

City of Mississauga Corporate Report



Date: April 16, 2021

To: Chair and Members of Audit Committee

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

Originator's files:

Meeting date:
May 3, 2021

Subject

2020 Financial Statements

Recommendation

That the 2020 Audited Financial Statements for the City Of Mississauga (consolidated), City of Mississauga Public Library Board, Tourism Mississauga, City of Mississauga Trust Funds, Clarkson Business Improvement Area, Cooksville Business Improvement Area, Port Credit Business Improvement Area, Streetsville Business Improvement Area, Malton Business Improvement Area, and Enersource Corporation be received for information.

Executive Summary

- The audited financial statements have been reviewed and approved by the Director of Finance and Treasurer, and the Commissioner of Corporate Services and Chief Financial Officer.
- One of the fiduciary responsibilities of the Audit Committee is to review the annual financial statements and audit results.
- This report presents the following 2020 Audited Financial Statements for:
 - City of Mississauga (consolidated)
 - City of Mississauga Public Library Board
 - Tourism Mississauga
 - City of Mississauga Trust Funds
 - Clarkson Business Improvement Area
 - Cooksville Business Improvement Area
 - Port Credit Business Improvement Area
 - Streetsville Business Improvement Area

- Malton Business Improvement Area
- Enersource Corporation

Background

The statutory function of the City's auditors, KPMG LLP, is to report to Audit Committee by expressing an opinion on the City's annual financial statements. The auditors conduct their audit in accordance with Canadian Generally Accepted Auditing Standards with the objective of expressing an opinion whether the City's annual financial statements present fairly, in all material respects, the financial position, results of operations and the cash flows of the City.

Management is responsible for the preparation and fair presentation of the City's annual financial statements in accordance with the Public Sector Accounting Board (PSAB) financial reporting framework. One of the fiduciary responsibilities of the Audit Committee is to review the annual financial statements and audit results.

KPMG LLP is in their sixth year of a ten year contract, for the year-ends 2015 to 2024.

Comments

The City's external auditors, KPMG LLP, have audited the financial statements. The City's financial statements follow the Public Sector Accounting Board (PSAB) recommendations and comply fully with Canadian Generally Accepted Accounting principles.

As per the independent auditor's report in Appendix 1, KPMG has rendered an opinion that the City's financial statements present fairly, in all material respects, in accordance with Canadian public sector accounting standards.

The financial statements must provide information on the cost of all activities, how they were financed, investing activities and the assets and liabilities of the organization. The information is to reflect the full nature and extent of the City's financial affairs. The Audited Financial Statements are a report card on the financial position, health and strength of the City of Mississauga. The 2020 financial results continue to demonstrate Mississauga's legacy of strong leadership and excellence in financial planning and fiscal prudence.

The City of Mississauga consolidated financial statements are comprised of all organizations, committees and local boards accountable to the City for the administration of their financial affairs and resources and which are owned or controlled by the City. The other organizations and boards accountable to the City include the five Business Improvement Areas, Mississauga Library Board, Tourism Mississauga, and Enersource Corporation.

The 2020 audited financial statements have been prepared on a different basis from the 2020 Annual Budget. Note 15 (Segmented by Service Area) within the financial statements reconciles

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the actual revenues and expenses with the Service Area's adjusted budget. Note 16 (Budget Data) also breaks down the approved budget with the adjusted budget reported in the audited financial statements. Separate schedules within the Annual Financial Report will also breakdown the approved budget with the adjusted budget reported and actuals in the financial statements.

COVID-19 Impacts and Provincial Safe Restart Funding

Note 19 (Funding Transfers from Other Governments) outlines grant funding received and recognized during 2020 to offset the financial impacts of COVID-19. During the year, the City received total funding of \$46.1 million from the Provincial government as part of the Safe Restart Agreement. The Safe Restart Agreement is a federal investment to help provinces and territories safely restart their economies. The province also announced \$110.5 million in funding to be received in 2021. The City recognized \$9.4 million as government transfers during the year, per the funding allocation from the province. The remaining amount (\$101.1 Million), or a portion thereof, will be recognized as revenue in 2021. Finance will continue to provide updates on the City's financial position to Council throughout the year.

Annual Financial Report and Annual Report Highlights

Appendix 2 (2020 Financial Year in Review) provides detailed information and analysis on the financial statements and results. To complement the audited financial statements, Finance is currently preparing the 2020 Annual Financial Report and 2020 Annual Report Highlights (Popular Report), which will be available on the City's website.

This year, the City's Annual Financial Report will include additional content on the City's commitment to sustainability, a recommendation of the Sustainability Planning, Accounting and Reporting Project. Its purpose was to develop recommendations to implement sustainability reporting enterprise-wide, as part of the City's annual financial cycle, to support its efforts to balance social, environmental and governance/economic factors (or people, planet and prosperity) today, without compromising tomorrow's resources and opportunities.

Tourism Mississauga

Finance has prepared financial statements for Tourism Mississauga for the year ended December 31, 2019, and December 31, 2020. Separate financial statements are required for Tourism Mississauga; however consolidate into the City's consolidated financial statements.

Financial Impact

The City's year-end audit fees for the 2020 financial statements were \$138,470 plus applicable taxes.

The City's 90% interest in Enersource Corporation in 2020 was \$498.5 million (2019: \$498.8 million), a decrease of \$0.3 million and has been reported as a financial asset on the

Consolidated Statement of Financial Position. The decrease relates to higher dividends paid out by Enersource Corporation during the fiscal year.

Conclusion

The 2020 Financial Statements report on the stewardship of the City's financial affairs and the Auditor's Reports attest that they present fairly our financial position as at December 31, 2020 and the results of operations for the year then ended.

There were no concerns identified with the 2020 audit or financial statements. The City's financial position remains healthy and strong through sound management practices and fiscal prudence.

Attachments

Appendix 1: 2020 Audited Financial Statements
Appendix 2: Management Representation Letter
Appendix 3: 2020 Financial Year in Review



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

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