS 3400

On January 1, 2024, the Board adopted 3400 – Revenue. This new accounting standard establishes how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and those that do not. Adoption of this standard has resulted in changes in the timing of revenue recognition for certain revenue streams such as licences and permits. The Board will recognize revenue from these exchange transactions when it satisfies its performance obligations. The Board adopted the standard prospectively. There is no impact on the presentation, measurement, or recognition of revenue in the current or prior periods of these financial statements.

c) Public Sector Guideline 8

On January 1, 2024, the Board adopted Public Sector Guideline 8 – Purchased Intangibles. This new guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The Board adopted the standard prospectively. The implementation of this new standard did not result in identification of assets that would meet the definition of purchased intangibles.

3. Due from the City of Mississauga

This category represents the accumulated surplus and the current year, non-cash, working capital changes due from the City. There are no specific terms of repayment, and the amounts do not bear any interest due from the City.

4. Pension Agreements

The Board makes contributions to OMERS, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The plan is accounted for as a defined contribution plan. During the year, the Board contributed $1,759 (2023 $1,504) on behalf of these eligible employees and the employees contributed $1,759 (2023 $1,515).

5. Employee Benefits and Other Liabilities

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

	2024	2023
Workplace Safety and Insurance Board (WSIB)	911	886
Accumulated sick leave benefit plan entitlements	-	17
Early retirement benefits	997	951
Post-employment benefits	1,341	1,362
Long-term disability	605	-
Vacation liability	1,061	1,009
Total	**4,915**	**4,225**

a) The Board has elected to be a Schedule 2 employer under the provisions of the 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 2023, in accordance with the financial reporting guidelines established by PSAB.

b) Accumulated sick leave benefits accrue to certain employees of the Board 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 a full actuarial valuation completed in December 2023, in accordance with the financial reporting guidelines established by PSAB.

c) Early retirement benefits are representative of the Board'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 a full actuarial valuation completed in December 2023, in accordance with the financial reporting guidelines established by PSAB.

d) Post-employment benefits such as health, dental and life insurance benefits are paid on behalf of any employee on long-term disability. The accrued benefit obligation and the net-periodic cost were determined by a full actuarial valuation completed in December 2023, in accordance with the financial reporting guidelines established by PSAB.

e) In January 2023, the Board adopted a self-insured arrangement for its long-term disability (LTD) benefit program. Under this arrangement, the Board funds its own claims through a segregated reserve fund and contracts with an insurance carrier to adjudicate and administer all claims on an administrative services-only basis. An independent actuarial valuation, dated December 2023, estimates the liability for claims incurred to be $nil (2023 $nil) as at December 31, 2024 which is reported on the Statement of Financial Position.

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

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

	WSIB	Sick Leave	Early Retirement	Post-Employment	LTD	2024 Total	2023 Total
Accrued benefit obligation, beginning of year	**886**	**17**	**951**	**1,362**	**-**	**3,216**	**2,937**
Service cost	75	-	34	171	**-**	**280**	**428**
Interest cost	21	-	51	34	**-**	**106**	**124**
Amortization of actuarial (gain)/loss	(6)	(17)	12	(135)	**-**	**(146)**	**18**
Benefit payments	(65)	-	(51)	(91)	**-**	**(207)**	**(294)**
Increase due to plan amendment/survivor claims	-	-	-	-	**605**	**605**	**3**
Accrued benefit obligation, end of year	**911**	**-**	**997**	**1,341**	**605**	**3,854**	**3,216**
Unamortized actuarial (gain)/loss	(435)	-	122	(553)	**-**	**(866)**	**(17)**
Actuarial valuation update, end of year	**476**	**-**	**1,119**	**788**	**605**	**2,988**	**3,199**
Expected average remaining service life	11 years	3 years	13 years	8 years	8 years		

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

	WSIB	Sick Leave	Early Retirement	Post-Employment	LTD
Expected inflation rate	2.00%	2.00%	2.00%	2.00%	2.00%
Expected level of salary increases	N/A	3.00%	3.00%	3.00%	3.00%
Interest discount rate	4.75%	4.75%	4.75%	4.75%	5.00%
Expected health care increases	4.00%	N/A	5.67%	6.00%	N/A

6. Budget

Budget data presented in these financial statements is based on the 2024 operating and capital budgets as adopted as part of the City's 2024 Budget on December 18, 2023 and adopted by the Board at its April 17, 2024 meeting. The table below reconciles the adopted budget, which is developed using a modified accrual basis of accounting, and the budget figures presented in these financial statements, which are produced using the accrual basis of accounting.

	2024 Adopted Budget
Revenue	
Adopted Operating Budget	**2,474**
Adjustments:	
City contribution (net of allocations)	31,523
Budget adjustments	2,470
Transfers from reserve funds	(1,004)
Adjusted Operating Budget	**35,463**
Adopted Capital Budget	**5,862**
Adjustments:	
Adjustments for transfers from reserve funds	(5,862)
Adjusted Capital Budget	**-**
Total Revenue	**35,463**
Expenses	
Adopted Operating Budget	**33,997**
Adjustments:	
Budget adjustments	2,470
Library books transferred to tangible capital assets	(3,316)
Transfers to reserve funds	-
Amortization of tangible capital assets	6,714
Debt principal repayments	(2,476)
Debt interest payments	(657)
Adjusted Operating Budget	**36,732**
Adopted Capital Budget	**5,862**
Adjustments:	
Eliminate capital expense budget	(5,862)
Adjusted Capital Budget	**-**
Total Expenses	**36,732**
Annual Deficit	**(1,269)**

7. Tangible Capital Assets

Tangible capital assets are non-financial assets that are generally not available to the Board for use in discharging its existing liabilities and are held for use in the provision of services. These assets are significant economic resources that are not intended for sale in the ordinary course of business and have an estimated useful life that extends beyond the current year. Tangible capital assets include buildings, books, furniture and land.

Cost	Dec. 31, 2023	Additions	Disposals	Dec. 31, 2024
Land	1,247	-	-	1,247
Land improvements	762	185	(9)	938
Buildings	97,867	9,372	-	107,239
Equipment, books and other	34,203	3,962	-	38,165
Vehicles	116	94	-	210
Total	**134,195**	**13,613**	**(9)**	**147,799**

Accumulated Amortization	Dec. 31, 2023	Amortization Expense	Disposals	Dec. 31, 2024
Land	-	-	-	-
Land improvements	426	30	(9)	447
Buildings	29,306	3,053	-	32,359
Equipment, books and other	17,842	3,952	-	21,794
Vehicles	63	21	-	84
Total	**47,637**	**7,056**	**(9)**	**54,684**

Net Book Value	Dec. 31, 2023	Dec. 31, 2024
Land	1,247	1,247
Land improvements	336	491
Buildings	68,561	74,880
Equipment, books and other	16,361	16,371
Vehicles	53	126
Total	**86,558**	**93,115**

8. Asset Retirement Obligation

The Board's asset retirement obligation consists of the following:

a) Asbestos obligation

The Board owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the Board recognized an obligation relating to the removal of the asbestos in these buildings as estimated at January 1, 2022. Estimated costs and discount rates are reviewed annually for significant changes and reflected in the asset retirement obligation.

b) Lease obligation

The Board leases real property and facility space with requirements to return the property to the original condition, which represents a legal obligation to remediate or restore at the end of the lease term. Following the adoption of PS 3280 – Asset Retirement Obligations, the Board recognized an obligation relating to the restoration and remediation of leased space as estimated at January 1, 2022. Estimated costs and discount rates are reviewed annually for significant changes and reflected in the asset retirement obligation.

Changes to the asset retirement obligation are as follows:

2024 Asset Retirement Obligation	Asbestos Obligation	Lease Obligation	2024 Total
Opening balance	452	11	463
Obligation incurred in year	-	-	-
Obligation settled in year	-	-	-
Revisions to obligation in year	-	-	-
Accretion of asset retirement obligation	13	-	13
Closing Balance	**465**	**11**	**476**

2023 Asset Retirement Obligation	Asbestos Obligation	Lease Obligation	2023 Total
Opening balance	449	11	460
Obligation incurred in year	-	-	-
Obligation settled in year	(10)	-	(10)
Revisions to obligation in year	-	-	-
Accretion of asset retirement obligation	13	-	13
Closing Balance	**452**	**11**	**463**

9. Contractual Rights

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

The Board has revenue from incoming lease agreements for Board-owned properties as follows:

Contractual Rights	2025	2026	2027	2028	2029	Total
Incoming Lease Payments	371	379	388	396	405	1,939

10. Commitments

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

Year	Lease Commitment
2025	362
2026	371
2027	221
2028	172
2029 and thereafter	174
Total	**1,300**

11. Financial Instruments

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

a) Credit risk

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

The Board is exposed to credit risk in the event of non-payment by external parties. The Board’s credit risk is primarily attributable to its receivables. The Board does not have any significant past-due accounts that are not provided for.

b) Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting its financial obligations associated with its financial liabilities. The Board mitigates its exposure to liquidity risk through the monitoring of cash flows relative to operational needs.

The majority of trade accounts payable and accrued liabilities are expected to be settled in the next fiscal year.

c) Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument (asset or liability) will fluctuate because of changes in market interest rates. The Board is not exposed to interest rate risk as it does not hold any investments or debt.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Board is exposed to currency risk through purchases of goods and services using foreign currency. The Board mitigates this risk through cash flow monitoring of operational needs, and purchasing foreign currency only as needed to settle financial liabilities.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Board mitigates price risk through fixed pricing procurement contracts.

2024 Audited Tourism Mississauga Financial Statements

For the year ended December 31, 2024

Prepared by: Finance Division
City of Mississauga

MISSISSAUGA

Management's Responsibility for Financial Reporting

For the year ended December 31, 2024

The accompanying financial statements of Tourism Mississauga (the "Corporation") are the responsibility of management at the City of Mississauga (the "City") and have been prepared in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The City's Finance Division is responsible for the preparation of the Corporation's financial statements and accompanying notes. The statements and notes include certain amounts based on estimates and judgements. Such amounts have been determined on a reasonable basis to ensure that the Corporation's financial statements are presented fairly in all material respects.

There are four required financial statements: the Statement of Financial Position, the Statement of Operations, the Statement of Change in Net Financial Assets, and the Statement of Cash Flows. These financial statements provide information on the cost of the Corporation's activities, how they were financed, investing activities, assets, and liabilities. The financial statements are reviewed and approved by the Chief Executive Officer and the City's Treasurer.

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

The Corporation's financial statements have been audited by KPMG LLP, independent external auditors appointed by the Corporation. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Corporation's financial statements.

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

Marisa Chiu
Treasurer

Victoria Clarke
Chief Executive Officer

Mississauga, Ontario
April 4, 2025

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
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Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Tourism Mississauga (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its change in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 4, 2025

Tourism Mississauga
Statement of Financial Position
as at December 31, 2024 with
comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Financial Assets		
Due from the City of Mississauga (Note 3)	22,461	20,862
Funding receivable	-	23
Total Financial Assets	22,461	20,885
Financial Liabilities		
Accounts payable and accrued liabilities	346	337
Employee vacation liability	60	51
Total Financial Liabilities	406	388
Net Financial Assets	22,055	20,497
Non-Financial Assets		
Prepaid expenses	1,864	69
Total Non-Financial Assets	1,864	69
Accumulated Surplus (Note 6)	23,919	20,566

Commitments (Note 9)

Tourism Mississauga
Statement of Operations
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024 Budget (Note 4)	2024 Actual	2023 Actual
Revenue			
Municipal Accommodation Tax (Note 5)	9,000	11,509	8,048
Other funding	-	-	5
Total Revenue	9,000	11,509	8,053
Expenses			
Event hosting and partnerships	1,544	3,318	1,214
Advertising and promotion	2,985	1,936	878
Salaries, wages and employee benefits	1,967	1,548	1,384
Professional services	1,581	780	232
Staff development	140	244	189
Administrative support charged by the City of Mississauga	-	127	217
Equipment maintenance and licensing	75	125	85
Transportation	9	34	11
Materials and supplies	87	28	55
Communication	2	9	5
Miscellaneous	41	7	1
Total Expenses	8,431	8,156	4,271
Annual Surplus	569	3,353	3,782
Accumulated surplus, beginning of year	20,566	20,566	16,784
Accumulated Surplus, end of year (Note 6)	21,135	23,919	20,566

Tourism Mississauga
Statement of Change in Net Financial Assets
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024 Budget (Note 4)	2024 Actual	2023 Actual
Annual surplus	569	3,353	3,782
Acquisition of prepaid expenses	-	(1,864)	(69)
Use of prepaid expenses	-	69	65
Increase in Net Financial Assets	**569**	**1,558**	**3,778**
Net financial assets, beginning of year	20,497	20,497	16,719
Net Financial Assets, end of year	**21,066**	**22,055**	**20,497**

Tourism Mississauga
Statement of Cash Flows
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	3,353	3,782
Change in non-cash working capital:		
Due from the City of Mississauga	(1,599)	(3,796)
Funding receivable	23	(5)
Accounts payable and accrued liabilities	9	3
Employee vacation liability	9	20
Prepaid expenses	(1,795)	(4)
Net Change in Cash and Cash Equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and Cash Equivalents, end of year	-	-

Tourism Mississauga
Notes to the Financial Statements
for the year ended December 31, 2024
(All dollar amounts are in $000s)

Tourism Mississauga (the "Corporation"), incorporated under Ontario Regulation 599/06, is a municipal services corporation that was formed to promote tourism in Mississauga. The Corporation is owned 100 per cent by the Corporation of the City of Mississauga (the "City").

The Corporation's financial statements have been prepared by the City's management in accordance with Public Sector Accounting Standards (PSAS) as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Accounting standards specify how transactions and other events are to be recognized, measured, presented and disclosed in a public sector entity's financial statements. These standards are numbered and are referenced throughout these notes beginning with the letters "PS".

The Corporation is economically dependent on the City for financial support.

1. Significant Accounting Policies

a) Basis of accounting

The Corporation follows the accrual method of accounting for revenue and expenses. Revenue is normally recognized in the year in which it is earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

b) 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.

c) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual amounts could differ from those estimates.

d) External funding

This category represents revenue recognized from the Corporation's agreements with other organizations. Revenue is recognized when the corresponding expenses are incurred.

e) Employee vacation liability

Vacation entitlements are accrued as earned by the employee. Values are derived by the employee's current wage rate and vacation entitlement, unless specified otherwise in employment contracts.

f) Revenue

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

Other external funding revenue represents revenue recognized from the Corporation's agreements with other organizations. Restricted revenue is recognized when the corresponding expenses are incurred. Unrestricted revenue is recognized when earned and in the period to which it relates.

g) Measurement of financial instruments

The Corporation's financial instruments (assets and liabilities) are measured as follows:

(i) Funding receivable and other receivables at amortized cost

(ii) Accounts payable and accrued liabilities at amortized cost

At the end of 2024, there are no financial instruments recognized at fair value.

All financial assets are tested annually for impairment. The Corporation's investment policies and practices reduce the risk of asset impairment. If financial assets are impaired, these losses are recorded in the Statement of Operations.

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

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

h) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2024 and have therefore not been applied to these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

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

(ii) PS 3251 – Employee Benefits will replace PS 3250 – Retirement Benefits and PS 3255 – Post-employment Benefits, Compensated Absences and Termination Benefits. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

2. Change in Accounting Policies

a) PS 3160

On January 1, 2024, the Corporation adopted PS 3160 – Public Private Partnerships ("P3"). This new accounting standard identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the P3 term. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. The Corporation adopted the standard prospectively. The implementation of this new standard did not result in identification of transactions that would meet the definition of P3.

b) PS 3400

On January 1, 2024, the Corporation adopted PS 3400 – Revenue. This new accounting standard establishes how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and those that do not. Adoption of this standard has resulted in changes in the timing of revenue recognition for certain revenue streams such as licences and permits. The Corporation will recognize revenue from these exchange transactions when it satisfies its performance obligations. The Corporation adopted the standard prospectively. There is no impact on the presentation, measurement, or recognition of revenue in the current or prior periods of these financial statements.

c) Public Sector Guideline 8

On January 1, 2024, the Corporation adopted Public Sector Guideline 8 – Purchased Intangibles. This new guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The Corporation adopted the standard prospectively. The implementation of this new standard did not result in identification of assets that would meet the definition of purchased intangibles.

3. Due from the City of Mississauga

This category represents the accumulated Municipal Accommodation Tax revenue, less net expenses paid by the City on behalf of the Corporation, due from the City. There are no specific terms of payment, and no interest is charged to or due from the City.

4. Budget

The Corporation's 2024 budget was first approved by the Corporation's board of directors on October 23, 2023, and subsequently approved by City Council on November 22, 2023.

5. Municipal Accommodation Tax

This category represents 50 per cent of the City's net Municipal Accommodation Tax revenue collected during the year.

6. Accumulated Surplus

Accumulated surplus consists of surplus and reserves as follows:

	2024	2023
Surplus		
Unfunded vacation liability	(60)	(51)
Reserves		
Tourism Mississauga	23,979	20,617
Total Accumulated Surplus	**23,919**	**20,566**

7. Financial Instruments

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

a) Credit risk

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

The Corporation is exposed to credit risk in the event of non-payment by external parties. The Corporation's credit risk is primarily attributable to its receivables. The Corporation does not have any significant past-due accounts that are not provided for.

b) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting its financial obligations associated with its financial liabilities. The Corporation mitigates its exposure to liquidity risk through the monitoring of cash flows relative to operational needs.

The majority of trade accounts payable and accrued liabilities are expected to be settled in the next fiscal year.

c) Market risk

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

(i) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument (asset or liability) will fluctuate because of changes in market interest rates. The Corporation is not exposed to interest rate risk since it does not hold any investments or debt.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to currency risk through purchases of goods and services using foreign currency. The Corporation mitigates this risk through cash flow monitoring of operational needs, and purchasing foreign currency only as needed to settle financial liabilities.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Corporation mitigates price risk through fixed pricing procurement contracts.

8. Pension Agreements

The Corporation makes contributions to OMERS, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The plan is accounted for as a defined contribution plan. During the year, the Corporation contributed $113 (2023 $84) on behalf of these eligible employees and the employees contributed $113 (2023 $84).

9. Commitments

The Corporation has entered into various third-party contracts for event hosting and partnership agreements. Anticipated payments under such third-party contracts during the next five years are as follows:

Year	Lease Commitment
2025	3,637
2026	4,363
2027	1,500
Total	9,500

Appendix 5

Financial Statements of

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

And Independent Auditor's Report thereon

Year ended December 31, 2024

KPMG LLP
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100 New Park Place, Suite 1400
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Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Members of City of Mississauga Clarkson Village Business Improvement Areas, Council, Inhabitants and Ratepayers of The Corporation of the City of Mississauga

Opinion

We have audited the financial statements of City of Mississauga Clarkson Village Business Improvement Areas (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

March 4, 2025

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash	$ 71,157	$ 81,401
Accounts receivable and other assets	6,613	6,484
Prepaid deposits	1,770	1,838
	79,540	89,723
Financial Liabilities		
Accounts payable and accrued liabilities	4,370	3,130
Due to The Corporation of the City of Mississauga (note 2)	–	731
	4,370	3,861
Net financial assets	75,170	85,862
Tangible capital assets (note 3)	23,956	29,945
Accumulated surplus (note 4)	$ 99,126	$ 115,807

See accompanying notes to financial statements.

On behalf of the Board:

________________________________ Director

________________________________ Treasurer

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024 (note 5)	Actual 2024	Actual 2023
Revenue:			
Special levy on business assessment	$ 115,000	$ 115,000	$ 82,269
Sponsorship	5,000	12,375	6,575
Other	7,300	8,931	13,893
	127,300	136,306	102,737
Expenses:			
Office and general	51,800	53,935	29,747
Advertising and promotion	47,500	46,105	41,120
Beautification and maintenance	51,000	40,122	45,788
Amortization of tangible capital assets	–	5,989	5,284
Professional fees	3,800	3,798	3,504
Insurance	4,200	3,038	2,900
	158,300	152,987	128,343
Annual deficit	$ (31,000)	(16,681)	(25,606)
Accumulated surplus, beginning of year		115,807	141,413
Accumulated surplus, end of year (note 4)		$ 99,126	$ 115,807

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Statement of Change in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Annual deficit	$ (16,681)	$ (25,606)
Tangible capital asset additions	–	(17,618)
Amortization of tangible capital assets	5,989	5,284
Change in net financial assets	(10,692)	(37,940)
Net financial assets, beginning of year	85,862	123,802
Net financial assets, end of year	$ 75,170	$ 85,862

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual deficit	$ (16,681)	$ (25,606)
Amortization of tangible capital assets which does not involve cash	5,989	5,284
Change in non-cash operating working capital:		
Accounts receivable and other assets	(129)	20,666
Prepaid deposits	68	(477)
Accounts payable and accrued liabilities	1,240	(1,332)
	(9,513)	(1,465)
Financing activities:		
Due to The Corporation of the City of Mississauga	(731)	(2,955)
Investing activities:		
Purchase of tangible capital assets	–	(17,618)
Decrease in cash	(10,244)	(22,038)
Cash, beginning of year	81,401	103,439
Cash, end of year	$ 71,157	$ 81,401

See accompanying notes to financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Notes to Financial Statements

Year ended December 31, 2024

On August 8, 1983, the Council of The Corporation of the City of Mississauga (the "City") passed a by-law pursuant to the Municipal Act to designate an area as an improvement area to be known as the Clarkson Business Improvement District. In 2012, the Clarkson Business Improvement District changed its name to Clarkson Village Business Improvement Areas (the "BIA"). The BIA was entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the area, beyond such improvement, beautification and maintenance as provided at the expense of the municipality at large, and with the promotion of the district as a business or shopping area.

1. Significant accounting policies:

The financial statements of the BIA are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are the cost of goods or services acquired in the year whether or not payment has been made or invoices received.

(b) Revenue:

The special levy on business assessment represents the amounts levied by the City on behalf of the BIA.

Funds received in advance for specific purposes are deferred and recognized as revenue as the funds spent in accordance with the funder's restrictions.

Accounts receivable include amounts to be received that can be reasonably estimated and collection is reasonably assured.

Other revenue includes grants, associate member fees and miscellaneous revenue, and are recognized as revenue as funds spent in accordance with the grant restriction, and reasonably estimated and collection is reasonably assured.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Notes to Financial Statements (continued)

Year ended December 31, 2024

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1. Significant accounting policies (continued):

(c) Tangible capital assets:

(i) Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization for furniture and fixtures is provided on a declining balance at 20% each year.

(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 are recorded as contributed assets in the statement of operations and accumulated surplus.

(d) Use of estimates:

The preparation of the 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 financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(e) Future accounting pronouncements:

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

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Notes to Financial Statements (continued)

Year ended December 31, 2024

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1. Significant accounting policies (continued):

These standards and amendments were not yet effective for the year ended December 31, 2024, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of these standards on the future financial statements.

(f) Adoption of new accounting policies:

Effective January 1, 2024, the BIA adopted the following standards issued by the PSAB:

(i) PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.

(ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction.

(iii) PS 3160, Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3s arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, If any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity.

The BIA's adoption of these amendments during the year ended December 31, 2024 and did not have a material impact on the financial statements.

CITY OF MISSISSAUGA CLARKSON VILLAGE BUSINESS IMPROVEMENT AREAS

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Due to The Corporation of the City of Mississauga:

There is no amount due to The Corporation of the City of Mississauga as of December 31, 2024 (2023 - underlevy).

Amounts payable to the City are non-interest bearing and payable on demand.

3. Tangible capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	$ 56,837	$ 32,881	$ 23,956	$ 29,945

4. Accumulated surplus:

Accumulated surplus at December 31, 2024 comprises the following:

	2024	2023
Reserve for working capital needs	$ 75,170	$ 85,862
Invested in tangible capital assets	23,956	29,945
	$ 99,126	$ 115,807

5. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on November 27, 2023.

Appendix 6

Financial Statements of

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

And Independent Auditor's Report thereon

Year ended December 31, 2024

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Members of City of Mississauga Port Credit Business Improvement Area, Council, Inhabitants and Ratepayers of The Corporation of the City of Mississauga

Opinion

We have audited the financial statements of City of Mississauga Port Credit Business Improvement Area (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

KPMG

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 7, 2025

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash	$ 289,318	$ 321,163
Investment (note 2)	514,246	278,367
Accounts receivable	87,914	42,359
Due from the Corporation of the City of Mississauga	942	–
	892,420	641,889
Financial Liabilities		
Accounts payable and accrued liabilities	148,590	66,857
Due to The Corporation of the City of Mississauga (note 3)	–	4,892
	148,590	71,749
Net financial assets	743,830	570,140
Non-Financial Assets		
Prepaid expenses	16,227	17,587
Tangible capital assets (note 4)	109,264	77,253
Accumulated surplus (note 5)	$ 869,321	$ 664,980

See accompanying notes to financial statements.

On behalf of the Board:

______________________________ Director

______________________________ Treasurer

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024 (note 7)	Actual 2024	Actual 2023
Revenue:			
Special levy on business assessment	$ 1,012,985	$ 1,039,927	$ 946,443
Fundraising	48,750	39,867	38,633
Grant	40,000	164,129	40,902
Interest	22,952	42,607	36,968
	1,124,687	1,286,530	1,062,946
Expenses:			
Office and general (note 6)	374,717	304,931	295,338
Beautification and maintenance	334,220	312,733	235,926
Project expenses	185,000	281,982	170,925
Sponsorships	70,400	69,452	67,392
Amortization of tangible capital assets	70,000	57,926	67,399
Advertising and promotion	82,350	43,294	22,486
Loss on disposal of tangible capital assets	–	2,500	13,170
Business development (note 6)	8,000	7,313	4,798
Repairs and maintenance	–	2,058	616
	1,124,687	1,082,189	878,050
Annual surplus	$ –	204,341	184,896
Accumulated surplus, beginning of year		664,980	480,084
Accumulated surplus, end of year (note 5)	$	$ 869,321	$ 664,980

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Annual surplus	$ 204,341	$ 184,896
Additions to tangible capital assets	(92,437)	–
Amortization of tangible capital assets	57,926	67,399
Loss on disposal of tangible capital assets	2,500	13,170
Change in prepaid expenses	1,360	(8,923)
Change in net financial assets	173,690	256,542
Net financial assets, beginning of year	570,140	313,598
Net financial assets, end of year	$ 743,830	$ 570,140

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 204,341	$ 184,896
Items not involving cash:		
Amortization of tangible capital assets	57,926	67,399
Loss on disposal of tangible capital assets	2,500	13,170
Change in non-cash operating working capital:		
Accounts receivable	(45,555)	(3,222)
Prepaid expenses	1,360	(8,923)
Accounts payable and accrued liabilities	81,733	(24,375)
Due to The Corporation of the City of Mississauga	(5,834)	(30,616)
Deferred revenue	–	(24,232)
	296,471	174,097
Investing activities:		
Additions to tangible capital assets	(92,437)	–
Change in investments	(235,879)	(10,518)
	(328,316)	(10,518)
Increase (decrease) in cash	(31,845)	163,579
Cash, beginning of year	321,163	157,584
Cash, end of year	$ 289,318	$ 321,163

See accompanying notes to financial statements.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2024

On December 20, 1984, the Council of The Corporation of the City of Mississauga (the "City") passed a by-law pursuant to the Municipal Act, to designate an area as an improvement area to be known as the Port Credit Business Improvement Area (the "Organization"). The Organization was entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the area, beyond such improvement, beautification and maintenance as provided at the expense of the municipality at large, and with the promotion of the area as a business or shopping area. The Organization is dependent on the City for funding through the special levy on an annual basis.

1. Significant accounting policies:

The financial statements of City of Mississauga Port Credit Business Improvement Area are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable. Expenses are the cost of goods or services acquired in the year, whether or not payment has been made or invoices received.

(b) Revenue:

The special levy on business assessment represents the amounts levied by the City on behalf of the Organization. Fundraising and interest revenue is recognized on an accrual basis.

Grants received for specific purposes are deferred and recognized as revenue as the funds are spent in accordance with the funder's restrictions.

(c) Investment:

Investment consists of a guaranteed investment certificate with original date to maturity of 91 days or longer and is recorded at amortized cost.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(d) Tangible capital assets:

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and are recorded as contributed assets in the statement of operations and accumulated surplus.

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization of tangible capital assets is provided on a straight-line basis as follows:

Machinery and equipment	4 years
Furniture and fixtures	4 years
Leasehold improvements	5 years

(e) Use of estimates:

The preparation of the 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 financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

---

1. Significant accounting policies (continued):

(f) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2024, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

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

PS 3251, Employee Benefits, will replace the current section PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

(g) Adoption of new accounting policies:

Effective January 1, 2024, the Organization adopted the following standards issued by the PSAB:

(i) PS 3400, Revenue, establishes a single framework to categorize revenue of enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 (the Organization's December 31, 2024 year end).

(ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023 (the Organization's December 31, 2024 year end).

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(iii) PS 3160, Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3s arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. The standard is effective for fiscal years beginning on or after April 1, 2023 (the Organization's December 31, 2024 year end).

2. Investments:

Investments consist of six (2023 - two) guaranteed investment certificates bearing interest at 5% (2023 - 4.6% and 5.2%) with maturity dates of September 8, 2025 (2023 - April 29, 2024 and March 11, 2024), respectively.

	2024	2023
Investment	$ 500,000	$ 268,514
Accrued interest	14,246	9,853
	$ 514,246	$ 278,367

3. Due to The Corporation of the City of Mississauga:

The amount due to the City includes the cumulative overlevy as at December 31, 2024 (2023 - underlevy). The amount is non-interest bearing and payable on demand.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

4. Tangible capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Machinery and equipment	$ 432,144	$ 323,266	$ 108,878	$ 71,636
Furniture and fixtures	21,838	21,452	386	1,442
Leasehold improvements	22,775	22,775	–	4,175
	$ 476,757	$ 367,493	$ 109,264	$ 77,253

5. Accumulated surplus:

Accumulated surplus at December 31 comprises the following:

	2024	2023
Invested in tangible capital assets	$ 109,264	$ 77,253
Reserve for working capital needs	760,057	587,727
	$ 869,321	$ 664,980

6. Related party transactions:

Office and general and business development expenses include $1,120 (2023 - $1,130) of services provided by a company owned by a member of the Board of Directors.

7. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on November 20, 2023.

CITY OF MISSISSAUGA PORT CREDIT BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Risk management:

The Organization has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and market risk (interest rate risk).

(a) Credit risk:

Credit risk is the risk of a financial loss to the Organization if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Organization consisting of accounts receivables and due from City of Mississauga balance. The Organization's exposure to credit risk associated with accounts receivable and due from City of Mississauga is assessed as low because they are due largely from governments.

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due. The Organization's objective is to have sufficient liquidity to meet these liabilities when due. The Organization monitors its cash balance and cash flows generated from operations to meet its liquidity requirements. The liquidity risk arises from the financial liabilities consisting of accounts payable and accrued liabilities.

(c) Market risk:

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Organization manages its interest rate risk by maintaining a fixed income investment that is not subject to fair valuation fluctuations.

9. Comparative amounts:

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2024 financial statements.

Financial Statements of

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

And Independent Auditor's Report thereon

Year ended December 31, 2024

KPMG LLP
Vaughan Metropolitan Centre
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INDEPENDENT AUDITOR'S REPORT

To the Members of City of Mississauga Streetsville Business Improvement District Area, Council, Inhabitants and Ratepayers of The Corporation of the City of Mississauga

Opinion

We have audited the financial statements of City of Mississauga Streetsville Business Improvement District Area (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 9, 2025

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash	$ 50,546	$ 6,118
Investments (note 1(d))	–	17,984
Accounts receivable	24,242	23,011
Due from The Corporation of the City of Mississauga (note 2)	1,344	8,092
	76,132	55,205
Financial Liabilities		
Accounts payable and accrued liabilities	56,818	60,645
Deferred revenue	60,000	–
	116,818	60,645
Net financial debt	(40,686)	(5,440)
Non-Financial Assets		
Tangible capital assets (note 3)	49,063	71,470
Accumulated surplus (note 4)	$ 8,377	$ 66,030

See accompanying notes to financial statements.

On behalf of the Board:

_________________________________ Director

_________________________________ Director

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 6)	2024 Actual	2023 Actual
Revenue:			
Special levy on business assessment	$ 452,695	$ 459,039	$ 444,042
Fundraising	103,000	85,296	90,454
Other	–	474	752
	555,695	544,809	535,248
Expenses:			
Advertising and promotion	153,800	169,222	184,374
Office and administration (note 5)	228,895	244,488	222,643
Beautification and maintenance	165,500	166,345	179,850
Amortization of tangible capital assets	7,500	22,407	17,579
	555,695	602,462	604,446
Annual deficit	$ –	(57,653)	(69,198)
Accumulated surplus, beginning of year		66,030	135,228
Accumulated surplus, end of year (note 4)		$ 8,377	$ 66,030

See accompanying notes to financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

Statement of Change in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Annual deficit	$ (57,653)	$ (69,198)
Additions to tangible capital assets	–	(48,303)
Amortization of tangible capital assets	22,407	17,579
Change in net financial assets	(35,246)	(99,922)
Net financial assets (debt), beginning of year	(5,440)	94,482
Net financial debt, end of year	$ (40,686)	$ (5,440)

See accompanying notes to financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual deficit	$ (57,653)	$ (69,198)
Amortization of tangible capital assets which does not involve cash	22,407	17,579
Change in non-cash operating working capital:		
Accounts receivable	(1,231)	14,459
Due from The Corporation of the City of Mississauga	6,748	(4,163)
Accounts payable and accrued liabilities	(3,827)	54,947
Deferred revenue	60,000	–
	26,444	13,624
Investing activities:		
Additions to tangible capital assets	–	(48,303)
Change in investments	17,894	6,016
	17,894	(42,287)
Increase (decrease) in cash	44,338	(28,663)
Cash, beginning of year	6,118	34,781
Cash, end of year	$ 50,546	$ 6,118

See accompanying notes to financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

Notes to Financial Statements

Year ended December 31, 2024

On November 5, 1979, the Council of The Corporation of the City of Mississauga (the "City") passed a by-law pursuant to The Municipal Act, to designate an area as an improvement area to be known as the Streetsville Business Improvement District Area (the "BIA"). The BIA was entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the area, beyond such improvement, beautification and maintenance as provided at the expense of the municipality at large, and with the promotion of the district as a business or shopping area. The BIA is dependent on the City for funding through the special levy on an annual basis.

1. Significant accounting policies:

The financial statements of the BIA have been prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are the cost of goods or services acquired in the year whether or not payment has been made or invoices received.

(b) Revenue:

The special levy on business assessment represents the amounts levied by the City on behalf of the BIA. Fundraising and other revenues are recognized on an accrual basis.

(c) Deferred revenue:

Deferred revenue represents grants for specific events or expenditures which have been received, but for which the related event or expenditures have yet to take place or be incurred. These amounts will be recognized as revenue in the fiscal year the event occurs or in which in the expenditures have been incurred.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(d) Investments:

Investment consists of a guaranteed investment certificate bearing interest at nil (2023 - at 2.29% with a maturity date of - August 24, 2028).

(e) Tangible capital assets:

(i) Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

Amortization of tangible capital assets is provided on a straight-line basis as follows:

Furniture, fixtures and decoratives	5 - 10 years
Benches	5 years
Computer equipment	5 years

(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 contributions are recorded as contributed assets in the statement of operations and accumulated surplus.

(f) Use of estimates:

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(g) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2024, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

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

(h) Adoption of new accounting policies:

Effective January 1, 2024, the BIA adopted the following standards issued by the PSAB:

(i) PS 3400, Revenue, establishes a single framework to categorize revenue of enhance the consistency of revenue recognition and its measurement.

(ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction.

(iii) PS 3160, Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3s arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity.

The BIA's adoption of these amendments during the year ended December 31, 2024 did not have a material impact on the financial statements.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Due from The Corporation of the City of Mississauga:

The amount due from the City includes the cumulative underlevy as at December 31, 2024 (2023 - overlevy). The amount is non-interest bearing and payable in conjunction with the 2024 levy.

3. Tangible capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Furniture, fixtures and decoratives	$ 217,671	$ 179,827	$ 37,844	$ 55,977
Benches	38,727	30,938	7,789	10,511
Computer equipment	7,761	4,331	3,430	4,982
	$ 264,159	$ 215,096	$ 49,063	$ 71,470

4. Accumulated surplus:

The accumulated surplus as at December 31 comprises the following:

	2024	2023
Reserve deficit for working capital needs	$ (40,686)	$ (5,440)
Invested in tangible capital assets	49,063	71,470
	$ 8,377	$ 66,030

5. Related party transactions:

Office and administration include $9,766 (2023 - $9,838) of services provided by members of the Board of Directors.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

6. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on November 12, 2023.

7. Risk management:

The BIA has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and market risk (interest rate risk).

(a) Credit risk:

Credit risk is the risk of a financial loss to the BIA if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the BIA consisting of accounts receivables and due from City of Mississauga balance. The BIA's exposure to credit risk associated with accounts receivable and due from City of Mississauga is assessed as low because they are due largely from governments.

(b) Liquidity risk:

Liquidity risk is the risk that the BIA will not be able to meet its financial obligations as they become due. The BIA's objective is to have sufficient liquidity to meet these liabilities when due. The BIA monitors its cash balance and cash flows generated from operations to meet its liquidity requirements. The liquidity risk arises from the financial liabilities consisting of accounts payable and accrued liabilities.

(c) Market risk:

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The BIA manages its interest rate risk by maintaining a fixed income investment that is not subject to fair valuation fluctuations.

CITY OF MISSISSAUGA STREETSVILLE BUSINESS IMPROVEMENT DISTRICT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Commitments:

The BIA has entered into a lease agreement for premises that expires in 2030. The annual commitments are approximately as follows:

2025	$ 26,678
2026	27,478
2027	28,303
2028	29,152
2029	30,026
2030	28,279
	$ 169,916

Financial Statements of

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

And Independent Auditor's Report thereon

Year ended December 31, 2024

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Members of City of Mississauga Cooksville Business Improvement Area, Council, Inhabitants and Ratepayers of The Corporation of the City of Mississauga

Opinion

We have audited the financial statements of City of Mississauga Cooksville Business Improvement Area (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

March 25, 2025

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial Assets		
Cash	$ 204,981	$ 299,514
Accounts receivable	60,865	12,457
	265,846	311,971
Financial Liabilities		
Accounts payable and accrued liabilities	35,653	17,277
Due to The Corporation of the City of Mississauga (note 2)	3,329	2,763
	38,982	20,040
Net financial assets	226,864	291,931
Prepaid expenses	2,329	2,329
Tangible capital assets (note 3)	10,333	19,806
Commitments (note 7)		
Accumulated surplus (note 4)	$ 239,526	$ 314,066

See accompanying notes to financial statements.

On behalf of the Board:

________________________________ Chair

________________________________ Treasurer

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	Budget 2024 (note 5)	Actual 2024	Actual 2023
Revenue:			
Special levy on business assessment	$ 300,050	$ 296,721	$ 170,359
Grant	7,500	4,146	–
Other	235,000	25,847	13,263
Interest	10,000	7,896	7,179
	552,550	334,610	190,801
Expenses:			
Office and administration	224,350	146,748	143,194
Beautification and maintenance	195,000	146,404	81,873
Amortization	15,700	9,473	8,586
Professional fees	19,500	12,816	14,044
Advertising and promotion	13,000	655	4,395
Events	85,000	93,054	63,949
	552,550	409,150	316,041
Annual deficit	$ –	(74,540)	(125,240)
Accumulated surplus, beginning of year		314,066	439,306
Accumulated surplus, end of year (note 4)		$ 239,526	$ 314,066

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Change in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Annual deficit	$ (74,540)	$ (125,240)
Additions to tangible capital assets	–	(7,100)
Amortization of tangible capital assets	9,473	8,586
Change in prepaid expenses	–	(2,329)
Change in net financial assets	(65,067)	(126,083)
Net financial assets, beginning of year	291,931	418,014
Net financial assets, end of year	$ 226,864	$ 291,931

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual deficit	$ (74,540)	$ (125,240)
Amortization of tangible capital assets which does not involve cash	9,473	8,586
Change in non-cash operating working capital:		
Accounts receivable	(48,408)	14,543
Prepaid expenses	–	(2,329)
Accounts payable and accrued liabilities	18,376	(17,208)
Due to The Corporation of the City of Mississauga	566	(319)
	(94,533)	(121,967)
Capital activities:		
Additions to tangible capital assets	–	(7,100)
Decrease in cash	(94,533)	(129,067)
Cash, beginning of year	299,514	428,581
Cash, end of year	$ 204,981	$ 299,514

See accompanying notes to financial statements.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2024

On February 19, 2020, the Council of The Corporation of the City of Mississauga (the "City") passed a by-law pursuant to the Municipal Act, to designate an area as an improvement area to be known as the Cooksville Business Improvement Area (the "Organization"). The Organization was entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the area, beyond such improvement, beautification and maintenance as provided at the expense of the municipality at large, and with the promotion of the area as a business or shopping area. The Organization is dependent on the City for funding through the special levy on an annual basis.

1. Significant accounting policies:

The financial statements of the Organization are the representation of management prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenses are the cost of goods or services acquired in the year, whether or not payment has been made or invoices received.

(b) Revenue:

The special levy on business assessment represents the amounts levied by the City on behalf of the Organization.

(c) Tangible capital assets:

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization of tangible capital assets is provided on a straight-line basis as follows:

Furniture and fixtures	4 years

(d) Use of estimates:

The preparation of the 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 financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(e) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2024, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of these standards on the future financial statements.

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

PS 3251, Employee Benefits, will replace the current section PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(f) Adoption of new accounting policies:

Effective January 1, 2024, the Organization adopted the following standards issued by the PSAB:

(i) PS 3400, Revenue, establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement.

(ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction.

(iii) PS 3160, Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3s arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity.

The Organization's adoption of these amendments during the year ended December 31, 2024 did not have a material impact on the financial statements.

2. Due to The Corporation of the City of Mississauga:

The amount due to the City includes the cumulative overlevy as of December 31, 2024 (2023 - overlevy). The amount receivable has no specific terms of repayment and does not bear any interest due to the City.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

3. Tangible capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Furniture and fixtures	$ 37,890	$ 27,557	$ 10,333	$ 19,806

4. Accumulated surplus:

Accumulated surplus at December 31 comprises the following:

	2024	2023
Invested in tangible capital assets	$ 10,333	$ 19,806
Reserve for working capital needs	229,193	294,260
	$ 239,526	$ 314,066

5. Budget data:

The audited budget information presented in these financial statements is based on the budget approved by City Council on November 12, 2023.

6. Risk management:

The Organization has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk (interest rate risk).

(a) Credit risk:

Credit risk is the risk of a financial loss to the Organization if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Organization consisting of accounts receivable and due to The Corporation of the City of Mississauga balance. The Organization's exposure to credit risk associated with accounts receivable and due from City of Mississauga is assessed as low because they are due largely from governments.

CITY OF MISSISSAUGA COOKSVILLE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2024

6. Risk management (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due. The Organization's objective is to have sufficient liquidity to meet these liabilities when due. The Organization monitors its cash balance and cash flows generated from operations to meet its liquidity requirements. The liquidity risk arises from the financial liabilities consisting of accounts payable and accrued liabilities.

(c) Market risk:

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Organization manages its interest rate risk by maintaining a fixed income investment that is not subject to fair valuation fluctuations.

7. Commitments:

The Organization has entered into a lease agreement for premises that expires in 2029. The annual commitments are approximately as follows:

2025	$ 15,507
2026	15,862
2027	16,217
2028	16,572
2029	8,286
	$ 72,444

Appendix 9

Final

Financial Statements of

ENERSOURCE CORPORATION

and Independent Auditor's Report thereon

For the year ended December 31, 2024

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Enersource Corporation

Opinion

We have audited the financial statements of Enersource Corporation (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of comprehensive income for the year then ended
- the statement of changes in shareholders' equity for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KPMG

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 25, 2025

Enersource Corporation
Statement of Financial Position
as at December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Assets		
Current Assets		
Cash	6,127	5,889
Accounts receivable	21	-
Prepaid expenses	25	295
Total Current Assets	6,173	6,184
Non-Current Assets		
Investment in Alectra Inc. (Note 5)	643,403	617,397
Interest rate swap (Note 6)	99	344
Total Non-Current Assets	643,502	617,741
Total Assets	649,675	623,925
Liabilities and Shareholders' Equity		
Current Liabilities		
Trade payables	304	41
Loans and borrowings (Note 6)	2,500	2,500
Total Current Liabilities	2,804	2,541
Non-Current Liabilities		
Loans and borrowings (Note 6)	38,125	40,625
Total Non-Current Liabilities	38,125	40,625
Total Liabilities	40,929	43,166
Shareholders' Equity		
Share capital (Note 7)	175,691	175,691
Accumulated other comprehensive income	2,557	1,847
Retained earnings	430,498	403,221
Total Shareholders' Equity	608,746	580,759
Total Liabilities and Shareholders' Equity	649,675	623,925

Comparative information (Note 11)

On behalf of the Board:

____________________________ Director

____________________________ Director

Enersource Corporation
Statement of Comprehensive Income
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Revenue		
Interest earned	484	479
Share of net income from investment in Alectra Inc. (Note 5)	49,175	42,285
Total Revenue	49,659	42,764
Expenses		
Debt	2,063	2,204
Unrealized fair value loss on interest swap (Note 6)	245	204
Accounting and audit	51	69
Insurance	15	18
Office supplies	7	21
Board management	-	75
Other	1	2
Total Expenses	2,382	2,593
Net Income	47,277	40,171
Other Comprehensive Income		
Share of other comprehensive income/(loss) from investment in Alectra Inc. (Note 5)	710	(325)
Total Comprehensive Income	47,987	39,846

Enersource Corporation
Statement of Changes in Shareholders' Equity
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	Share Capital	Accumulated Other Comprehensive Income/(Loss)	Retained Earnings	Total Shareholders' Equity
Balance at January 1, 2024	175,691	1,847	403,221	580,759
Net income	-	-	47,277	47,277
Other comprehensive loss	-	710	-	710
Dividends paid	-	-	(20,000)	(20,000)
Balance at December 31, 2024	**175,691**	**2,557**	**430,498**	**608,746**

	Share Capital	Accumulated Other Comprehensive Income/(Loss)	Retained Earnings	Total Shareholders' Equity
Balance at January 1, 2023	175,691	2,172	383,710	561,573
Net income	-	-	40,171	40,171
Other comprehensive loss	-	(325)	-	(325)
Dividends paid	-	-	(20,660)	(20,660)
Balance at December 31, 2023	**175,691**	**1,847**	**403,221**	**580,759**

Enersource Corporation
Statement of Cash Flows
for the year ended December 31, 2024 with comparatives for 2023
(All dollar amounts are in $000s)

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

	2024	2023
Cash provided by (used in):		
Operating activities		
Comprehensive income	47,987	39,846
Adjustments for:		
Interest income	(484)	(479)
Debt expense	2,063	2,204
Items not involving cash		
Share of net income from investment in Alectra Inc. (Note 5)	(49,175)	(42,285)
Share of other comprehensive loss/(income) from investment in Alectra Inc. (Note 5)	(710)	325
Change in fair value of interest rate swap (Note 6)	245	204
Changes in accounts receivable	(21)	-
Changes in prepaid expenses	270	(51)
Change in trade payables	263	1
Cash flows used in operating activities	**438**	**(235)**
Financing activities		
Repayment of bank loans	(2,500)	(2,500)
Dividends paid	(20,000)	(20,660)
Interest paid	(2,063)	(2,204)
Cash flows used in financing activities	**(24,563)**	**(25,364)**
Investing activities		
Interest received	484	479
Dividends from Alectra Inc. (Note 5)	23,879	22,676
Cash flows from investing activities	**24,363**	**23,155**
Increase/(decrease) in cash	238	(2,444)
Cash, beginning of year	5,889	8,333
Cash, end of year	**6,127**	**5,889**

Enersource Corporation
Notes to the Financial Statements
for the year ended December 31, 2024
(All dollar amounts are in $000s)

1. General Information

a) Corporate information:

Enersource Corporation (the "Corporation"), incorporated under the *Business Corporations Act*, was formed to conduct electricity distribution and non-regulated utility service ventures. The Corporation is owned 90 per cent by the City of Mississauga (the "City") and 10 per cent by BPC Energy Corporation ("Borealis"), a wholly owned subsidiary of the Ontario Municipal Employees Retirement System (OMERS).

The Corporation's equity is not traded in a public market. The Corporation's registered office is located at 300 City Centre Drive, Mississauga, Ontario, L5B 3C1.

The Corporation's audited financial statements are presented in Canadian dollars, which is the Corporation's functional currency. Further, all amounts contained herein are rounded to the nearest thousand, unless otherwise noted.

On January 31, 2017, Enersource Holdings Inc. amalgamated with Power Stream Holdings Inc. and Horizon Holdings Inc. to form Alectra Inc. ("Alectra"). Alectra's primary businesses are to distribute electricity and provide non-regulated energy services to customers in municipalities in the Greater Golden Horseshoe Area.

The Corporation has a 29.57 per cent ownership interest in Alectra's issued and outstanding common shares. Accordingly, the Corporation is considered to have significant influence over Alectra's financial and operating policies and has accounted for its investment in Alectra under the equity method. Refer to Note 5 for further details.

The shareholder ownership of Alectra is as follows:

- Enersource Corporation 29.57 per cent
- Vaughan Holdings Inc. 20.50 per cent
- Hamilton Utilities Corporation 17.31 per cent
- Markham Enterprises Corporation 15.03 per cent
- Barrie Hydro Holdings 8.4 per cent
- Guelph Municipal Holdings Inc. 4.6 per cent
- St. Catharines Hydro Inc. 4.6 per cent

b) Nature of operations

The Corporation acts as a holding company. The Corporation's principal business activity is to hold its equity interest in Alectra. The Corporation also distributes dividends to its shareholders.

2. Basis of Preparation

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB).

These financial statements have been approved by the Corporation's Board of Directors on April 25, 2025.

b) Basis of measurement

These financial statements have been prepared on a historical cost basis, with the exception of the unrealized fair value gain/(loss) on interest rate swap, which is measured at fair value through profit and loss.

3. Key Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and amounts reported and disclosed in the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

There were no key sources of estimation uncertainty and judgements at the end of the reporting year, other than those inherent in the preparation of Alectra's financial statements, that could have a significant impact on the financial statements.

4. Material Accounting Policies

a) Investment in Alectra

The Corporation's interest in Alectra is recognized and measured in accordance with International Accounting Standard 28 – Investments in Associates and Joint Ventures.

Associates are those entities over which the Corporation has significant influence, but not control or joint control, over financial and operating policies. Significant influence is presumed to exist when the Corporation holds between 20 and 50 per cent of the voting power of another entity, but can also arise where the Corporation holds less than 20 per cent if it has the power to be actively involved and influential in policy decisions affecting the entity.

Investments in associates are accounted for using the equity method, which involves the recording of the initial investment at cost, including transaction costs. Subsequent to initial recognition, the financial statements include the Corporation's share of profit or loss and any other changes in the associates' net assets, such as dividends of equity accounted investees, until the date on which significant influence ceases.

b) Revenue recognition

The Corporation's source of income is interest and investment income. Interest income is recognized when earned, while investment income from Alectra is recorded as per Note 4(a) above.

c) Income taxes

The Corporation recognizes deferred tax using the balance sheet method. Under this method, deferred income taxes reflect the net tax effects of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes, as well as for tax losses available to be carried forward to future years that are probable. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates, at the reporting date, expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income in the year that includes the date of enactment or substantive enactment.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be applied. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are generally recognized on all taxable temporary differences, except on investments in subsidiaries where it is probable that the reversal of temporary differences associated with investments in subsidiaries will not occur.

Current taxes are based on taxable profit or loss for the year, which differ from profit or loss as reported in the Statement of Comprehensive Income, because it excludes items that are taxable or deductible in other years and items that are neither taxable nor deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting year.

Both current and deferred taxes are included as part of income tax expense in the Statement of Comprehensive Income.

d) Provisions and contingencies

The Corporation recognizes provisions if, as a result of a past event, there is a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The evaluation of the likelihood of the contingent events requires judgement by management as to the probability of exposure to potential gain or loss. Actual results could differ from these estimates.

A contingent asset is not recognized in the financial statements. However, a contingent asset is disclosed where an inflow of economic benefits is probable.

e) New standards and interpretations not yet adopted

There were no new standards that have not yet been adopted by the Corporation.

5. Investment in Alectra

	2024	2023
Investment in Alectra Inc.	643,047	617,397

Movement in equity-accounted investee:

	2024	2023
Balance, beginning of year	617,397	598,113
Share of net income from investment in Alectra Inc.	49,175	42,285
Share of other comprehensive income/(loss)	710	(325)
Dividends received from Alectra Inc.	(23,879)	(22,676)
Balance, End of Year	**643,403**	**617,397**

Certain former shareholders of predecessor companies which amalgamated to form Alectra own Class S shares of Alectra relating to Ring Fenced Solar Portfolio, a division of Alectra. In accordance with the Solar Services and Indemnity Agreement between the former shareholders and Alectra, the solar division within Alectra is beneficially owned indirectly by the former shareholders, and as such, allocates the risks and rewards of Ring Fenced Solar Portfolio's operations to the former shareholders through Alectra's Class S shares. The Corporation does not hold Class S shares of Alectra.

The following table summarizes the financial information of Alectra as included in its own financial statements, adjusted for fair value adjustments at acquisition as well as the removal of Ring Fenced Solar Portfolio's net assets and operating results. The table also reconciles the summarized financial information to the carrying amount of the Corporation's interest in Alectra.

	2024	2023
Ownership interest	29.57%	29.57%
Current assets	888,000	750,000
Non-current assets	5,723,000	5,327,000
Current liabilities	(1,180,000)	(1,383,000)
Non-current liabilities	(3,545,000)	(2,893,000)
Net Assets (100%)	**1,886,000**	**1,801,000**
Ring Fenced Solar Portfolio Net Assets	(5,100)	(8,100)
Fair value adjustments from purchase price	296,145	296,145
	2,177,045	2,089,045
Carrying value of investment in Alectra Inc. 29.57%	**643,403**	**617,397**
Revenue	4,369,000	3,956,000
Expenses		
Depreciation and amortization	(208,000)	(201,000)
Other expenses	(3,808,000)	(3,459,000)
Finance expense	(108,000)	(96,000)
Income tax expense	(62,000)	(54,000)
Loss on derecognition of property plant, equipment, and intangibles	(12,000)	(6,000)
Loss on fair value of contingent consideration	(4,000)	-
Share of net loss of joint venture	-	(1,000)
Net Income	167,000	146,000
Other comprehensive income/(loss)	2,400	(1,000)
Total comprehensive income	169,400	145,000
Ring Fenced Solar Portfolio net gain	700	3,000
Share of income (29.57%)	**49,175**	**42,285**
Share of other comprehensive income/(loss) (29.57%)	**710**	**(325)**

6. Loans and Borrowings

Bank Loan	2024	2023
Current	2,500	2,500
Non-current	38,125	40,625
Total	**40,625**	**43,125**

Outstanding debt is comprised of two bank loans, Credit A and Credit B, which were entered into on January 27, 2017, and an interest rate swap, held with Canadian Imperial Bank of Commerce (CIBC). The interest rates on Credit A and B bank loans are determined in arrears through a combination of the Canadian Overnight Repo Rate Average (CORRA) daily average during each reset period, reset four times each year on February 1, May 1, August 1, and November 1, plus credit adjustment fees totaling 0.92138 per cent. Credit A has an outstanding balance of $35,000 and is carried as an interest only facility, with current agreement terms and conditions up for renewal on or before February 28, 2027. The November 1, 2024 all-in CORRA-based interest rate for Credit A was set at 4.50 per cent. Credit B had an original 10-year term to maturity, and is expiring on January 29, 2027, and an outstanding balance of $5,625. Credit B is being paid down with quarterly principal payments at a rate of $625 per quarter plus interest and has an accompanying amortizing interest rate swap, to create an effective fixed interest rate of 2.414 per cent.

The CIBC credit facilities contain covenants stating that the Corporation cannot incur any additional debt without CIBC's consent. In addition, the Corporation must advise CIBC if dividends are not received from Alectra in any quarter and/or if the dividend amount is not sufficient to make the required monthly or quarterly payments of principal and interest. These covenants have not been breached in 2024, nor since inception. Bank loans are guaranteed by the City of Mississauga up to an amount of $70,000.

The Corporation included $245 unrealized loss (2023 $204 unrealized loss) in its financial statements related to the interest rate swap. An asset of $99 (2023 $344 asset) is the fair value of the interest rate swap, which represents the amount that the Corporation would have received to unwind its position as at 2024. The notional value on the interest rate swap is equal to the outstanding value of Credit B, or $5,625.

Reconciliation of debt arising from financing activities:

	2024	2023
Balance, beginning of period	43,125	43,625
Principal repayment	(2,500)	(2,500)
Balance, end of period	**40,625**	**43,125**

The Corporation made interest payments of $2,067 in 2024 (2023 $2,204).

7. Share Capital

	2024	2023
Authorized		
Unlimited Class A shares, voting		
1,000 Class B shares, non-voting		
100 Class C shares, voting		
Issued		
180,555,562 Class A shares	155,628	155,628
1,000 Class B shares	1	1
100 Class C shares	20,062	20,062
Total	**175,691**	**175,691**

The holders of Class A shares and Class C shares are entitled to receive notice of, attend, and vote at all general and special meetings of the Corporation's shareholders. The holders of Class B shares are not entitled to vote at any meeting of the Corporation's shareholders (except as required by law) and are only entitled to receive notice of special meetings called to consider certain fundamental changes.

Holders of Class A shares are entitled to one vote per share. Holders of Class C shares are entitled to such number of votes in respect of each Class C share as will entitle the holders of the Class C shares, as a class, to the proportion of the total number of votes of all shareholders entitled to vote at any such meeting that the Class C total base equity is of the aggregate regulated rate base equity of the Corporation's and its subsidiaries.

The holders of Class A shares and holders of Class C shares, in priority to the holders of the Class B shares, are entitled to receive, if, as and when declared by the Corporation's Board of Directors, concurrent preferential dividends. These dividends will be presented at a rate per annum equal to the regulated rate of return on the rate base equity represented by each such class of shares. The cumulative portion of such preferential dividend is the amount by which the preferential dividend for each class of shares exceeds the amount of regulated capital expenditures represented by each class of shares. The remaining portion is non-cumulative.

As at December 2024, there were no cumulative preferential dividends outstanding (2023 $nil). Once these preferential dividend entitlements have been satisfied, holders of each class of shares are entitled to receive, on a concurrent basis with each other class of shares, additional dividends if, as and when declared by the Corporation's Board of Directors and in such amounts and payable in such manner as may be determined from time to time by the Corporation's Board of Directors. Holders of Class A shares and Class C shares are together entitled to 60 per cent of any such additional dividends, which are to be allocated between the holders of each such class of shares in proportion to the rate base equity represented by each class. Holders of Class B shares are entitled to 40 per cent of any such additional dividends. Class A, B and C shares have no par value.

Dividends may be declared by the Board of Directors through a resolution. As at December 31, 2024, dividends of $20,000 (2023 $20,660) were declared and paid to the shareholders of the Corporation.

8. Related Party Transactions and Balances

For the year ended December 31, 2024, a dividend of $18,000 was declared and paid to the City of Mississauga (2023 $18,594), and a dividend of $2,000 was declared and paid to Borealis (2023 $2,066).

No director had, during or at the end of the period, any material interest in any contract of significance in relation to the Corporation's business.

The following compensation, shown as “Directors’ honorarium and per diem”, has been provided to the key management personnel of the Corporation and members of the Board of Directors who have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. Effective January 1, 2024, directors no longer receive compensation from Enersource Corporation.

	2024	2023
Directors’ honorarium and per diem	-	76

9. Contingencies, Provisions, Commitments and Guarantees

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). A reciprocal insurance exchange may be defined as a group of persons formed for the purpose of exchanging reciprocal contracts of indemnity or inter-insurance with each other. MEARIE is licensed to provide general liability insurance to its members. Insurance premiums charged to each member consist of a levy per thousand dollars of service revenue subject to a credit or surcharge based on each member's claims experience. Current liability coverage is provided to a level of $30,000 per occurrence.

As at December 31, 2024 and 2023, there are no legal actions where the Corporation is a defendant.

10. Financial Instruments and Risk Management

Financial instruments which are disclosed at fair value are to be classified using a three-level hierarchy. Each level reflects the inputs used to measure the fair values disclosed of the financial liabilities, and are as follows:

- Level 1 - inputs that are unadjusted quoted prices for identical instruments in active markets
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the instrument, either directly or indirectly
- Level 3 - inputs that are not based on observable market data. There were no financial instruments carried at fair value categorized in Level 3 as at December 31, 2024 and 2023

There were no transfers between levels during the year.

The fair values of cash and trade payables approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

The Corporation entered into an amortizing Interest Rate Swap (IRS) with CIBC on January 31, 2017. The IRS is amortizing (being paid down) at the same rate as Credit Facility B. Both Credit Facility B and the IRS will be retired effective February 1, 2027. The IRS is an interest rate hedging instrument against CIBC Credit Facility B (identified in Note 7) and has the effect of locking in the interest rate associated with Credit Facility B at 2.414 per cent. As a stand-alone financial instrument, CIBC provides a month-end fair market value (FMV) associated with the IRS. The FMV for the IRS is an asset of $99 (2023 $344 asset). The interest rate swap is classified as Level 2 in the hierarchy.

The Corporation considers its capital to be its shareholders' equity. The Corporation manages its capital exposure to risk as described below. Exposure to market risk, credit risk and liquidity risk arises in the normal course of the Corporation's business.

a) Market risk

Market risk refers, primarily, to risk of loss that results from changes in commodity prices, foreign exchange rates and interest rates.

The Corporation is not exposed to commodity risk or foreign exchange risk. The Corporation is exposed to short-term interest rate risk on its loans and borrowings and its net cash balances. The Corporation manages interest rate risk by monitoring its mix of fixed and floating rate instruments and taking action as necessary to maintain an appropriate balance.

b) Credit risk

Credit risk is the risk that one party to a financial instrument (asset or liability) will cause a financial loss to the other party through the failure to discharge the obligations under the covenants of the financial instrument. The Corporation is not exposed to significant credit risk given the nature of its operations.

c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. Short-term liquidity is provided through cash and funds from operations. Short-term liquidity is expected to be sufficient to fund normal operating requirements.

The Corporation has contractual obligations in the normal course of business; future minimum undiscounted contractual maturities are as follows:

Financial Liabilities	Due within 1 year	Due between 1 and 5 years	Due past 5 years
Trade payables	303	-	-
Bank loan (principal)	2,500	38,125	-
Bank loan (interest)	1,657	1,597	-
Total	4,460	39,722	-

11. Comparative Information

Certain prior year figures have been reclassified to conform to the presentation of the current year.

City of Mississauga
Corporate Report

MISSISSAUGA

Date: April 28, 2025 To: Chair and Members of Audit Committee From: Geoff Wright, P.Eng., MBA City Manager & Chief Administrative Officer	Originator's files: Meeting date: June 9, 2025

Subject
Status of Outstanding Audit Recommendations as of March 31, 2025

Recommendation
That the Corporate Report dated April 28, 2025, entitled, "Status of Outstanding Audit Recommendations as of March 31, 2025," from the City Manager & Chief Administrative Officer be received for information.

Executive Summary

- This quarterly report provides the Audit Committee with an overview of the progress of management action plans created to address issues raised in previous Internal Audit reports, and the reasons when significant delays occur.
- This report shows the progress achieved as of March 31, 2025, and includes relevant insights.
- Of the 35 recommendations scheduled for implementation by March 31, 2025, 13 were completed and 22 remain outstanding. One recommendation was implemented earlier than planned.
- There are seven recommendations that have been extended for more than a year from their original target dates (unchanged from the previous report).

Background
The Terms of Reference for the Audit Committee (By-law 0049-2024, as amended) requires the submission of report(s) from the City Manager and Chief Administrative Officer summarizing progress made in resolving issues previously raised by Internal Audit and by the City's External Auditor. At the December 2022 Audit Committee meeting, members requested that progress updates be submitted quarterly. These status reports will be provided for the periods ending March 31, June 30, September 30 and December 31 each year.

This report provides an overview of the progress made in addressing Internal Audit recommendations and the reasons when significant delays occur.

Comments

The current status of the recommendations is provided by action owners. Internal Audit provides support and advice as required and validates that “completed” solutions mitigate the risks identified. During the first quarter of 2025, 35 recommendations were due for completion; of these, 13 recommendations were implemented, and 22 recommendations are in progress.

Details of the outstanding recommendation changes that occurred during this reporting period are provided in Appendix 1.

Revised Target Dates (greater than a year)

For recommendations that have been extended for more than a year from their original target dates, management has provided their status updates and the rationale for these delays, and where applicable, Internal Audit requested effective compensating controls. In Q1 2025, there was no change to this list; it includes seven recommendations. Further details are provided in Appendix 2.

Financial Impact

There are no financial impacts resulting from the Recommendation in this report.

Conclusion

In summary, 35 recommendations were scheduled for implementation prior to March 31, 2025 (effective date of this report) and 13 of those were completed. Work continues on the implementation of the remaining 22 recommendations, and they will be closely monitored to ensure timely implementation. The number of recommendations with target dates that have been moved out a year or more remained at seven, and these are being prioritized by management.

Attachments

Appendix 1: Status of Audit Recommendations Outstanding as of March 31, 2025
Appendix 2: Status of Audit Recommendations Outstanding and Extended for More Than a Year as of March 31, 2025

GWright

Geoff Wright, P.Eng., MBA
City Manager & Chief Administrative Officer

Prepared by: Samer el Barakeh, BE, MPM, PMP, PMI-RMP
Senior Internal Auditor

Status of Audit Recommendations Outstanding as of March 31, 2025 **Appendix 1**

Name of Audit	Date Issued (MM/YY)	No. of Recs Due (as of March 31, 2025)	Implemented	Outstanding (as of March 31, 2025)	Implemented Early
Non-Union Payroll	04/19	1		1	
Presto Card Revenue	09/20	1		1	
IT Security - NIST	04/22	4		4	
Fleet Management	11/22	8		8	
Realty Services	11/23	7	2	5	
MFES Training and Accreditation	11/23	1	1		
Parks Operations Turf Inventory	02/24	1	1		
Insurance Claims	04/24	3	3		
Capital Works Third-Party Contract Administration	04/24	2	2		
PDP - Non-union, Full-time	10/24	3	2	1	
Arena Plant Operations	11/24	4	2	2	1
Total		**35**	**13**	**22**	**1**

Appendix 2

Status of Audit Recommendations
Outstanding and Extended for More Than a Year as of March 31, 2025

Report Title	Rec #	Priority	Target Date	Revised Target Date	Compensating Controls	Comments/Status for Quarterly Reporting	Dependency
Non-Union Payroll	4	High	December 31, 2019	May 31, 2025	Yes	Phase 1 of the plan focused on establishing policy principles, identifying IT solution requirements, completing process and data analysis, drafting the policy, communicating overpayment and off-cycle cheque timelines to unions, and introducing an enhanced payroll calendar. These tasks were completed as of October 2024. Awareness-building for ExLT remains ongoing. Phase 2 implemented manual email reminders from Payroll to leaders. The Payroll policy is scheduled for review and approval by LT, followed by policy launch to all staff in May 2025.	IT (need IT solution or infrastructure) Internal (need internal support or approval - not IT) Capacity (work progressing as capacity permits)

Appendix 2

Status of Audit Recommendations
Outstanding and Extended for More Than a Year as of March 31, 2025

Presto Card Revenue	3	Medium	December 31, 2021	December 31, 2025	None	**Affordable Transit Program (ATP) agreement with Region of Peel:** The City's Legal and Risk Management teams have reviewed the first draft from the Region of Peel (RoP). RoP has expanded the MOU scope to include a 50% discount on single fares and period passes. MOU will include language of the single fare discount. RoP is reviewing the product feasibility and will provide feedback by end of Q2 2025. **TTC Route 52 agreement with TTC:** MiWay recommends maintaining the existing Route 52 service agreement with the TTC at this time. The current service agreement ensures that the TTC provides transit services to the area on behalf of MiWay. Fare and service integration discussions include reviewing the TTC service agreement for all 905 transit agencies. Therefore, deferring any updates to the Route 52 service agreement is recommended.	External (partners, other levels of government, vendors)
Fleet Management	5	High	June 30, 2024	December 30, 2025	None	"Faster" application's nomenclature will serve as the "single source of truth" across systems, addressing naming inconsistencies in Infor. An interface to update Infor automatically from "Faster" is planned, with IT targeting Q3/Q4 2025 for completion.	IT (need IT solution or infrastructure)

Appendix 2

Status of Audit Recommendations
Outstanding and Extended for More Than a Year as of March 31, 2025

Fleet Management	8	Medium	December 1, 2023	May 30, 2025	None	Issues with the fuel distribution software may cause false anomalies in the Winfuel reports. Due to fuel management system limitations, a manual solution is under review, and an automated report is in progress.	IT (need IT solution or infrastructure)
Fleet Management	9	Medium	December 1, 2023	May 30, 2025	None		
Fleet Management	14	High	July 1, 2023	July 1, 2025	None	BR8521 was approved for 2025 budget which includes two FTEs: one Training Specialist and one Admin Assistant. Fleet Services plans to hire a Training Specialist by April 2025 and is working with Corporate Health and Safety to transition light vehicle driver training. A draft driver handbook will be finalized by Q2 2025. The request for two Training Specialists was revised to a phased approach, with one in 2025 and a second in 2026.	Internal (need internal support or approval - not IT)
Fleet Management	15	High	January 1, 2024	July 1, 2025	None	The recommendation depends on the 2025 rollout of the fleet training program (per Recommendation 14). With BR8521 and two new FTEs approved, work will begin in Q2 2025. This ties with the Corporate Collision Review Committee and assessing a Driver ID function in the telematics system, planned for 2025.	Internal (need internal support or approval - not IT) Capacity (work progressing as capacity permits)
Total	**7**						

City of Mississauga
Corporate Report

MISSISSAUGA

Date: May 5, 2025 To: Chair and Members of Audit Committee From: Amy Truong, CPA, CMA, CIA Director, Internal Audit	Originator's files: Meeting date: June 9, 2025

Subject
Final Audit Reports:
1. **Transportation & Works Department, MiWay Transit Division, Transit Business Systems Section – Transit Master (iBus) Application Audit**
2. **Corporate Services Department, Facilities Planning & Development Division, Capital Design & Construction Section – Capital Construction Project Management Audit**

Recommendation
That the report dated May 5, 2025 from the Director, Internal Audit with respect to final audit reports:
1. Transportation & Works Department, MiWay Transit Division, Transit Business Systems Section – Transit Master (iBus) Application Audit; and,
2. Corporate Services Department, Facilities Planning & Development Division, Capital Design & Construction Section – Capital Construction Project Management Audit

be received for information.

Background
In accordance with the Terms of Reference for the Audit Committee (By-law 0049–2024, as amended), the Committee is responsible for, "reviewing reports from the Director of Internal Audit identifying audit issues and the steps taken to resolve them [and] reviewing the adequacy of the management responses to audit concerns, having regard to the risks and the costs involved."

Comments
Internal Audit has completed finalization of the following two audits:

1. Transportation & Works Department, MiWay Transit Division, Transit Business Systems Section – Transit Master (iBus) Application Audit; and,
2. Corporate Services Department, Facilities Planning & Development Division, Capital Design & Construction Section – Capital Construction Project Management Audit.

The respective audit reports are hereby submitted to the Audit Committee for consideration.

Financial Impact

There are no financial impacts resulting from the Recommendation in this report.

Conclusion

The final reports for Transportation & Works Department, MiWay Transit Division, Transit Business Systems Section – Transit Master (iBus) Application Audit; and Corporate Services Department, Facilities Planning & Development Division, Capital Design & Construction Section – Capital Construction Project Management Audit are now complete and are submitted for consideration by the Audit Committee.

Attachments

Appendix 1: Transportation & Works Department, MiWay Transit Division, Transit Business Systems Section – Transit Master (iBus) Application Audit

Appendix 2: Corporate Services Department, Facilities Planning & Development Division, Capital Design & Construction Section – Capital Construction Project Management Audit

Amy Truong, CPA, CMA, CIA
Director, Internal Audit

Prepared by: Karen Hobbs, Administrative Coordinator

APPENDIX 1

City of Mississauga

Internal Audit Report

TRANSPORTATION & WORKS DEPARTMENT
MIWAY TRANSIT DIVISION
TRANSIT BUSINESS SYSTEMS SECTION
TRANSIT MASTER (IBUS) APPLICATION AUDIT

April 11, 2025

City Manager's Department
Internal Audit Division

TABLE OF CONTENTS

TRANSPORTATION & WORKS DEPARTMENT
MIWAY TRANSIT DIVISION
TRANSIT BUSINESS SYSTEMS SECTION
TRANSIT MASTER (IBUS) APPLICATION AUDIT

Distribution Lists

Standard Recipients:

Members of Audit Committee

Members of Council

City Manager

Members of LT

City Solicitor

Director, Finance & Treasurer

KPMG LLP, Chartered Accountants (External Auditor)

Additional Recipients:

Transportation & Works Department
- Acting Director, Transit

Transportation & Works Department
- Manager, Transit Business Systems

Transportation & Works Department
MiWay Transit Division
Transit Business Systems Section
Transit Master (iBus) Application Audit

BACKGROUND

MiWay is Ontario's third-largest municipal transit service provider, operating conventional, fixed-route transit service. Some of the goals of the service, amongst others, include:

- Ensuring the safety of customers, employees and all other road users;
- Providing reliable and on-time transit service;
- Providing excellent customer service, treating everyone with courtesy and respect; and
- Delivering timely and accurate service information to customers.

MiWay's fleet is comprised of 500 hybrid electric and clean diesel buses, operating on 65 transit routes with over 3,000 stops.

To maintain reliability, safety, and punctuality, each bus is equipped with a device, known as the Integrated Vehicle Logical Unit (IVLU), that connects with the Transit Master (iBus) application to enhance real-time information and communication capabilities on the road. The iBus application provides functionalities such as:

- real-time vehicle tracking (e.g. location, speed, on-time vs. delayed, etc.);
- ability to make announcements to comply with the Accessibility for Ontarians with Disabilities Act (AODA) legislation;
- live status updates on buses; and
- analytics and reporting capabilities to support decision-making and improve service delivery.

The annual maintenance cost of the Transit Master (iBus) application is approximately $900,000. There are approximately 1,200 users of the system, including transit operators, route supervisors and operational staff.

The Transit Master (iBus) application is managed by the Transit Business Systems (TBS) Section, which is part of the MiWay Transit Division under the Transportation & Works Department. The section is comprised of 21 non-union staff reporting to the Manager of Transit Business Systems. Along with managing the Transit Master (iBus) application, the team is also responsible for supporting other Transit-related applications (e.g. scheduling/planning management, asset/inventory management, fuel management, Presto payment system, trip planner, vehicle maintenance, reporting platforms, etc.) and a multitude of intelligent transportation system physical assets (e.g. cameras, sensors, mobile display units, passenger counters, fareboxes, radio communications, etc.)

SCOPE

The audit examined change management controls, record-keeping, communication and monitoring of the Transit Master (iBus) application for the period July 2023 to July 2024.

Out of Scope

The audit did not review the following:

- Scheduling and planning of bus routes;
- Integration with GTFS/GTFS-RT server, security cameras, passenger counter, or other systems;
- Maintenance of buses; and
- Compliance with legislation such as Ministry of Transportation (MTO) bus maintenance requirements as they primarily focus on health and safety, Accessibility for Ontarians with Disabilities Act (AODA) specific to announcements on the bus, etc.

AUDIT OBJECTIVES

The audit was conducted in accordance with the Global Internal Audit Standards. The purpose of the audit was to ensure that:

A) The change management control processes for requesting, approving, and implementing application and data changes are established and adhered to;
B) The Transit Master (iBus) application gathers and retains detailed, accurate, and complete data;
C) The Transit Master (iBus) application effectively communicates information from Control Centre to bus and vice versa;
D) Communication of technology issues aligns with Divisional procedures; and,
E) Business capacity and resources are sufficient to support the Transit Master (iBus) application.

SUMMARY OF OBSERVATIONS

Based on the audit work performed, change management processes, including requesting, approving, and implementing application and data changes, are generally well established. Most processes are appropriately documented (i.e. process maps, Standard Operating Procedures, etc.), and staff involved are aware of their roles within the processes. Additionally, data is continuously transmitted from buses to the Transit Master (iBus) application, with periodic data backups and other contingency plans in place.

There is an opportunity to enhance operational effectiveness by improving record-keeping of incidents, developing knowledge base material for first-tier support staff, and maintaining up-to-date information for IVLU devices. Strengthening these controls could contribute to identifying trends and maintaining data integrity of the assets.

Management noted that considerable progress has been made in transitioning from informal to streamlined and documented processes for managing work related to the Transit Master (iBus) application and other applications/hardware supported by the team. Our recommendations are intended to complement the ongoing work and contribute to continuous improvements.

A detailed list of observations and recommendations was provided to management. Appendix A outlines the detailed recommendations and management action plans. The main observations and recommendations are summarized below.

Improve record-keeping of incidents and develop knowledge-base material

The TBS team uses an enterprise IT management application to manage incidents (e.g. issues, any unplanned interruptions, etc.).

Best practices established by the Information Technology Division to log incidents were inconsistently practiced by the TBS team, which resulted in blank fields, incorrect resolution codes, and insufficient or no information on how issues were resolved. While the inconsistent practices were not widespread, missing, inadequate or incorrect details can misrepresent the accuracy of incidents and can impact compliance with established best practices.

First-tier support staff (e.g. IT Service Desk) generally log incidents in the enterprise IT application and allocate the ticket to the appropriate team that supports the application. A high-level analysis of incidents related to the Transit Master (iBus) application showed that approximately 30% of the incidents were related to issues with launching the application. TBS staff noted that information/documentation on recurring issues has not been shared with first-tier support staff in recent years as technical expertise is typically required to troubleshoot issues. Providing first-level support staff with fundamental troubleshooting techniques for recurring issues can help reduce resolution times and enhance client satisfaction, given that the Transit Master (iBus) application is relied upon by Transit staff 24/7.

Maintain up-to-date information for the Integrated Vehicle Logical Units (IVLU)

Along with other intelligent transportation system assets, each bus is equipped with an IVLU, a core computer managing other components on the bus. In November 2022, the TBS team migrated inventory data of the IVLUs to an Enterprise Asset Management (EAM) application (primarily used by Transit Maintenance).

The audit validated that the inventory management and maintenance of the IVLU devices underwent periodic inspections including assets' physical condition, ensuring in-use and in-stock units were appropriately secured and safeguarded, assets were tagged, and approximately 10% of excess inventory is maintained for business continuity purposes.

The audit identified a total of 936 IVLU devices. Six hundred and nine (609) IVLU devices had an 'installed' status, while the remaining 327 had other statuses (e.g. awaiting disposition, awaiting rebuild, in stock, scrapped, etc.). Data discrepancies noted in the Enterprise Asset Management application, specific to IVLU devices, included:

- The EAM application listed 609 IVLU devices with an 'installed' status, but currently there are 500 active buses. Staff indicated that this discrepancy was related to the transition of the data from its legacy process to the EAM application;
- While a Receipt Date was recorded for the IVLU device, 92% of the records did not record a Last Install Date; staff noted that this is due to IVLU device being pre-installed on the bus.

Data integrity issues (i.e. reliability, accuracy, and completeness) in a system can lead to real issues going undetected, operational inefficiencies and misinformed business decisions.

CONCLUSION

The streamlined processes around change management are generally effective; however, there are opportunities to improve record-keeping of incidents, develop knowledge base material for first-tier support staff, and maintain up-to-date information for IVLU devices. These improvements aim to enhance the overall operational effectiveness.

A total of four (4) recommendations resulted from this audit. Management has agreed to complete all four by the end of 2025.

Amy Truong, CPA, CMA, CIA
Director, Internal Audit

Auditors: Vandana Waghela, CIA, CISA, PMP
Information Technology (IT) Auditor

Josie Wang, CPA, CIA, CFE
Internal Auditor

Rec	Recommendation	Priority (H/M/L)	Comments/Status	Category
1	That refresher training be provided to the Transit Business Systems team to follow established best practices for logging, assigning, and resolving incidents within ServiceNow.	M	Agreed. The IT Lead has advised our team to submit a Work Request to allow time to collaborate with the approved vendor to arrange further training sessions focused on following established best practices for logging, assigning, and resolving incidents within ServiceNow. To be completed by December 31, 2025.	Effectiveness and efficiency of operations and programs
2	That the Transit Business Systems team develop and share knowledge base articles with the IT Service Desk, detailing troubleshooting techniques for common issues (e.g. launching the Transit Master [iBus] application) as the application is relied upon by Transit staff 24/7.	M	Agreed. The Transit Business Systems team will develop and share knowledge base articles with the IT Service Desk on common/recurring issues. To be completed by October 31, 2025.	Effectiveness and efficiency of operations and programs
3	That asset information be updated and accurately managed in the Enterprise Asset Management application.	M	Agreed. The Integrated Vehicle Logical Units asset information in the Enterprise Asset Management application will be updated to ensure it accurately reflects the number of current active buses. To be completed by June 30, 2025.	Reliability and integrity of financial and operational information
4	That the Transit Business Systems team work with Information Technology (IT) to establish a process to periodically (e.g. annually) review access to the Transit Master (iBus) application to ensure access is only granted to staff who require it to perform their duties and responsibilities.	M	Agreed. Access is currently being reviewed and staff that no longer require access will be removed. The Transit Business Systems team will work with IT to establish a process to periodically review access to the Transit Master (iBus) application. To be completed by December 31, 2025.	Safeguarding of assets and information

Transit Master (iBus) Application Audit

Transportation & Works Department
MiWay – Transit Division

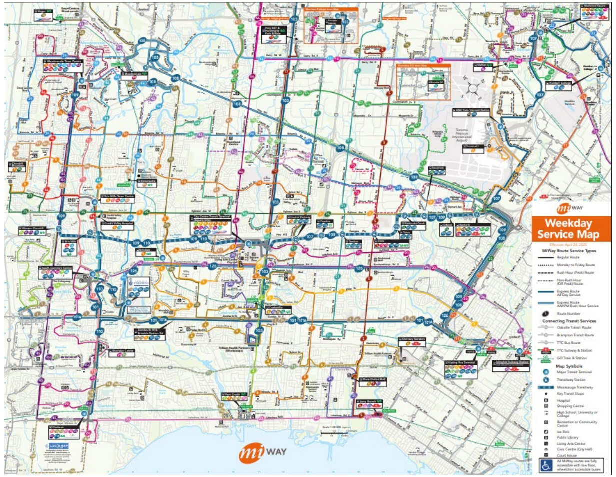
Vandana Waghela CIA, CISA, PMP
Josie Wang CPA, CIA, CFE

June 9, 2025

MISSISSAUGA

Background

- MiWay is Ontario's 3rd largest municipal transit service provider
- Fleet comprised of 500 hybrid electric and clean diesel buses
- Each bus is equipped with an Integrated Vehicle Logical Unit (IVLU) device
- Annual maintenance cost of the Transit Master (iBus) application is ~$900,000
- Approximately 1,200 users of the system
- Managed by the Transit Business Systems Team



Audit Scope and Objectives

In-Scope Objectives

- Change management control processes are established and adhered to
- Transit Master (iBus) application gathers and retains data
- Transit Master (iBus) application effectively communicates information to buses
- Communication of technology issues align with divisional procedures
- Business capacity and resources are sufficient to support the Transit Master (iBus) application

Out of Scope

- Scheduling and planning of bus routes
- Integration with GTFS/GTFS-RT server and other intelligent transportation system components
- Maintenance of buses
- Compliance with legislation (e.g. Ministry of Transportation [MTO] bus maintenance requirements, Accessibility for Ontarians with Disabilities Act [AODA], etc.)

Summary of Observations

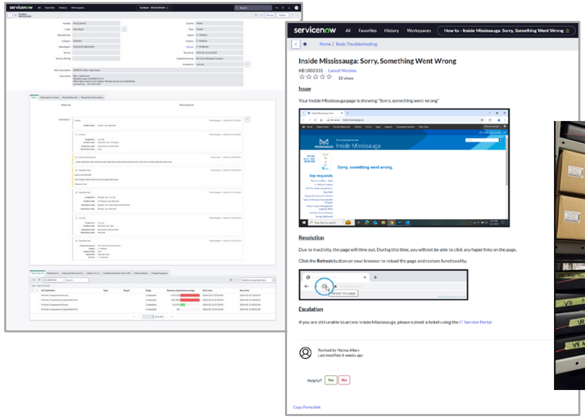
Working well

- ✓ Change management processes are generally well established
- ✓ Most processes appropriately documented
- ✓ Staff roles and responsibilities are defined
- ✓ Real-time data transmitted between the bus and application
- ✓ Data backups and contingency plans in place

Bus-in-a-box

Opportunities for improvement

- Improve record-keeping of incidents
- Develop knowledge-base material for first-tier support staff
- Maintain up-to-date information for IVLU devices



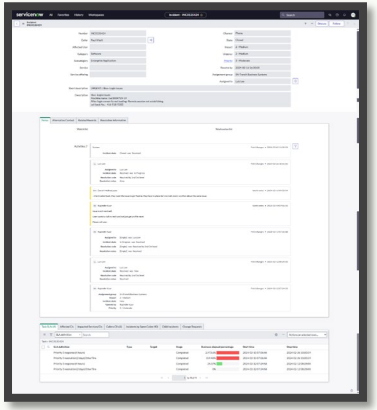
Improve record-keeping of incidents

Observations

- Best practices established to log incidents
- Best practices not followed consistently
- Inconsistencies were not widespread
- Missing, inadequate or incorrect information can misrepresent nature of incidents

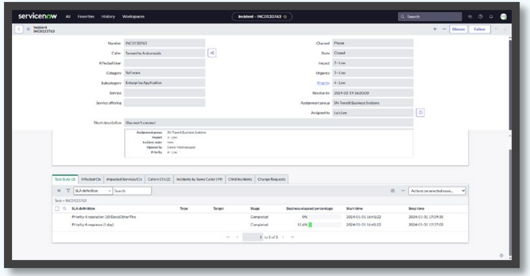
Recommendation

- Refresher training be provided to the team to follow established best practices



Management Comments

- Team will arrange further training sessions focused on following established best practices



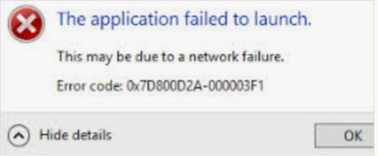
Develop knowledge-base material

Observations

- First-tier support staff log incidents and assign ticket to appropriate team
- Approximately 30% of incidents were due to issues with launching application
- Providing knowledge-base material for recurring issues can help reduce resolution times and improve client satisfaction

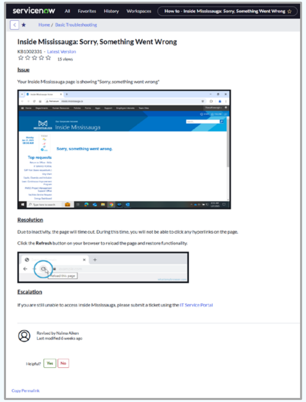
Recommendations

- Develop knowledge-base material, detailing troubleshooting techniques for common issues (e.g. launching the Transit Master [iBus] application)
- Share knowledge-base material with first-tier support staff



Management Comments

- Team will develop and share knowledge-base material on common/ recurring issues



Maintain up-to-date information for IVLU devices

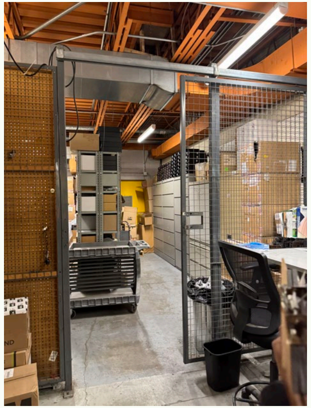
9.4.1

Observations

- Processes in place for inventory management and maintenance of IVLUs
- Bus inspections included physical security of IVLU devices
- Data discrepancies noted
- Data integrity issues can lead to operational inefficiencies

Recommendation

- Update asset information and accurately manage it in the Enterprise Asset Management application



Management Comments

- IVLU asset information will be updated to ensure it accurately reflects the number of current active buses

Summary of Recommendations

9.4.1

Recommendations By Priority and Target Completion Date

Thank you

APPENDIX 2

City of Mississauga

Internal Audit Report

CORPORATE SERVICES DEPARTMENT
FACILITIES PLANNING & DEVELOPMENT DIVISION
CAPITAL DESIGN & CONSTRUCTION SECTION
CAPITAL CONSTRUCTION PROJECT MANAGEMENT AUDIT

April 22, 2025

City Manager's Department
Internal Audit Division

TABLE OF CONTENTS

CORPORATE SERVICES DEPARTMENT
FACILITIES PLANNING & DEVELOPMENT DIVISION
CAPITAL DESIGN & CONSTRUCTION SECTION
CAPITAL CONSTRUCTION PROJECT MANAGEMENT AUDIT

Distribution Lists

Standard Recipients:

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Members of Council

City Manager

Members of LT

City Solicitor

Director, Finance & Treasurer

KPMG LLP, Chartered Accountants (External Auditor)

Additional Recipients:

Corporate Services Department
- Director, Facilities Planning & Development
- Senior Project Manager, Capital Project Management Team A

Corporate Services Department
Facilities Planning & Development Division
Capital Design & Construction Section
Capital Construction Project Management Audit

BACKGROUND

The Capital Design & Construction (CDC) section of the Facilities Planning & Development Division is responsible for managing the City's capital and lifecycle maintenance projects. The team is comprised of 5 Senior Project Managers, 19 Project Leaders, and 6 Project Coordinators who oversee a wide range of initiatives, from building lifecycle projects, new buildings and renovations, to site development and pathway lighting projects to address the City's most critical needs.

CDC Project Managers are tasked with the implementation, administration, and oversight of capital projects across multiple service areas. This includes projects funded by various divisions such as Parks, Culture, Transit, Works, Recreation, and Mississauga Fire & Emergency Services, as well as projects supported by grant funding. They are responsible for delivering comprehensive project management services, facilitating the development of new facilities, and overseeing renovations.

As of December 2024, CDC was managing approximately 119 projects with a total budget balance of $460M. These projects were focused on lifecycle maintenance, capital construction and improvements. This work ensures the City's facilities and infrastructure meet long-term operational needs.

SCOPE

This audit assessed the project management of capital construction projects, from delivery through close-out, including management of warranty agreements for projects that were completed or substantially completed during the period January 1, 2023 to September 30, 2024.

Out of Scope

The audit did not review the initiation, planning, and design phases of project management. Processes related to funding, project selection and prioritization, permits, as well as procurement activities such as bid tendering and evaluation, were also excluded.

AUDIT OBJECTIVES

The audit was conducted in accordance with the Global Internal Audit Standards. The purpose of the audit was to ensure:

A) Construction projects have been planned with clear objectives, scope, timeline, and budget;
B) Proper financial controls are in place to monitor and manage project expenses;
C) Adherence to City by-laws and policies and the Construction Act, including safety, accessibility, and environmental requirements;
D) Quality control measures are in place and that the work meets specifications and standards;
E) Change orders are properly reviewed, justified, and authorized;
F) Timely and accurate reporting to stakeholders, including project progress, financial status, and potential risks and mitigation strategies;
G) Thorough post-project evaluation is conducted to assess performance against objectives; and,
H) Warranty agreements are properly documented, monitored, and enforced, with timely claims made to reduce costs.

SUMMARY OF OBSERVATIONS

Based on the audit work performed, the City's capital construction projects are generally well-managed, with clearly defined objectives, scope, timelines and budgets. Strong processes are in place to manage health and safety in accordance with the Construction Act, reflecting a solid commitment to safety and compliance. Change orders are consistently reviewed, justified, and approved, and the Project Management Manual provides comprehensive guidance across all phases of the project lifecycle.

However, our review identified areas for improvement, including strengthening the invoice and holdback payment release process, enhancing monitoring of valid insurance and Workplace Safety and Insurance Board (WSIB) coverage throughout the project and warranty period, and ensuring documentation is complete and accessible.

A detailed list of observations and recommendations was provided to management. Appendix A outlines the detailed recommendations, and the action plans proposed by management. The main observations and recommendations are summarized below.

Improve invoice and holdback payment release process and documentation

In general, we found that key processes and documentation requirements were clearly defined in the Project Management Manual, contract and guidelines; however, we noted some cases where the requirements were not consistently applied. For example, the audit identified inconsistencies and gaps in documentation required to process invoices and holdback release payments, including incomplete supporting documentation (e.g. expired/missing insurance certificates, outdated Workplace Safety and Insurance Board (WSIB) clearance, missing published Certificates of Substantial Performance), missing statutory declaration with consultant invoices, and holdback release request form with relevant supporting documentation not maintained in ProjectWise. Accurate, complete and accessible documentation is important to ensure legal compliance and facilitates clear and effective communication, transparency and accountability.

Moreover, we noted that the current lien check process established by Legal Services (which management indicated includes notifying the Director, Facilities Planning & Development and two Senior Project Managers of any liens within 24 hours) does not address the risk of a potential lien after the holdback release is approved and payment is released by Accounts Payable. As such, some projects lacked evidence of contractor lien checks, a good proactive control that ensures this crucial step was completed prior to the release of holdback funds, and which aligns with the requirements in the Project Management Manual.

We also noted concerns with inaccurate date calculations on the holdback release form, which calculates the warranty holdback release timelines based on 60 days as opposed to 12 months from substantial performance publication date. Incorrect holdback payment release dates could result in financial penalties, legal exposure, or non-compliance with the Construction Act.

Enhance monitoring of valid insurance and Workplace Safety and Insurance Board (WSIB) certificates

To conduct business with the City, consultants and contractors are required to provide proof of liability insurance and Workplace Safety and Insurance Board (WSIB) coverage to protect the City financially from claims, negligence, lawsuits or workplace injuries/illnesses.

Currently, the validity of the insurance and WSIB certificates are attached to the invoice submission; however, we noted a few instances where the coverage was expired. Additionally, we noted that vendors who are chosen from the pre-qualified roster list only provided these documents with their first invoice submission, which can occur months after work has started. It would be prudent to ensure valid insurance requirements prior to the start of any work, and to monitor the expiry of these documents throughout the project's life and during the one-year warranty period.

Failure to continuously monitor the validity of insurance and WSIB certificates exposes the City to legal liability and financial risk if an uninsured incident occurs. This gap in oversight could lead to project interruptions, unanticipated costs, and reputational damage due to non-compliance with regulatory and contractual requirements.

Ensure documentation availability and completeness in ProjectWise

To align with the Construction Act and procedures established by the Division, key documentation needs to be retained to support the actions taken. ProjectWise was adopted as the City's central documentation repository for all construction project files. The software establishes a structured and organized methodology for project files and ensures that applicable stakeholders have access to up-to-date information on projects.

In four of the six projects reviewed, the project files had minimal or no documentation available in ProjectWise. However, upon Audit's request the documentation was immediately made available. We noted in one or two projects, gaps related to training handovers, and missing or incomplete documentation for key project activities such as deficiency walkthroughs, project charter, stakeholder communications, and budget tracking.

The gaps in project documentation noted above may compromise project controls, transparency, accountability, and business continuity. In the absence of critical project records, especially during staff transitions or audits, the City may experience delays in issue resolution, warranty claims, and legal disputes, resulting in operational inefficiencies.

CONCLUSION

The audit found that the City has established a sound framework for managing capital construction projects, with clear planning, solid commitment to safety and compliance, and proper governance over change orders. The Project Management Manual provides a solid foundation for consistent execution across projects. While the controls in place are generally effective, addressing the identified areas for improvement, particularly in payment processing, insurance and WSIB monitoring, and documentation management, will further strengthen project oversight and ensure continued compliance with internal standards and regulatory requirements.

This audit resulted in seven (7) recommendations. Management has agreed and committed to completing three (3) recommendations by December 2025, one (1) by March 2026, and the remaining three (3) by June 2026.

Amy Truong, CPA, CMA, CIA
Director, Internal Audit

Auditor: Airene Cunanan, CIA, CISA
Senior Internal Auditor

Rec	Recommendation	Priority (H/M/L)	Comments/Status	Category
1	That lien searches be required prior to releasing holdbacks, to ensure all outstanding liens are identified and resolved, thereby mitigating the risk of legal complications and financial disputes.	H	The Capital Design & Construction team will develop a process with Legal and Accounts Payable to include additional checks to the existing process for identifying liens. To be completed by December 30, 2025.	Compliance with laws, regulations, policies, procedures, and contracts
2	That the Project Management Manual, guidelines, holdback release forms and templates be updated to include document expectations, including aligning the holdback timing with publication dates and ensuring appropriate review and approval of supporting documentation prior to payment release to improve consistency and accountability, and minimize errors in the payment process.	H	The Capital Design & Construction team will update the Project Management Manual, guidelines, holdback release forms and templates to reflect payment release timings as per the Construction Act. To be completed by June 30, 2026.	Effectiveness and efficiency of operations and programs
3	That a process be implemented to track the expiry dates of insurance and WSIB certificates to ensure continuous coverage throughout the project and warranty period, reducing the risk of liability, non-compliance, and project delays due to lapsed documentation.	H	The Capital Design & Construction team will implement a process to track validity of insurance and WSIB documents as part of the newly procured EPPM (Enterprise Project Portfolio Management) tool. To be completed by March 30, 2026.	Compliance with laws, regulations, policies, procedures, and contracts
4	That valid insurance and WSIB certificates be required as part of the Roster Assignment Approval Form (RAAF) submission process to ensure vendor compliance from the outset and reduce the risk of engaging consultants or contractors without appropriate coverage.	H	The Capital Design & Construction team will include valid consultant insurance certificate and WSIB as part of Roster Assignment Approval Form (RAAF) package to Roster Captains for approval. To be completed by December 30, 2025.	Compliance with laws, regulations, policies, procedures, and contracts
5	That warranty requests are completed and entered by Facilities Operations, Energy & Maintenance (FOEM) staff into the Infor system, and the Business Service Request (BSR) comment section be updated to indicate completion of Infor updates, name of staff completing	M	Facilities Operations, Energy & Maintenance team will update the Business Service Request (BSR) process to reflect recommendations.	Effectiveness and efficiency of operations and programs

	update, date of completion of update and a copy of the updated asset information attached to BSR.		To be completed by June 30, 2026.	
6	That Facility Planning & Development (FP&D) provide additional training for staff in file organization standards, documentation requirements and timely upload of project files into ProjectWise, including, but not limited to: • Demo training handovers that include documentation of attendees, date and location, and are saved in ProjectWise; • Deficiency walkthroughs that include details on who attended, the outcomes, and confirmation that the deficiencies were addressed; • The need for a Project Charter, monthly reports to stakeholders, and construction meeting minutes; • Include formal "lessons learned" and post-project review process documentation for the project lifecycle, to ensure continuous improvement and capture valuable insights for future projects. This will promote consistent capture of essential records, reduce missing documentation, and enhance project accountability.	M	The Capital Design & Construction team will provide additional training to staff and develop a project filing checklist to monitor filing compliance for the duration of the project. To be completed by December 30, 2025.	Compliance with laws, regulations, policies, procedures, and contracts
7	That the Project Management (PM) Manual be updated to reference the current Supplier Performance Management and Suspension Policy, and to include clear procedures for addressing underperforming suppliers, aligned with the policy's suspension criteria and escalation process. This will ensure consistent enforcement, strengthen supplier accountability, and improve project risk mitigation through proper contingency planning.	M	The Capital Design & Construction team will update the Project Management Manual to include the requirements for Supplier Performance Management and Suspension as per the new corporate policy implemented by Procurement Services in May 2024. To be completed by June 30, 2026.	Compliance with laws, regulations, policies, procedures, and contracts

Capital Construction Project Management Audit

Corporate Services Department
Facilities Planning & Development Division
Capital Design & Construction Section

Airene Cunanan, CIA, CISA

June 9, 2025

MISSISSAUGA

Background

- Capital Design & Construction (CDC) section is responsible for lifecycle maintenance, capital construction and improvement projects

- As of December 2024, CDC was managing approximately 119 projects with $460M budget

Audit Scope

In Scope:

- Completed or substantially completed projects from January 1, 2023 to September 30, 2024
- Project management of capital construction projects, from delivery through close-out
- Management of warranty agreements

Out of Scope:

- Initiation, planning and design phases of project management
- Processes related to funding, project selection and prioritization
- Procurement activities such as bid tendering and evaluation

Summary of Observations

What worked well

- ✓ Clearly defined objectives, scope, timelines and budgets
- ✓ Solid commitment to safety and compliance
- ✓ Change orders are consistently reviewed, justified and approved
- ✓ Project Management manual guides all project phases

Areas for improvement

- Strengthen holdback payment release process
- Enhance monitoring of valid insurance and Workplace Safety & Insurance Board (WSIB) throughout the project and warranty period
- Ensure documentation is complete and accessible

7

Recommendations

Improve Holdback Payment Release Process

Observations

- Inconsistencies and gaps in documentation required to process holdback release payments
- Lien check process could be enhanced
- Holdback release form needs to be updated for warranty release

Recommendation

- Lien searches be required prior to releasing holdbacks
- Project Management manual, guidelines, holdback release forms and templates be updated

Management Comments

- Staff will develop a process to include additional checks
- Update the Project Management manual, guidelines, forms and templates

Enhance Monitoring of Valid Insurance & WSIB Certificates

Observations

- A few instances of expired insurance and Workplace Safety & Insurance Board (WSIB) certificates
- Insurance & WSIB certificates were not validated prior to start of work for pre-qualified vendors

Recommendation

- Ensure insurance and WSIB certificates are valid for the duration of the project
- Valid insurance and WSIB certificates be required as part of the Roster Assignment Approval Form (RAAF) submission process

Management Comments

Staff will:

- Implement a process to track the validity of insurance and WSIB certificates in the new Enterprise Project Portfolio Management tool
- Include valid consultant insurance and WSIB certificates as part of the RAAF package

Ensure Documentation Availability & Completeness in ProjectWise

9.4.2

Observations

- Project files were stored on the shared drive instead of in ProjectWise
- Missing or incomplete documentation for key project activities

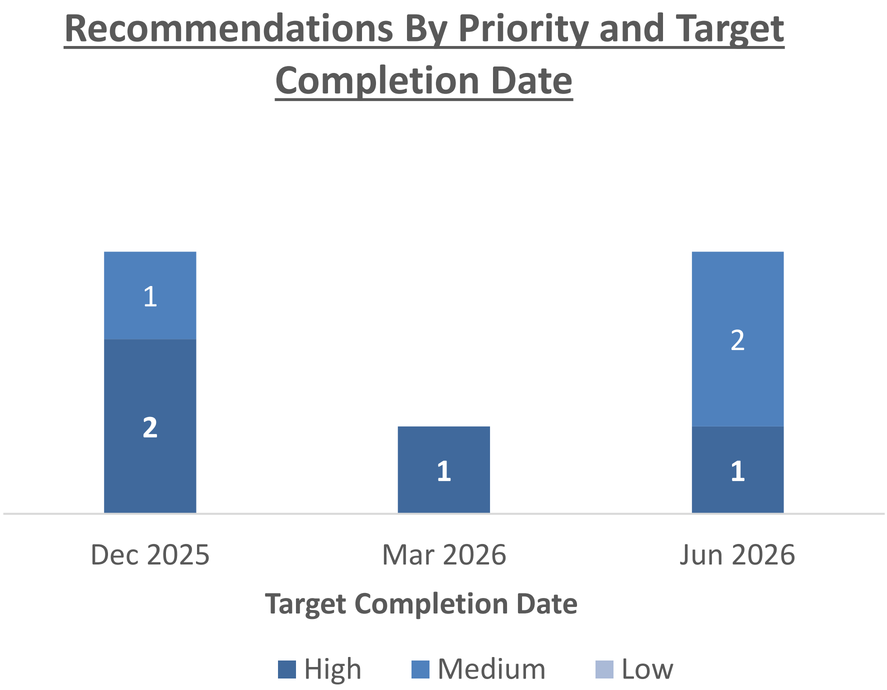
Recommendation

- Provide additional training for staff in file organization standards, documentation requirements and timely upload of project files into ProjectWise

Management Comments

- Additional training will be provided to staff
- A checklist will be developed to monitor filing compliance for the duration of the project

Summary of Recommendations



Thank you