

Date: April 28, 2022	Originator's files:
To: Chair and Members of Audit Committee	
From: Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer	Meeting date: May 16, 2022

Subject

2021 Audited Financial Statements

Recommendation

That the 2021 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

- One of the fiduciary responsibilities of the Audit Committee is to review the annual financial statements and audit results.
- 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.
- This report presents the following 2021 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
 - Malton Business Improvement Area
 - Port Credit Business Improvement Area
 - Streetsville Business Improvement Area
 - Enersource Corporation

Background

The statutory function of the City's external 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 on 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 financial statements in accordance with the Public Sector Accounting Standards (PSAS) reporting framework. One of the fiduciary responsibilities of the Audit Committee is to review the annual financial statements and audit results.

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

Comments

KPMG have completed their audit of the City's financial statements, which fully comply with Public Sector Accounting Standards and 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, its financial position as of December 31, 2021. The financial statements 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 health and strength of the City, and continue to demonstrate strong financial planning management.

The City's consolidated financial statements are composed of 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 other organizations and boards include the five Business Improvement Areas, Mississauga Library Board, Tourism Mississauga, and Enersource Corporation.

The 2021 audited financial statements are prepared on a different basis from the 2021 budget. Note 15 (Segmented Information by Service Area) outlines the actual revenues and expenses with the Service Area's adjusted budget. Note 16 (Budget Data) reconciles the approved operating and capital budget with the adjusted budget reported in the financial statements. Separated schedules within the Annual Financial Report also break down the approved budget with the adjusted budget by Service Area.

COVID-19 Impacts and Provincial Safe Restart Funding

Note 19 (Funding Transfers from Other Governments) outlines the grant funding received and recognized during 2021 to offset the financial impacts of COVID-19 through the Safe Restart and COVID-19 Recovery for Municipalities agreements. During the year, the City received funding in the amount of \$85.9 million and recognized combined revenues of \$68.5 million from the Provincial government from both agreements, plus \$0.8 million in interest earned. The remaining \$18.2 million received are held in reserve and obligatory reserve funds and will be applied to offset any deficit

incurred in 2022. Finance continues to provide updates on the City's financial position to Council throughout the year.

Annual Financial & Sustainability Report and Annual Report Highlights

Appendix 3 (2021 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 2021 Annual Financial and Sustainability Report and the 2021 Annual Report Highlights (also known as the Popular Report), which will be available on the City's website. These reports are submitted annually to the Government Finance Officers Association (GFOA) for consideration in their respective Excellence in Financial Reporting awards, which the City has been recognized with for 24 consecutive years.

Mississauga Library Board and Tourism Mississauga

Finance prepares audited financial statements for Tourism Mississauga and the Mississauga Library Board for the year ended December 31, 2021 to comply with the requirements of each organization. These financial statements consolidate into the City's financial statements.

Financial Impact

There is no financial impact associated with this report.

The City's 90% interest in Enersource Corporation in 2021 is \$510.5 million (2020: \$498.5 million), an increase of 12 million and has been reported as a financial asset on the consolidated statement of financial position. This increase relates to higher net income received through Enersource's investment in Alectra in the fiscal year, partially offset by dividends paid to Enersource shareholders.

Conclusion

The 2021 Financial Statements report on the current state of the City's financial affairs. The Auditor's opinion attests that they present fairly its financial position as at December 31, 2021. There were no concerns identified with the 2021 audit or financial statements. The City's financial position remains healthy and strong through effective financial management.

Attachments

Appendix 1: 2021 Audited Financial Statements

Appendix 2: Management Representation Letter

Appendix 3: 2021 Financial Year in Review



Shari Lichterman, CPA, CMA, Commissioner of Corporate Services and Chief Financial Officer
Prepared by: Wesley Anderson, Manager, Financial & Treasury Services