



## AGENDA

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SESSION 9

THE COUNCIL OF

THE CORPORATION OF THE CITY OF MISSISSAUGA  
([www.mississauga.ca](http://www.mississauga.ca))

WEDNESDAY, May 22, 2013 – 9:00 A.M.

COUNCIL CHAMBER  
300 CITY CENTRE DRIVE  
MISSISSAUGA, ONTARIO L5B 3C1

Contact: Carmela Radice, Legislative Coordinator, Office of the City Clerk  
Telephone: 905-615-3200, ext. 5426; [carmela.radice@mississauga.ca](mailto:carmela.radice@mississauga.ca)

**1. CALL TO ORDER****2. DISCLOSURES OF DIRECT OR INDIRECT PECUNIARY INTEREST****3. MINUTES OF PREVIOUS COUNCIL MEETINGS**

(a) April 30, 2013

(b) May 8, 2013

**4. APPROVAL OF AGENDA****5. PRESENTATIONS**

(a) MiWay Student Ambassador

Geoff Marinoff, Director of Transit will provide an overview of the MiWay Student Ambassador program and then the Mayor and Mr. Marinoff will present the award to the 2012 MiWay winners.

**6. DEPUTATIONS**

(a) Tax Adjustments

There may be persons in attendance who wish to address Council re: Tax Adjustments pursuant to Sections 357 and 358 of the *Municipal Act* and for Apportionment of Taxes.

Corporate Report R-1

(b) Rick Hansen Secondary School Team Theory6

Corey Lehman, Manufacturing Teacher of the First Robotics Team 1241 and team members Faraz Hoda, Hafsah Hoda, Harsh Shah, Anavir sherman, Hisha Javeri, Sagar Rajendran and Ronika Makkar will speak to winning the 2013 World FIRST Robotics Championship in St. Louis.

(c) Mississauga Summer Series

Melissa Agius, Manager of Celebration Square and Frank Giannone, Chair of Mississauga Celebration Square Events Committee will speak to Mississauga's Summer Series.

(d) May is Museums Month

Becky Ryder, Chair of Friends of the Museums of Mississauga will speak to the activities for Museums Month..

(e) Ontario Superior Court Decision – Mississauga Election Campaign Finance Committee

Cecil Young and Mark Cashin will speak to the Ontario Superior Court decision.

Information Item I-1

(f) Enersource Corporation – Annual report

Craig Fleming, President and CEO and Norman Loberg Chair of Enersource Corporation will present to Council their annual report.

Mr. Flemming has requested additional time for their presentation

Corporate Report R-3

(g) 2012 Economic Development Progress Report

Susan Amring, Director of Economic Development and Bonnie Brown, Manager Business Development will speak to the Economic Development Progress Report.

Information Item I-8

7. **PUBLIC QUESTION PERIOD – 15 Minute Limit**

(In accordance with Section 36 of the City of Mississauga Procedure By-law 0412-2003, as amended, Council may grant permission to a person who is present at Council and wishes to address Council on a matter on the Agenda. Persons addressing Council with a question should limit preamble to a maximum of two statements sufficient to establish the context for the question. Leave must be granted by Council to deal with any matter not on the Agenda.)

**8. CORPORATE REPORTS**

- R-1 Report dated May 1, 2013, from Commissioner of Commissioner of Corporate Services and Treasurer re: **Tax Adjustments Pursuant to Sections 357 and 358.**

Recommendation

That the tax adjustments outlined in Appendix 1 attached to the report dated May 1, 2013 from the Commissioner of Corporate Services and Treasurer for applications for cancellation or refund of taxes pursuant to Sections 357 and 358 of the *Municipal Act*, be adopted.

Motion

- R-2 Report dated April 29, 2013, from Commissioner of Planning and Building re: **Appointment of a Chief Building Official, Deputy Chief Building Officials and Inspectors for the enforcement of the Building Code Act, 1992, as amended for the City of Mississauga.**

Recommendation

That a By-law be enacted to appoint a Chief Building Official, Deputy Chief Building Officials and Inspectors for the enforcement of the Building Code Act, 1992, as amended for the City of Mississauga and to repeal By-law 0003-2013.

Motion

- R-3 Report dated May 15, 2013, from City Solicitor re: **Enersource Corporation – Unanimous Shareholder Resolution in lieu of an annual general meeting.**

Recommendation

1. That City Council authorize the Mayor and City Clerk to execute a resolution of the shareholders of Enersource Corporation (“Enersource”) for the purpose of accepting the audited consolidated financial statements of Enersource for the fiscal year ended December 31, 2012; confirming the election of the directors of Enersource; and appointing KPMG LLP as the auditor for Enersource.

2. That City Council designate two (2) directors of Enersource as members of the Enersource Board of Directors' Human Resources and Corporate Governance Committee and one (1) director to the Nominating Committee, each of whom may, but not need be, Independent as defined in the Amended and Restated Shareholders' Agreement amongst The Corporation of the City of Mississauga, BPC Energy Corporation and Enersource dated June 1, 2012.

Motion

9. **COMMITTEE REPORTS**

- (a) Audit Committee Report 2-2013 dated May 6, 2013.

Motion

- (b) Governance Committee Report 5-2013 dated May 13, 2013.

Motion

- (c) General Committee Report 10-2013 dated May 15, 2013.

Motion

10. **UNFINISHED BUSINESS - Nil**

11. **PETITIONS - Nil**

12. **CORRESPONDENCE**

- (a) Information Items: I-1- I-8
- (b) Direction Item

13. **MOTIONS**

- (a) To approve recommendations from the following Committee Reports:
  - (i) Recommendations AC-0007-2013 to AC-0010-2013 inclusive contained in the Audit Committee Report 2-2013 dated May 6, 2013.
  - (ii) Recommendations GOV-0023-2013 to GOV-0025-2013 inclusive contained in the Governance Report 5-2013 dated May 13, 2013.

- (iii) Recommendations GC-0302-2013 to GC-0338-2013 inclusive contained in the General Committee Report 10-2013 dated May 15, 2013.
- (b) To close to the public a portion of the Council meeting to be held on May 22, 2013, to deal with various matters. (See Item 18 Closed Session).
- (c) To adopt the tax adjustments outlined in Appendix 1 attached to the report dated May 1, 2013 from the Commissioner of Corporate Services and Treasurer for applications for cancellation or refund of taxes pursuant to Sections 357 and 358 of the *Municipal Act*.

Corporate Report R-1

- (d) To enact a by-law enacted to appoint a Chief Building Official, Deputy Chief Building Officials and Inspectors for the enforcement of the Building Code Act, 1992, as amended for the City of Mississauga and to repeal By-law 0003-2013.

Corporate Report R-2

- (e) To authorize the Mayor and City Clerk to execute a resolution of the shareholders of Enersource Corporation ("Enersource") for the purpose of accepting the audited consolidated financial statements of Enersource for the fiscal year ended December 31, 2012; confirming the election of the directors of Enersource; and appointing KPMG LLP as the auditor for Enersource and that City Council designate two (2) directors of Enersource as members of the Enersource Board of Directors' Human Resources and Corporate Governance Committee and one (1) director to the Nominating Committee

Corporate Report R-3

- (f) To approve the liquor licence extension for Lakeview Army, Navy and Air Force Veterans in Canada Unit 262 – 765 Third Street (Ward 1).

Information Item I-5

- (g) To approve the absence of a Mississauga Celebration Square Events Committee Citizen Member for three consecutive months as per the Council Procedural By-law 421-03.

GC-0326-2013/May 15, 2013

**14. BY-LAWS**

- B-1 A by-law to appoint a Chief Building Official, Deputy Chief Building Official and Inspectors for the enforcement of the *Building Code Act, 1992*, as amended, for the City of Mississauga and to repeal By-law 0003-2013.

Corporate Report R-2

- B-2 A by-law to authorize the execution of a License Agreement between the Corporation of the City of Mississauga as Licensor and Mississauga Legends Row as Licensee to permit the use of a portion the licensed land known as Mississauga Celebration Square.

GC-0498-2012/June 27, 2012

GC-0097-2013/February 27, 2013

- B-3 A by-law to authorize the execution of a Ground Lease Agreement between the Corporation of the City of Mississauga as Landlord and Bell Mobility Inc. (Bell) as Tenant (Ward 7).

GC-308-2013/May 15, 2013

- B-4 A by-law to provide for the Collection of the Final Tax Levies for the Year 2013.

GC-0314-2013/May 15, 2013

- B-5 A by-law to establish the Tax Ratios and to Levy the Residential, Commercial, Industrial, Multi-Industrial, Pipeline, Farmland and Managed Forest Taxes for the Year 2013.

GC-0314-2013/May 15, 2013

- B-6 A by-law to levy business improvement area charges pursuant to Section 208 of the Municipal Act, 2001 S.O. 2001 c.25 as amended for the 2013 taxation year.

GC-0314-2013/May 15, 2013

- B-7 A by-law to authorize the execution of a Development Agreement between Skymark Square Lands Inc., The Corporation of the City of Mississauga and The Regional Municipality of Peel northwest corner of Eglinton Avenue East between Spectrum Way and Statellite Drive (OZ 12/005 W5) Owner: Skymark Square Lands Inc. (HOOP Realty Inc.) Applicant: Planning Solutions Inc. – Rob Freeman (Ward 5).

Resolution 0266-2012/November 28, 2012

- B-8 A by-law to adopt Mississauga Plan (Official Plan) amendment No.133 northwest corner of Eglinton Avenue East between Spectrum Way and Statellite Drive (OZ 12/005 W5) Owner: Skymark Square Lands Inc. (HOOP Realty Inc.) Applicant: Planning Solutions Inc. – Rob Freeman (Ward 5).

Resolution 0266-2012/November 28, 2012

- B-9 A by-law to amend By-law 0225-2007, as amended for rezoning application under file OZ 12/005 W5 Owner: Skymark Square Lands Inc. (HOOP Realty Inc.) Applicant: Planning Solutions Inc. – Rob Freeman northwest corner of Eglinton Avenue East between Spectrum Way and Statellite Drive (Ward 5).

Resolution 0266-2012/November 28, 2012

- B-10 A by-law to authorize the execution of a Contraventions Act agreement between The Corporation of the City of Mississauga and Her Majesty the Queen in Right of Canada, as represented by the Minister of Justice and Attorney General of Canada for the processing of parking tickets on Lester B. Pearson International Airport (Ward 5).

GC-0311-2013/May 15, 2013

15. **OTHER BUSINESS**

16. **INQUIRIES**



**17. NOTICE OF MOTION**

- M-1 To waive the sign variance fee on the property of 3755 Britannia Road West as the owner wishes to display a portable sign on the property to advertise the 20<sup>th</sup> anniversary of the business.

Motion

**18. CLOSED SESSION**

- (a) Pursuant to the *Municipal Act*, Section 239 (2)
- (i) Personal matters about an identifiable individual, including municipal or local board employees re: **Traffic Safety Council Citizen Membership.**
- and Pursuant to the *Municipal Act*, Section 239 (3.1)
- (ii) Educational Session re: **Employee Engagement Results.**

**19. CONFIRMATORY BY-LAW**

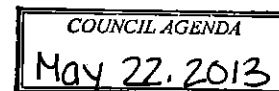
A by-law to confirm the proceedings of the Council of The Corporation of the City of Mississauga at its meeting held on May 22, 2013.

**20. ADJOURNMENT**



# Corporate Report

Clerk's Files

Originator's  
Files

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**DATE:** May 1, 2013

**TO:** Mayor and Members of Council  
Meeting Date: May 22, 2013

**FROM:** Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services and Treasurer

**SUBJECT:** Tax Adjustments Pursuant to Sections 357 and 358

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**RECOMMENDATION:** That the tax adjustments outlined in Appendix 1 attached to the report dated May 1, 2013 from the Commissioner of Corporate Services and Treasurer for applications for cancellation or refund of taxes pursuant to Sections 357 and 358 of the *Municipal Act*, be adopted.

**BACKGROUND:** Sections 357 and 358 of the *Municipal Act*, 2001, S.O. 2001, c.25 allow a property owner or the Treasurer to make application for the cancellation, reduction or refund of taxes for a number of specific reasons. Taxes may be adjusted when a building has been demolished or razed by fire or if a property has become exempt, changed class or has been overcharged by reason of gross or manifest error.

**COMMENTS:** A total of 21 applications for tax adjustments have been prepared for Council's consideration.

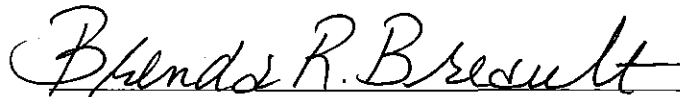
The total cancellation or refund of taxes as recommended is \$349,699.37. Appendix 1 outlines the tax cancellations being

recommended by property and summarizes by appeal reason the number of applications and tax dollars recommended for reduction.

**FINANCIAL IMPACT:** The City's portion of the cancellations resulting from the Section 357 and 358 tax adjustments is \$81,825.53.

**CONCLUSION:** Tax appeals for 2011 and 2012 taxation years are listed in Appendix 1. The *Municipal Act* requires Council to approve the tax adjustments.

**ATTACHMENTS:** Appendix 1: Tax Appeals Pursuant to the *Municipal Act* For Hearing On May 22, 2013.



Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services & Treasurer

*Prepared By: Connie Mesih, Manager, Revenue and Taxation*

**Tax Appeals Pursuant to the Municipal Act  
For Hearing On May 22, 2013  
Corporate Services**

**APPENDIX 1**

Appeal No	Roll No	Location	Reason for Appeal	Tax Adjustment Totals
<b>Section 357: 2012</b>				
8382	05-01-0-003-07800-0000	1240 CAWTHRA RD	Demolished/razed-fire	-23.22
8220	05-01-0-013-12700-0000	225 MAPLEWOOD RD	Demolished/razed-fire	-1,627.09
8367	05-01-0-017-03400-0000	1394 VICTOR AVE	Demolished/razed-fire	-320.04
8293	05-03-0-068-16700-0000	1699 DUNDAS ST E	gross/manifest error	-9,481.87
8389	05-03-0-092-21309-0000	1550 SOUTH GATEWAY RD 309	gross/manifest error	-1,520.16
8388	05-03-0-092-21310-0000	1550 SOUTH GATEWAY RD 310	gross/manifest error	-1,520.16
8369	05-04-0-094-03200-0000	4323 WILCOX RD	Demolished/razed-fire	-520.74
8246	05-04-0-116-23181-0000	5359 TIMBERLEA BLVD 61	Became exempt	0.00
8493	05-04-0-144-09610-0000	3440 WOLFEDALE RD	gross/manifest error	0.00
8444	05-05-0-100-05900-0000	3356 ELMBANK RD	Demolished/razed-fire	-6,145.56
8329	05-05-0-111-08800-0000	3015 MC NAUGHTON AVE	Demolished/razed-fire	-27.43
8450	05-06-0-125-00900-0000	2564 CONFEDERATION PKY	Class change	0.00
8365	05-06-0-126-21204-0000	739 SIR RICHARD'S RD	Demolished/razed-fire	-1,673.13
8376	05-09-0-004-08000-0000	64 FOREST AVE	Demolished/razed-fire	-21.35
8366	05-09-0-005-09800-0000	43 MISSISSAUGA RD S	Demolished/razed-fire	-46.54
8375	05-09-0-007-10400-0000	21 HARRISON AVE	gross/manifest error	-887.08
8292	05-11-0-002-07110-0000	6341 MISSISSAUGA RD	gross/manifest error	-159,480.36
8386	05-12-0-004-21300-0000	332 QUEEN ST S	Class change	0.00
8443	05-13-0-007-05700-0000	5331 TURNEY DR	gross/manifest error	-104.42
Total				-183,399.15
<b>Section Total</b>				<b>-183,399.15</b>
<b>Section 358: 2011</b>				
8514	05-03-0-068-16700-0000	1699 DUNDAS ST E	gross/manifest error	-9,504.35
8515	05-11-0-002-07110-0000	6341 MISSISSAUGA RD	gross/manifest error	-156,795.87
Total				-166,300.22
<b>Section Total</b>				<b>-166,300.22</b>

R-1(b)

**Tax Appeals Pursuant to the Municipal Act  
For Hearing On May 22, 2013  
Corporate Services**

APPENDIX 1

2-1(c)

**Tax Adjustment Totals**

Section 357	2012	-183,399.15
Section 358	2011	<u>-166,300.22</u>
<b>Grand Total</b>		<b>-349,699.37</b>

**Summary of Tax Adjustment by Type**

<b><u>Count</u></b>	<b><u>Description</u></b>	<b><u>Amount</u></b>
9	gross/manifest error	-339,294.27
1	Became exempt	0.00
9	Demolished/razed-fire	-10,405.10
2	Class change	<u>0.00</u>
<b>Total</b>		<b>-349,699.37</b>

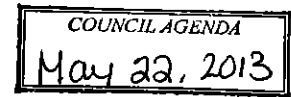


# Corporate Report

Clerk's Files

Originator's  
Files

R-2



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**DATE:** April 29, 2013

**TO:** Mayor and members of Council  
Meeting Date: May 22, 2013

**FROM:** Edward R. Sajecki  
Commissioner of Planning and Building

**SUBJECT:** **Appointment of a Chief Building Official, Deputy Chief Building Officials and Inspectors for the enforcement of the Building Code Act, 1992, as amended, for the City of Mississauga**

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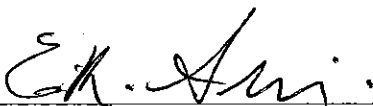
**RECOMMENDATION:** That a By-law be enacted to appoint a Chief Building Official, Deputy Chief Building Officials and Inspectors for the enforcement of the Building Code Act, 1992, as amended, for the City of Mississauga and to repeal By-law 0003-2013.

**BACKGROUND:** Subsection 3(2) of the Building Code Act, 1992, S.O., c. 23 as amended directs the Council of each municipality to appoint a Chief Building Official and such Inspectors as are necessary for the enforcement of the Building Code Act in the area that the municipality has jurisdiction.

**COMMENTS:** The Building Division of the Planning and Building Department updates Schedules A and B when required to reflect changes in the appointment of personnel authorized to enforce the Ontario Building Code for the City of Mississauga.

**FINANCIAL IMPACT:** Not applicable.

**ATTACHMENTS:** Appendix 1: Draft By-law to appoint a Chief Building Official, Deputy Chief Building Officials and Inspectors for the enforcement of the Building Code Act, 1992, as amended, for the City of Mississauga.



Edward R. Sajecki  
Commissioner of Planning and Building

*Prepared By: Ezio Savini, Director, Building Division*





THE CORPORATION OF THE CITY OF MISSISSAUGA

BY-LAW NUMBER .....

A By-law to appoint a Chief Building Official, Deputy Chief Building Official and Inspectors for the enforcement of the *Building Code Act, 1992*, as amended, for the City of Mississauga and to repeal By-law 0003-2013.

WHEREAS subsection 3(2) of the *Building Code Act, 1992*, S.O. 1992, c. 23, as amended (the "*Building Code Act, 1992*"), directs the Council of each municipality to appoint a Chief Building Official and such Inspectors as are necessary for the enforcement of the *Building Code Act, 1992* in the area that the municipality has jurisdiction;

AND WHEREAS the existing appointments of the City of Mississauga Building Officials were made under the authority of By-law 0003-2013, as amended;

AND WHEREAS it is appropriate to renew and update the list of appointments;

NOW THEREFORE the Council of The Corporation of the City of Mississauga ENACTS as follows:

1. Ezio Savini is hereby appointed Chief Building Official for The Corporation of the City of Mississauga.
2. Francesco (Frank) Spagnolo and Leo Cusumano, are hereby appointed Deputy Chief Building Officials for The Corporation of the City of Mississauga, to hold office during the temporary absence or disability of the Chief Building Official.
3. Those persons named in Schedule 'A' to this By-law are hereby appointed as Inspectors for The Corporation of the City of Mississauga, under the direction of the Chief Building Official, for the purposes of enforcement of the *Building Code Act, 1992*.
4. Those persons named in Schedule 'B' to this By-law are hereby appointed as Inspectors for The Corporation of the City of Mississauga, under the direction of the Chief Building Official, for the purposes of enforcement of the *Building Code Act, 1992* respecting fire safety matters.



R-2(c)

5. The appointments made under the authority of this By-law shall terminate at the earliest of the following dates:
- (a) the date the person appointed ceases to be an employee of The Corporation of the City of Mississauga; or
  - (b) the date a By-law is passed by the Council for The Corporation of the City of Mississauga repealing this By-law, or amending this By-law to delete the person's name either from this By-law or from a Schedule to this By-law.
6. All schedules referred to in this By-law shall be deemed to be part of the By-law.
7. By-law 0003-2013, as amended, is hereby repealed.

ENACTED AND PASSED this                      day of                      2013.

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MAYOR

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CLERK

R-2(c)

SCHEDULE "A"  
TO  
BY-LAW NUMBER .....

BAKER, DAVID

BARBISON, EDWARD LOUIS

BRYAN, DARREN

CARVALHO, MARIO

CERILLI, ROBERTO

CERPELLONI, GUISEPPE (JOSEPH)

CLEAVER, JOHN

COLESCU, ANCA

CUSUMANO, LIBORIO (LEO)

DeROSA, PHIL

DEVLIN, DANIEL

ERLBECK, HAROLD

FANOUS, SEHAM

FERNANDES, JOSE RAMON

FRIGO, ANTHONY

GAJEWSKI, JERZY (JERRY)

GALLACE, ROCCO

GIGUERE, JOHN

GOMES, JORGE

GRECH, JEFFERY

GUATTO, GINO J.

HADI, SHEIKH ABDUL

HEBERT, JOSEPH LAWRENCE ROGER

HUI, KELWIN

LEITCH, JENNIFER

LOCANTORE, ROCCO

R-2(e)

SCHEDULE "A"  
TO  
BY-LAW NUMBER .....

McGUIRK, HENRY  
McKEE, KENNETH  
MOINUDDIN, AHTESHAM

NEWTON, LESLIE  
NIKIFOROS, CONSTANTINOS  
NOBES, HERB

OBELIENIUS, STASYS  
OPREA, DANA  
OSBORNE, KELLY JAMES

PHUONG, VU

RAM, ARTHUR  
RUDZKI, ZENON  
RUSSELL, RYAN  
RYAN, GERRY

SAVINI, EZIO  
SAVVIDES, GEORGIOS ANDREW  
SMITH, WILLIAM (BILL)  
SO, CHI HUNG  
SPAGNOLO, FRANCESCO S.P. (FRANK)  
SPOULE, GLENN A.  
SUFADY, JAMES (JIM)

TANG, DENNIS YIU-KWONG  
TODIRICA, LAURA  
TOLIAO, MARK

UEEMAE, ROGER

WANG, CATHY  
WEATHERBEE, MICHAEL  
WEERDENBURG, EDWARD  
WESLEY, CRAIG

R-2(f)

SCHEDULE "A"  
TO  
BY-LAW NUMBER .....

WONG, WILLY

YHAP, DWAYNE

ZEGERS, JEREMY

R-2(g)

SCHEDULE "B"  
TO  
BY-LAW NUMBER .....

FIRE & EMERGENCY SERVICES

ALLEN, MICHELE

CLEMENT, ROGER

DALEY, GERRARD J.

DOUCETTE, BRYAN

FARRANT, PAUL

GAUTHIER, CAREY F.

HAMILTON, SHANE R.

ISAAC, CHRISTOPHER

JONES, JEFFREY

KASZUBA, ROB

KRAFT, KENNETH A.

KRAWCZYK, ARTHUR

LAI, EDWARD

LeHOUX, JACQUES N.J.

LONGO, ANTHONY (TONY)

MAMONE, ROBERT

MCCULLOUGH, SEAN

McEWAN, WESLEY

MENDREK, TED

MONKHOUSE, DAVID

NICHEL, SVETLANA

NUCIFORA, GINO

R-2Ch)

SCHEDULE "B"  
TO  
BY-LAW NUMBER .....

OLIVER, ROBERT  
OPPEDISANO, MARCO

PARK, JOHN  
PETRACCA, MATTHEW  
PHELPS, GREGORY G.  
PIKE, GARY

ROBINSON, NIGEL J.  
ROCKI, TADCUSZ (TED)  
RODRIGUEZ, CARLOS  
ROSKAM, KARIN

SCIRIHA, MATTHEW  
SEAVER, CHRISTOPHER  
STRUDWICK, GLENN

WOLANCZYK, RICHARD (RICK)

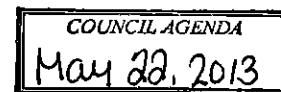


# Corporate Report

Clerk's Files

Originator's  
Files

R-3



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**DATE:** May 15, 2013

**TO:** Mayor and Members of Council  
Meeting Date: May 22, 2013

**FROM:** Mary Ellen Bench, BA, JD, CS  
City Solicitor

**SUBJECT:** **Enersource Corporation – Unanimous Shareholder Resolution in lieu of an annual general meeting**

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- RECOMMENDATION:**
1. That City Council authorize the Mayor and City Clerk to execute a resolution of the shareholders of Enersource Corporation ("Enersource") for the purpose of accepting the audited consolidated financial statements of Enersource for the fiscal year ended December 31, 2012; confirming the election of the directors of Enersource; and appointing KPMG LLP as the auditor for Enersource.
  2. That City Council designate two (2) directors of Enersource as members of the Enersource Board of Directors' Human Resources and Corporate Governance Committee and one (1) director to the Nominating Committee, each of whom may, but not need be, Independent as defined in the Amended and Restated Shareholders' Agreement amongst The Corporation of the City of Mississauga, BPC Energy Corporation and Enersource dated June 1, 2012.

**BACKGROUND:** At the Enersource Board of Directors meeting held on May 14, 2013, it was recommended that the Shareholders execute a shareholders' resolution to deal with the following matters in lieu of an annual general meeting:

1. Accept the audited consolidated financial statements of Enersource for the fiscal year ended December 31, 2012;
2. Confirm the election of the nominees of The Corporation of the City of Mississauga (the "City") and BPC Energy Corporation ("Borealis") as directors of Enersource; and
3. Appoint KPMG LLP as the auditors for Enersource until the close of the next annual meeting of shareholders.

Section 2.20 of the Amended and Restated Shareholders' Agreement amongst the City, Borealis and Enersource, dated June 1, 2012 (the "Shareholders' Agreement"), requires the City to designate two (2) directors as members of the Human Resources and Corporate Governance Committee and one (1) director as a member of the Nominating Committee, each of whom may, but not need be, Independent as defined in the Shareholders' Agreement.

**COMMENTS:**

The Ontario *Business Corporations Act* authorizes shareholders to pass a resolution of the shareholders of a corporation in lieu of holding an annual general meeting. The Board of Directors of Enersource is recommending that the City and Borealis exercise this option under the Shareholders' Agreement. As the only matters for consideration do not result in any change to current operations or to membership on the Board of Directors, it is appropriate for the shareholders to deal with these matters by resolution in lieu of an annual general meeting. A copy of the proposed resolution is attached.

The Shareholders' Agreement requires the City to designate directors as members of each of the Human Resources and Governance Committee and the Nominating Committee. The City designates need not be Independent.

**FINANCIAL IMPACT:** None.

**CONCLUSION:**


It is recommended that the City and Borealis pass a shareholders' Resolution in lieu of holding an annual general meeting to accept the audited financial statements for the fiscal year ended December 31, 2012; to confirm the membership of the Board of Directors; and to appoint KPMG LLP as Enersource's auditors until the close of the



annual meeting of shareholders. It is also recommended that Council designate two (2) directors as members of the Human Resources and Governance Committee and one (1) director as member of the Nominating Committee as required by Section 2.20 of the Shareholders' Agreement.

**ATTACHMENTS:**

- Appendix 1: Enersource Corporation - Resolution of the Shareholders in lieu of an annual general meeting
- Appendix 2: Audited Financial Statements for the year ended December 31, 2012.



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Mary Ellen Beach, BA, JD, CS  
City Solicitor

*Prepared By: Margaret Beck, Legal Counsel*

**ENERSOURCE CORPORATION**  
**(the "Corporation")**  
**RESOLUTION OF THE SHAREHOLDERS**

RESOLVED THAT:

1. The audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2012, all as submitted to the shareholders, are hereby accepted.
2. The following named persons are hereby elected as directors of the Corporation to hold such office until the close of the next annual meeting of shareholders or until their successors are elected or appointed:
  - (a) as nominees of The Corporation of the City of Mississauga as Independent Directors
    1. Gerald Beasley
    2. Claudio D'Ambrosio
    3. Linda Kuga Pikulin
    4. Norman Loberg
    5. Robert MacCallum
    6. David Warner
  - (b) as nominees of The Corporation of the City of Mississauga
    1. Katie Mahoney
    2. Mayor Hazel McCallion
    3. Pat Saito
    4. Ron Starr
  - (c) as nominee of BPC Energy Corporation
    1. Richard Byers
3. KPMG LLP is hereby appointed the auditor of the Corporation until the close of the next annual meeting of shareholders, at such remuneration as may be fixed by the directors and the directors are hereby authorized to fix such remuneration.

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The foregoing resolutions are hereby passed as evidenced by the signatures of the shareholders of the Corporation entitled to vote pursuant to the provisions of the *Business Corporations Act* (Ontario).

DATED as of this 22<sup>nd</sup> day of May, 2013.

BPC ENERGY CORPORATION

THE CORPORATION OF THE CITY OF  
MISSISSAUGA

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Per: Authorized Signing Officer

Name:

Title:

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Per: Authorized Signing Officer

Name:

Title:

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Per: Authorized Signing Officer

Name:

Title:

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Per: Authorized Signing Officer

Name:

Title:

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Appendix 2



Consolidated Financial Statements of

## **ENERSOURCE CORPORATION**

Years ended December 31, 2012 and 2011



KPMG LLP  
Chartered Accountants  
Yonge Corporate Centre  
4100 Yonge Street, Suite 200  
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## INDEPENDENT AUDITORS' REPORT

### *To the Shareholder of Enersource Corporation*

We have audited the accompanying consolidated financial statements of Enersource Corporation, which comprise the consolidated statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2012 and December 31, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Enersource Corporation as at December 31, 2012, December 31, 2011 and January 1, 2011, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with International Financial Reporting Standards.

KPMG LLP  
Chartered Accountants, Licensed Public Accountants

Toronto, Canada  
March 5, 2013

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# **ENERSOURCE CORPORATION**

Consolidated Statements of Financial Position  
(In thousands of Canadian dollars)

December 31, 2012 with comparative figures for December 31, 2011 and January 1, 2011

	December 31, 2012	December 31, 2011 (Note 5)	January 1, 2011 (Note 5)
<b>Assets</b>			
Current assets:			
Cash and cash equivalents (Note 6)	\$ 72,724	\$ 107,127	\$ 53,568
Accounts receivable, net (Note 7)	65,239	60,180	56,165
Unbilled revenue	59,363	59,739	67,563
Income taxes receivable	2,310	-	-
Inventory (Note 8)	8,474	7,527	7,872
Prepaid expenses	2,378	2,267	1,871
Deposits (Note 9)	19,732	22,693	20,739
Total current assets	230,220	259,533	207,778
Non-current assets:			
Property, plant and equipment (Note 10)	505,231	465,866	449,367
Intangible assets (Note 11)	18,653	18,389	15,583
Deferred tax assets (Note 14)	14,004	14,800	19,641
Total non-current assets	537,888	499,055	484,591
Total assets	\$ 768,108	\$ 758,588	\$ 692,369
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities (Note 12)	\$ 107,704	\$ 99,564	\$ 90,888
Income taxes payable	-	1,904	3,375
Advance payments	2,078	2,070	2,759
Deferred revenue (Note 15)	13,868	6,853	150
Deposits payable (Note 9)	19,732	22,693	20,739
Bonds payable (Note 16)	-	-	289,811
Total current liabilities	143,382	133,084	407,722
Non-current liabilities:			
Debentures payable (Note 16)	317,951	317,864	-
Deferred contributions (Note 17)	5,584	4,448	-
Employee post-employment benefits (Note 18)	6,777	5,784	4,496
Total non-current liabilities	330,312	328,096	4,496
Total liabilities	473,694	461,180	412,218
Shareholders' equity:			
Share capital (Note 19)	175,691	175,691	175,691
Accumulated other comprehensive income	(926)	(615)	-
Retained earnings	119,649	122,332	104,460
Total shareholders' equity	294,414	297,408	280,151
Total liabilities and shareholders' equity	\$ 768,108	\$ 758,588	\$ 692,369

Contingencies, commitments and guarantees (Note 21)

See accompanying notes to the consolidated financial statements

On behalf of the Board of Directors:

Norm B. Loberg, Director Gerald E. Beasley, Director

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**ENERSOURCE CORPORATION**

Consolidated Statements of Comprehensive Income  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

	December 31, 2012	December 31, 2011 (Note 5)
Revenue:		
Energy sales	\$ 711,877	\$ 683,116
Distribution	91,894	121,483
Services	8,698	10,332
Other revenue	17,920	14,416
	830,389	829,347
Operating Expenses:		
Energy purchases (Note 12)	704,527	678,862
Employee salaries and benefits	36,496	33,217
Materials and transportation	5,711	6,208
Contract services	7,335	7,111
Other costs	11,324	12,987
Conservation and demand management (Note 25 (a))	12,298	9,363
Depreciation of property, plant and equipment	25,117	25,542
Amortization of intangible assets	2,851	2,286
	805,659	775,576
Results from operating activities	24,730	53,771
Non-operating revenue (expense):		
Interest income	1,641	1,238
Interest expense	(15,778)	(17,247)
Interest expense on accrued post-employment benefits	(260)	(262)
	(14,397)	(16,271)
Profit before income tax expense	10,333	37,500
Income tax (recovery) expense (Note 13)	(632)	9,006
Profit for the year	10,965	28,494
Other Comprehensive Income net of income tax:		
Remeasurements of the post-employment net benefit liability (Note 18)	(423)	(822)
Income tax charge	112	207
	(311)	(615)

See accompanying notes to the consolidated financial statements

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**ENERSOURCE CORPORATION**Consolidated Statements of Cash Flows  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

	December 31, 2012	December 31, 2011
Cash flows from operating activities:		
Operating Activities:		
Comprehensive income for the year	\$ 10,654	\$ 27,879
Adjustments for:		
Depreciation of property, plant and equipment	25,117	25,542
Amortization of intangible assets	2,851	2,286
Amortization of deferred contributions	(112)	(50)
Gain on disposal of property, plant and equipment	(196)	(169)
Employee post-employment benefits	993	1,288
Income tax expense	(744)	8,799
Interest income	(1,641)	(1,238)
Interest expense	15,778	17,247
Income tax paid	(2,607)	(5,430)
	50,093	76,154
Change in non-cash working capital (Note 20)	9,591	17,074
Net cash from operating activities	59,684	93,228
Cash flows from investing activities:		
Deposits	2,961	(1,954)
Interest received	1,606	1,180
Capitalized interest	683	403
Additions to property, plant and equipment	(64,979)	(40,490)
Additions to intangible assets	(2,970)	(5,246)
Additions to deferred contributions	1,248	4,498
Proceeds on disposal of property, plant and equipment	303	282
Cash used in investing activities	(61,148)	(41,327)
Cash flows from financing activities:		
Bonds	-	(290,000)
Debentures	-	317,808
Deposits	(2,961)	1,954
Dividends paid	(13,648)	(10,622)
Interest paid	(16,330)	(17,482)
Cash from (used in) financing activities	(32,939)	1,658
(Decrease)/Increase in cash and cash equivalents	(34,403)	53,559
Cash and cash equivalents, beginning of year	107,127	53,568
Cash and cash equivalents, end of year	\$ 72,724	\$ 107,127

See accompanying notes to the consolidated financial statements



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**ENERSOURCE CORPORATION**Consolidated Statements of Changes in Equity  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

	Share Capital	Accumulated Other Comprehensive Income (Note 18)	Retained Earnings	Total Equity
Balance at January 1, 2012	\$ 175,691	\$ (615)	\$ 122,332	\$ 297,408
Profit for the year	-	-	10,965	10,965
Other comprehensive income	-	(311)	-	(311)
Dividends paid	-	-	(13,648)	(13,648)
Balance at December 31, 2012	\$ 175,691	\$ (926)	\$ 119,649	\$ 294,414
Balance at January 1, 2011	\$ 175,691	-	\$ 104,460	\$ 280,151
Profit for the year	-	-	28,494	28,494
Other comprehensive income	-	(615)	-	(615)
Dividends paid	-	-	(10,622)	(10,622)
Balance at December 31, 2011	\$ 175,691	(615)	\$ 122,332	\$ 297,408

See accompanying notes to the consolidated financial statements

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## **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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### **1. General Information:**

#### **(a) Corporate Information:**

Enersource Corporation (the "Corporation"), incorporated under the Ontario Business Corporations Act, was formed to conduct electricity distribution and non-regulated utility service ventures. The Corporation is owned 90% by the City of Mississauga (the "City") and 10% 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 2185 Derry Road West in Mississauga, Ontario, L5N 7A6.

The accompanying consolidated financial statements include the accounts of the Corporation's wholly owned subsidiaries: Enersource Hydro Mississauga Inc. ("Enersource Hydro"), Enersource Services Inc., Enersource Telecom Inc. ("Telecom"), Enersource Technologies Inc. ("Technologies") and Enersource Hydro Mississauga Services Inc. ("EHM Services"). The Company's consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

#### **(b) Nature of operations:**

The Corporation provides electricity distribution services to businesses and residences in the City of Mississauga, Ontario through its subsidiary, Enersource Hydro.

EHM Services provides utility services, including electricity distribution infrastructure design, construction and operations and streetlight construction and maintenance services to customers in Ontario.

Enersource Services Inc. is the parent company for the Corporation's non-regulated businesses, which includes Telecom and EHM Services which also owns 100% of Technologies.

In September 2011, the Corporation received the articles of amalgamation confirming the amalgamation of Telecom with EHM Services. An amalgamation certificate was received indicating that the assets and liabilities of Telecom were amalgamated into EHM Services. Intercompany balances and transactions have been eliminated.

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

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Years ended December 31, 2012 and 2011

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## 2. Basis of Preparation:

### (a) Statement of compliance:

The accompanying annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). These consolidated financial statements also comply with IFRS 1 First-time Adoption ("IFRS 1") of IFRS. They should be read in conjunction with the 2011 Canadian generally accepted accounting principles ("Canadian GAAP") consolidated financial statements and related notes. In this context, the term "Canadian GAAP" refers to generally accepted accounting principles before the adoption of IFRS. These consolidated financial statements have been approved by the Corporation's Board of Directors on March 5, 2013.

### (b) Basis of measurement:

These consolidated financial statements have been prepared on the historical cost basis with the exception of certain financial instruments that are measured at fair value.

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 period, as set out in note 4. Accounts receivable is reported based on amounts expected to be recovered less an appropriate allowance for unrecoverable amounts based on prior experience. Unbilled revenue is reported based on amounts expected to be recovered. Inventory is recorded net of a provision for obsolescence.

Amounts recorded for depreciation of property, plant and equipment and amortization of intangible assets are based on estimates of useful life.

Due to the inherent uncertainty involved in making such estimates, actual results could differ from estimates recorded in preparing these consolidated financial statements, including changes as a result of future decisions made by the Ontario Energy Board ("OEB") or the Ministry of Energy.

### (c) Adoption of IFRS:

Subject to certain transition elections disclosed in Note 5, the Corporation has consistently applied the same accounting policies in its opening IFRS consolidated statement of financial position at January 1, 2011, and throughout all periods presented, as if these policies had always been in effect. Previously, the Corporation prepared its consolidated annual and interim financial statements in accordance with Canadian GAAP. Note 5 discloses reconciliations to IFRS from the previously published Canadian GAAP primary financial statements, including the

**ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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**2. Basis of Preparation (continued):**

nature and effect of significant changes in accounting policies from those used in the Corporation's consolidated financial statements for the year ended December 31, 2011.

Comparative figures for 2011 in these consolidated financial statements have been restated to give effect to these changes.

**(d) Rate setting:**

Enersource Hydro, as an electricity distributor, is both licensed and regulated by the OEB which has a legislative mandate to oversee various aspects of the electricity industry. The OEB exercises statutory authority through setting or approving all rates charged by Enersource Hydro and establishing standards of service for Enersource Hydro's customers.

Enersource Hydro is subject to a cost of service regulatory mechanism under which the OEB establishes the revenues required (i) to recover the forecast operating costs, including depreciation and amortization and income taxes, of providing the regulated service, and (ii) to provide a fair and reasonable return on utility investment; or rate base. As actual operating conditions may vary from forecast, actual returns achieved can differ from approved returns.

The OEB has the power to establish electricity prices to be charged to low volume consumers and designated consumers who do not choose an electricity retailer. The OEB may adjust consumption thresholds and electricity commodity prices charged to these consumers every six months as required.

In October 2010, Enersource Hydro submitted a formula based rate application to the OEB to change distribution rates for the rate period May 1, 2011 through April 30, 2012. The application was approved by the OEB on March 17, 2011. Enersource Hydro implemented this distribution rate decision, effective May 1, 2011.

In November 2011, Enersource Hydro submitted a formula based rate application to the OEB to change distribution rates effective May 1, 2012. The application was approved by the OEB on April 19, 2012. Enersource Hydro implemented this distribution rate decision, effective May 1, 2012.

**3. Significant Accounting Policies:****(a) Cash and cash equivalents:**

Cash and cash equivalents are comprised of cash and bank term deposits or equivalent financial instruments with maturities of 90 days or less from the date of purchase.

**ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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**3. Significant Accounting Policies (continued):****(b) Inventory:**

Inventory consists primarily of parts and supplies acquired for internal construction, consumption or recoverable work. The Corporation accounts for major spare parts and standby equipment as property, plant and equipment.

Inventory costs are comprised of all costs of purchase, costs of conversion and other costs to bring the inventories to their present condition and location. The purchase price comprises of import duties, non-recoverable taxes, transportation, handling and other costs directly attributable to the acquisition of finished goods, materials or services.

Inventory is carried at the lower of cost and net realizable value, with cost determined on a weighted average cost basis net of a provision for obsolescence.

**(c) Deposits:**

Customers may be required to post security to obtain electricity or other services, which are refundable on demand. Where the security posted is in the form of cash or cash equivalents, these amounts are recorded in the accounts as deposits, which are reported separately from the Corporation's own cash and cash equivalents. Interest rates paid on customer deposits are based on the Bank of Canada's prime business rate less 2.0%.

Also included in this balance are cash and securities lodged with the Corporation by counterparties under electricity supply agreements.

**(d) Property, plant and equipment ("PP&E"):**

The Corporation has elected the deemed cost exemption applicable to entities subject to rate regulation as described under IFRS 1. The election permits an entity, at the date of transition to IFRS, to use the previous Canadian GAAP carrying amount of items of PP&E as deemed cost (thereby eliminating any accumulated depreciation balances existing at the date of transition); hence there will be no impact on retaining earnings for opening balances of PP&E at the date of transition.

The Corporation recognizes PP&E on the consolidated statement of financial position at cost less accumulated depreciation and impairment losses. Self-constructed asset costs are comprised of all directly attributable expenditures to bring the asset into operation including labour, employee benefits, materials and transportation costs, contracted services and capitalized borrowing costs (in accordance with IAS 23 Borrowing Costs), where applicable. Subsequent expenditures are included in an asset's carrying amount or recognized as a separate asset, where appropriate, only when it is probable that future economic benefits

**ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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**3. Significant Accounting Policies (continued):**

associated with the item will flow to the Corporation and the cost can be reliably measured. Under IFRS, an asset is derecognized at its carrying value when it is disposed of or when no future economic benefits are expected from its use. The gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the proceeds from sale and the carrying amount of the asset, and is recognized in the statement of comprehensive income.

The need to estimate the cost of decommissioning or asset retirement obligations ("ARO") at the end of the useful lives of certain assets is reviewed periodically. A provision is recorded, if required, for the estimated cost of the ARO. Currently, the Corporation does not have any ARO's since the decision and the actual removal or replacement of PP&E is usually completed within 12 months of the decision. The Corporation also does not have a legal obligation to remove PP&E and the constructive obligation has been determined to be immaterial.

Major spares such as spare transformers and other items kept as standby/back up equipment are accounted for as PP&E since they support the Corporation's distribution system reliability. All other subsequent expenditures, including the costs of day-to-day servicing, repairs and maintenance, are expensed as incurred.

Depreciation of PP&E is recorded in the statements of comprehensive income on a straight-line basis over the estimated useful life of the related asset. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives for the main categories of PP&E are shown in the table below:

Buildings and other fixtures	20 - 60 years
Distribution system and station equipment	15 - 40 years
Overhead and underground distribution system	15 - 55 years
Other PP&E	3 - 25 years

Assets under construction, which are not currently available for use, are not depreciated.

During the construction period of qualifying assets, borrowing cost has been capitalized as a component of cost of self-constructed assets. The capitalization rate is the Corporation's weighted average cost of borrowings.

**(e) Intangible assets:**

The Corporation has elected the deemed cost exemption applicable to entities subject to rate regulation as described under IFRS 1. The election permits an entity, at the date of transition to IFRS, to use the previous Canadian GAAP carrying amount of intangible assets as deemed cost (thereby eliminating any accumulated amortization balances existing at the date of

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

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Years ended December 31, 2012 and 2011

## 3. Significant Accounting Policies (continued):

transition); hence there will be no impact on retaining earnings for opening balances of intangible assets at the date of transition.

Intangible assets are assets that lack physical substance, other than financial assets. Intangible assets, which consist mainly of computer software and easements, are recorded at cost less accumulated amortization and accumulated impairment losses, where applicable, and include expenditures associated with the initial acquisition or development, which are directly attributable to the acquisition, production and preparation of the asset for its intended use. Software that is an integral part of the cost of PP&E has been included in PP&E.

Amortization of intangible assets with finite lives is recorded on a straight line basis over the estimated useful life of the related asset and recorded in the statement of comprehensive income. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Software in development is not amortized.

Estimated useful lives for intangible assets are shown in the table below:

Computer software	2 - 10 years
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Indefinite life intangible assets, which consist of easements and other land rights, are held in perpetuity and are not amortized. The Corporation evaluates indefinite life intangible assets for impairment annually or whenever events or changes in circumstances indicate the carrying amount may not be recoverable. For purposes of such an evaluation, the fair value estimate is compared to the carrying amount of the asset to determine if a write-down is required. The impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value.

### (f) Impairment of PP&E and intangible assets:

PP&E and intangible assets with finite lives are tested for recoverability whenever events or changes in circumstances indicate a possible impairment. Impairment is assessed and tested at the cash-generating unit ("CGU") level (or groups of CGUs), which is the smallest identifiable group of assets that generates independent cash inflows. An impairment of PP&E and intangible assets with finite lives is recognized in profit or loss when the asset's carrying value exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Where fair value less costs to sell is not reliably available, value in use is used as the recoverable amount. Value in use is the present value of the future cash flows expected to be derived from an asset, CGU or group of CGUs.

An impairment charge may be reversed only if there is objective evidence that a change in the estimate used to determine the asset's recoverable amount since the last impairment was recognized is warranted. Where an impairment charge is subsequently reversed, the carrying

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## **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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### **3. Significant Accounting Policies (continued):**

amount of the asset (or CGU) is increased to the revised recoverable amount to the extent that it does not exceed the carrying amount that would have been determined had no impairment charge been recognized in previous periods. A reversal of an impairment charge is recognized immediately in profit or loss. After such a reversal, the depreciation or amortization charge, where relevant, is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### **(g) Regulatory accounting:**

In the absence of a rate regulated standard under IFRS, Enersource Hydro does not recognize assets and liabilities arising from rate regulated activities. Instead, Enersource Hydro records revenues in accordance with its revenue recognition policy and expenses as operating costs when incurred. Regulatory balances that have been derecognized under IFRS are disclosed in Note 24.

#### **(h) Revenue recognition:**

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this revenue stream. The Corporation files to recover uncollected debt retirement charges from the Ontario Electricity Financial Corporation ("OEFC") when accounts receivable are deemed uncollectible.

The Corporation is licensed by the OEB to distribute electricity. As a licensed distributor, the Corporation is responsible for billing customers for electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties. The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers. The Corporation has determined that it is acting as a principal for the electricity distribution and therefore has presented the energy sales on a gross basis.

Distribution revenue attributable to the delivery of electricity is recognized based upon OEB-approved distribution rates and charges as electricity is delivered to customers, which includes an estimate of unbilled revenue that represents electricity consumed by customers since the date of each customer's last meter reading. Revenue is recognized as electricity is delivered and consumed by customers. Energy revenue is recorded on the basis of regular meter readings and estimates of customer usage since the last meter reading date to the end of the reporting period. Actual electricity usage could differ from estimates.

Services and other revenues are recognized as services are rendered or contract milestones are achieved. Amounts received in advance of these milestones are presented as deferred revenue.



# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

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Years ended December 31, 2012 and 2011

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## 3. Significant Accounting Policies (continued):

### (i) Deferred debt issue costs:

Deferred debt issue costs represent the cost of the issuance of the bonds and debentures. The Corporation's deferred debt issuance costs, net of accumulated amortization, are included in the carrying value of bonds and debentures payable. The bonds and debentures are accreted back to their face amount using the effective interest rate method over the remaining period to maturity.

### (j) Employee post-employment benefits:

The Corporation's current pension plan is administered by OMERS and is a multi-employer public sector defined-benefit pension plan funded by equal contributions from participating employers and employees as well as by investment earnings of the plan. Pension contributions received from all OMERS employers and members are combined and used jointly to purchase investments. Under OMERS' funding and investment structure, investment and actuarial evaluations are determined on a commingled basis across all employers and as a result, information for individual employers is unavailable.

As the Corporation does not have the information to account for its proportionate share of the defined benefit obligation and plan assets, the Corporation accounts for its participation in OMERS as a defined contribution plan, and all contributions to the plan are recognized as an expense.

The Corporation also provides post-employment life, health, and dental benefits to its employees. An actuary determines the cost of these benefits as well as measures the plan obligation. The actuary uses the projected unit credit method, prorated on service and based on management's best estimate assumptions. Under this method, the projected post-employment benefit is deemed to be earned on a pro rata basis over the years of service in the attribution period, and ends at the earliest age the employee could retire and qualify for benefits.

The Corporation recognizes any remeasurements of the net defined benefit liability including actuarial gains and losses immediately in other comprehensive income. Current service costs are recognized in the statement of comprehensive income under employee salaries and benefits and net interest expense on accrued post-employment benefits are disclosed on the face of the statement of comprehensive income. The Corporation has elected to adopt IAS 19R Employee Benefits, the Revised Standard ("IAS 19R") early and commenced reporting in accordance with this standard on the date of transition. At the date of transition, the Corporation reclassified accumulated remeasurements as retained earnings. The Corporation will accumulate remeasurements after the date of transition and transfer them to retained earnings when approved for recovery or refund by the OEB.

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## **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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### **3. Significant Accounting Policies (continued):**

#### **(k) Deferred contributions:**

Certain assets may be acquired or constructed with financial assistance in the form of contributions from customers when the estimated revenue is less than the cost of providing service or where special equipment is needed to supply the customers' specific requirements.

Since the contributions will provide customers with ongoing access to the supply of electricity, these contributions are classified as deferred contributions and are amortized as revenue on a straight-line basis over the useful life of the constructed or contributed asset.

#### **(l) Income taxes:**

Under the Electricity Act, 1998, the Corporation is required to make payments in lieu of corporate income taxes ("PILs") to the OEFC. These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada), the Taxation Act, 2007 (Ontario), as modified by the Electricity Act, 1998, and related regulations. References in these financial statements to income taxes are with respect to PILs.

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 in income in the year that includes the date of enactment or substantive enactment. Deferred income tax assets and liabilities are offset since they relate to income taxes levied by the same taxation authority.

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 utilized. 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.

Current taxes are based on taxable profit or loss for the year, which differ from profit or loss as reported in the consolidated statement of comprehensive income because it excludes items that are taxable or deductible in other years and items that are neither taxable nor deductible.

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

## 3. Significant Accounting Policies (continued):

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 period.

Both current and deferred taxes are included as part of income tax expense on the statement of comprehensive income.

### (m) Foreign currency translation:

The Corporation's financial statements are presented in Canadian dollars, the functional currency of the Corporation and the currency of the primary economic environment in which the Corporation operates. Transactions in foreign currencies are initially recorded in the functional currency at the prevailing rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing period-end rates. All differences are recorded in the statement of comprehensive income in the period in which they arise. Exchange gains or losses on financial assets at fair value through profit or loss is reported as part of other income in profit and loss. Realized and unrealized exchange gains and losses are included in income.

### (n) Financial instruments:

All financial assets of the Corporation are classified into one of the following categories: financial assets at fair value through profit or loss, available for sale financial assets, held-to-maturity, and loans and receivables. All financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortized cost. The Corporation has elected to adopt IFRS 9 Financial Instruments ("IFRS 9") early and commenced reporting in accordance with this standard on the date of transition.

The Corporation has classified its financial instruments as follows:

Cash and cash equivalents	Fair value through profit or loss
Accounts receivables	Loans and receivables at amortized cost
Unbilled revenues	Loans and receivables at amortized cost
Deposits	Loans and receivables at amortized cost
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Advance payments	Fair value through profit or loss
Bonds payable	Financial liabilities at amortized cost
Debentures payable	Financial liabilities at amortized cost
Deposits payable	Financial liabilities at amortized cost

Cash equivalents include short-term investments that are readily convertible to cash without significant loss in value. These short term investments are comprised of bankers' acceptances and bankers' demand notes issued by Canadian banks.

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## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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### 3. Significant Accounting Policies (continued):

Subsequent to initial recognition, all non-derivative financial instruments of the Corporation are carried on the statement of financial position at fair value, except for loans and receivables, held-to-maturity investments and financial liabilities at amortized cost, which are measured at amortized cost.

The Corporation does not enter into derivative instruments. Hedge accounting has not been used in the preparation of these financial statements.

Financial instruments which are measured at fair value are to be classified using a three-level hierarchy. Each level reflects the inputs used to measure the fair values of financial assets and financial liabilities, and are as follows:

- Level 1 – inputs are unadjusted quoted prices of identical instruments in active markets
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Corporation's financial instruments that are measured at fair value through profit or loss are classified as Level 1.

#### (o) Capital disclosures:

The Corporation's objectives with respect to its capital structure are to maintain effective access to capital on a long-term basis, at reasonable rates, and to deliver the appropriate financial returns to its shareholders.

Effective May 1, 2008, Enersource Hydro was deemed by the OEB for rate setting purposes to have a capital structure that was funded by 56% long-term debt, 4% short-term debt and 40% equity. The OEB uses this deemed structure as a basis of how capital is funded for rate setting purposes only. The actual capital structure for Enersource Hydro may differ from the OEB deemed structure.

#### (p) Provisions and Contingencies:

The Corporation recognizes provisions when there is a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, 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.

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

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## 3. Significant Accounting Policies (continued):

The evaluation of the likelihood of the contingent events requires judgment by management as to the probability of exposure to potential loss. Actual results could differ from these estimates.

A contingent asset is not recognized in the consolidated financial statements. However, a contingent asset is disclosed where an inflow of economic benefits is probable.

### (q) Short term employee benefits:

The cost of short term employee benefits, which includes salaries, employment insurance, short term compensated absences, health and dental care, are recognized as an expense in employee salaries and benefits as employees render service. When the services are rendered in the construction or development of an asset and they meet the recognition criteria as part of the cost of an asset, the cost of the short term employee benefits is included as part of the related PP&E or intangible asset.

### (r) Government grants:

The Corporation includes in profit or loss government grants received from the Ontario Power Authority ("OPA"). The funding received from the OPA is to reimburse costs incurred by the Corporation to deliver electricity conservation and demand management programs ("CDM").

### (s) Consolidation:

The Corporation prepares consolidated financial statements. All intercompany balances and transactions are eliminated in preparing the consolidated financial statements.

### (t) Voluntary early adoption of IFRS's:

IFRS 9 Financial Instruments published in October 2010 replaces IAS 39 Financial Instruments: Recognition and Measurement and establishes the criteria for financial reporting of assets and liabilities with only two classification categories: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015 but may be applied earlier. The Corporation has elected to adopt this standard effective January 1, 2011.

IFRS 10 Consolidated Financial Statements published in May 2011 establishes the principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the requirements relating to consolidated financial statements in IAS 27 Consolidated and Separate Financial Statements. The standard is effective for annual periods beginning on or after January 1, 2013 but may be applied earlier. The Corporation has elected to adopt this standard effective January 1, 2011.

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## **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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### **3. Significant Accounting Policies (continued):**

IAS 1 Presentation of Financial Statements was amended in May 2012 to clarify the guidance on providing additional comparative information beyond the minimum requirements and that on the presentation of the 'third' statement of financial position. The amendments are applied retrospectively for annual periods beginning on or after January 1, 2013 with earlier application permitted. The Corporation has elected to adopt this amended standard effective January 1, 2011. IAS 1 underwent amendments in June 2012 which amends the presentation of items of other comprehensive income and renames the statement of comprehensive income; however the entity may continue to use a title other than that used in the standard. The amendments are applied retrospectively for annual periods beginning on or after July 1, 2012 with early application permitted. The corporation has adopted the amendments to this standard effective January 1, 2011.

IAS 19 Employee Benefits was amended in June 2011 to change the recognition and measurement of defined benefit pension expense and termination benefits and increase disclosures. The new standard is effective for annual periods beginning on or after January 1, 2013. The Corporation has elected to adopt this amended standard effective January 1, 2011.

#### **(u) Future accounting changes:**

The following is an amendment to existing standards and interpretations as well as new standards and interpretations:

IFRS 13 Fair Value Measurement was issued in May 2011. It defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurement. It is effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted. The Corporation is currently in the process of evaluating the potential impact on the consolidated financial statements.

### **4. Key Accounting Judgements, Estimates and Assumptions:**

In the process of applying the Corporation's accounting policies, Management has made the following estimates, which have the most significant effect on the amounts recognized in the consolidated financial statements.

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

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## 4. Key Accounting Judgements, Estimates and Assumptions (continued):

### (a) Revenue recognition:

Measurement of usage not yet billed, which is included in revenues from the regulated distribution of electricity, is based on either the actual usage at the end of the period or an assessment of unbilled electricity distribution services supplied to customers between the date of the last meter reading and the period ending date. The Corporation applies judgment to the measurement of the estimated consumption and to the valuation of that consumption.

### (b) Useful lives of depreciable assets:

The Corporation, in conjunction with four other utilities, engaged a third party to conduct an independent study of asset useful lives. The Corporation revised its componentization structure and revised the estimated useful lives of its distribution system assets and other assets as a result of that study, effective January 1, 2011. Actual lives of assets may vary from estimated useful lives.

### (c) Employee post-employment benefits other than pensions:

The costs of post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, any expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

### (e) Accounts receivable impairment:

In determining the allowance for doubtful accounts, the Corporation considers historical loss experience of account balances based on the aging and arrears status of accounts receivable balances.

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## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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### 5. First Time Adoption of IFRS:

The Corporation's consolidated financial statements for year ended December 31, 2012 are the first annual financial statements prepared in accordance with IFRS. The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information presented in these financial statements for the year ended December 31, 2011 and in the preparation of an opening IFRS statement of financial position at January 1, 2011 (the Corporation's date of transition). The Corporation previously presented financial statements under Canadian GAAP up to, and including December 31, 2011. Although there are many similarities between Canadian GAAP and IFRS, there are some significant differences which had an impact on the Corporation's financial statements.

IFRS 1 requires retrospective application of IFRS standards in place as at the reporting date. However, IFRS 1 contains certain optional exemptions and mandatory exceptions from the general requirement for retrospective application. All retrospective opening transition adjustments were recognized as an adjustment to the Corporation's January 1, 2011 retained earnings balance, excluding reclassifications, and all 2011 IFRS period adjustments, excluding reclassifications, were recognized in the statement of comprehensive income.

The Corporation has determined the following mandatory or optional exemptions will apply to the consolidated opening IFRS statement of financial position:

- (i) Previous Canadian GAAP carrying amount as deemed cost for PP&E and intangible assets;
- (ii) Decommissioning liabilities included in the cost of PP&E – elected on a case by case basis at the date of transition;
- (iii) Determine if an arrangement contains a lease at the date of transition;
- (iv) Recognize a financial asset relating to a preferred share ownership; and,
- (v) Derecognize all assets and liabilities not permitted.



# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

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Years ended December 31, 2012 and 2011

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## 5. First Time Adoption of IFRS (continued):

### (a) Previous Canadian GAAP carrying amount as deemed costs for PP&E and intangible assets.

Entities with operations subject to rate regulations may hold items of PP&E or intangible assets where the carrying amount of such items might include amounts that were determined under previous Canadian GAAP but do not qualify for capitalization in accordance with IFRS. If this is the case, a first-time adopter may elect to use the previous Canadian GAAP carrying amount of such an item at the date of transition to IFRS as deemed cost. An entity shall apply this exemption for annual periods beginning on or after 1 January 2011, but earlier application is permitted.

Entities are subject to rate regulation if they provide goods or services to customers at prices (i.e. rates) established by an authorized body empowered to establish rates that bind the customers and that are designed to recover the specific costs the entity incurs in providing the regulated goods or services and to earn a specified return.

Under this exemption the deemed cost at the date of transition becomes the new IFRS cost basis. The accumulated amortization recognized under previous Canadian GAAP prior to the transition date has been included as part of the deemed cost so that the net book values will not be affected.

At the date of transition to IFRS, an entity shall also test for impairment, each item for which this exemption is used.

This exemption does not only apply to individual entities with rate regulated activities but also to the consolidated financial statements of their parent companies.

Based on the definition above, the Corporation qualifies for this IFRS 1 exemption as Enersource Hydro is subject to rate regulations and accordingly the Corporation elected to use the deemed cost election for opening balance sheet values for its PP&E and intangible assets.

At the date of transition, the Corporation's gross book value, accumulated depreciation and net book value for PP&E was \$872,359, \$422,992 and \$449,367 respectively. The gross book value, accumulated amortization and net book value for intangible assets was \$18,389, \$2,806 and \$15,583 respectively.

The Corporation reviewed the additional requirements against the information provided in IAS 36 Impairment of Assets and determined that no impairments would be recorded.

### (b) Decommissioning liabilities included in the cost of PP&E – elected on a case by case basis at the date of transition.

IFRIC 1 requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable

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## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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### 5. First Time Adoption of IFRS (continued):

amount of the asset is then depreciated prospectively over its remaining useful life. A first-time adopter need not comply with these requirements for changes in such liabilities that occurred before the date of transition to IFRS. If a first-time adopter uses this exemption, it shall:

- (i) measure the liability as at the date of transition to IFRS in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets;
- (ii) to the extent that the liability is within the scope of IFRIC 1, estimate the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk-adjusted discount rate(s) that would have applied for that liability over the intervening period; and,
- (iii) calculate the accumulated depreciation on that amount, as at the date of transition to IFRS, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity in accordance with IFRS.

Based on the requirements of IAS 37 and IFRIC 1 as well as the Corporation's existing operating practices, the Corporation did not require any additional decommissioning, restoration or similar liabilities to be recognized at the date of transition.

(c) Determine if an arrangement contains a lease at the date of transition:

A first-time adopter may apply the transitional provisions in IFRS; therefore, a first-time adopter may determine whether an arrangement existing at the date of transition to IFRS contains a lease on the basis of facts and circumstances existing at that date.

The Corporation adopted this transition provision and assessed arrangements for leases at the date of transition. It was determined that the Corporation has numerous cancellable operating leases which are predominantly in the form of encroachment permits required to place distribution infrastructure assets on rights-of-way or private property. The lease terms are between one and twenty years and the amounts of these leases were determined to be immaterial.

(d) Recognize a financial asset relating to a preferred share ownership:

The Corporation is required to recognize all assets and liabilities whose recognition is required by IFRS. An entity may also designate a financial asset as measured at fair value through profit or loss in accordance with IFRS 9, on the basis of the facts and circumstances that exist at the date of transition to IFRS.

## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

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Years ended December 31, 2012 and 2011

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### 5. First Time Adoption of IFRS (continued):

The Corporation holds a 10.01% preferred share investment in Enerpower Corporation which has a value equal to 3.5% of the Corporation's outstanding purchases from Enerpower Corporation that had not yet been paid as a dividend.

#### (e) Derecognize all assets and liabilities not permitted:

Under IFRS 1, an entity is required to derecognize assets or liabilities if IFRS do not permit recognition.

#### (i) Regulatory assets and regulatory liabilities:

The Corporation determined based on the position of the IASB and various industry accounting opinions, that regulatory assets and liabilities do not meet the definitions contained within the IFRS Framework for the Preparation and Presentation of Financial Statements. Due to the absence of a rate regulated standard under IFRS, the Corporation derecognized, at the date of transition to IFRS, all regulatory assets and liabilities and tax changes resulting from the derecognition, as an adjustment to opening retained earnings.

#### (f) Reclassifications:

The Corporation determined that certain items that were recognized under Canadian GAAP as one type of asset, liability or component of equity should be classified as a different type of asset, liability or component of equity under IFRS.

Under Canadian GAAP, contributions in aid of construction ("CIAC") were included as an offset to PP&E. Under IFRS (IFRIC 18 Transfer of Assets from Customers), customer contributions for the acquisition or construction of PP&E are considered to be deferred contributions and will be recognized over the useful lives of the related asset as distribution revenue.

Deposits that are refundable on demand have been reclassified under IFRS to current assets and liabilities from long term assets and liabilities under Canadian GAAP.

IFRS does not permit deferred tax assets or liabilities to be classified as current assets or liabilities. As a result, current deferred income tax assets were reclassified to non-current deferred income tax assets on the consolidated statement of financial position.

All reclassifications were applied prospectively and had no impact to the Corporation's financial statements at the date of transition.

The consolidated statements of financial position as at January 1, 2011 and December 31, 2011 can be reconciled to the amounts reported under Canadian GAAP as follows:

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# **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

## **5. First Time Adoption of IFRS (continued):**

*Reconciliation of the consolidated statement of financial position as at January 1, 2011 (transition date)*

	Canadian GAAP January 1, 2011	IFRS Adjustments	IFRS January 1, 2011
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 53,568	\$ -	\$ 53,568
Accounts receivable, net (a)	55,932	233	56,165
Unbilled revenue	67,563	-	67,563
Inventory	7,872	-	7,872
Prepaid expenses	1,871	-	1,871
Deposits (b)	-	20,739	20,739
<b>Total current assets</b>	<b>186,806</b>	<b>20,972</b>	<b>207,778</b>
Non-current assets:			
Property, plant and equipment	449,367	-	449,367
Intangible assets	15,583	-	15,583
Deposits (b)	20,739	(20,739)	-
Regulatory assets (c)	17,140	(17,140)	-
Deferred tax assets (h)	32,540	(12,899)	19,641
<b>Total non-current assets</b>	<b>535,369</b>	<b>(50,778)</b>	<b>484,591</b>
<b>Total assets</b>	<b>\$ 722,175</b>	<b>\$ (29,806)</b>	<b>\$ 692,369</b>
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 90,888	\$ -	\$ 90,888
Income taxes payable (h)	3,418	(43)	3,375
Advance payments	2,759	-	2,759
Deferred revenue	150	-	150
Deposits payable (b)	-	20,739	20,739
Future income tax liabilities(h)	189	(189)	-
Regulatory liability for future income tax assets (h)	149	(149)	-
Regulatory liabilities(c)	39,671	(39,671)	-
Bonds payable	289,811	-	289,811
<b>Total current liabilities</b>	<b>427,035</b>	<b>(19,313)</b>	<b>407,722</b>
Non-current liabilities:			
Debentures payable	-	-	-
Deposits payable (b)	20,739	(20,739)	-
Employee post-employment benefits (i)	4,656	(160)	4,496
Regulatory liability for future income tax assets (h)	32,495	(32,495)	-
<b>Total non-current liabilities</b>	<b>57,890</b>	<b>(53,394)</b>	<b>4,496</b>
Shareholders' Equity:			
Share capital	175,691	-	175,691
Retained earnings (k)	61,559	42,901	104,460
<b>Total shareholders' equity</b>	<b>237,250</b>	<b>42,901</b>	<b>280,151</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 722,175</b>	<b>\$ (29,806)</b>	<b>\$ 692,369</b>

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

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Years ended December 31, 2012 and 2011

## 5. First Time Adoption of IFRS (continued):

*Reconciliation of the consolidated statement of financial position for the year ended December 31, 2011*

	Canadian GAAP Dec 31, 2011	IFRS Adjustments	IFRS Dec 31, 2011
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 107,127	\$ -	\$ 107,127
Accounts receivable, net (a)	59,881	299	60,180
Unbilled revenue	59,739	-	59,739
Inventory	7,527	-	7,527
Prepaid Expenses	2,267	-	2,267
Deposits (b)	-	22,693	22,693
Deferred tax assets (h)	2,419	(2,419)	-
Total current assets	238,960	20,573	259,533
Non-current assets:			
Property, plant and equipment (d,e,f,g)	465,403	463	465,866
Intangible assets (d)	18,694	(305)	18,389
Deposits (b)	22,693	(22,693)	-
Regulatory assets (c)	7,719	(7,719)	-
Deferred tax assets (h)	27,924	(13,124)	14,800
Total non-current assets	542,433	(43,378)	499,055
Total assets	\$ 781,393	\$ (22,805)	\$ 758,588
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 99,564	\$ -	\$ 99,564
Income taxes payable (h)	2,875	(971)	1,904
Advance payments	2,070	-	2,070
Deferred revenue (d,f,g)	11,143	(4,290)	6,853
Regulatory liability for future income tax assets (h)	98	(98)	-
Regulatory liabilities (c)	42,691	(42,691)	-
Deposits payable (b)	-	22,693	22,693
	158,441	(25,357)	133,084
Non-current liabilities:			
Debentures payable	317,864	-	317,864
Deposits payable (b)	22,693	(22,693)	-
Deferred contributions (f)	-	4,448	4,448
Employee post-employment benefits (i)	5,156	628	5,784
Regulatory liability for future income tax assets (h)	27,865	(27,865)	-
Total non-current liabilities	373,578	(45,482)	328,096
Shareholders' Equity:			
Share capital	175,691	-	175,691
Accumulated other comprehensive income (i)	-	(615)	(615)
Retained earnings (k)	73,683	48,649	122,332
Total shareholders' equity	249,374	48,034	297,408
Total liabilities and shareholders' equity	\$ 781,393	\$ (22,805)	\$ 758,588

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**ENERSOURCE CORPORATION**Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

**5. First Time Adoption of IFRS (continued):***Reconciliation of the consolidated statement of comprehensive income for the year ended December 31, 2011*

	Canadian GAAP Dec 31, 2011	IFRS Adjustments	IFRS Dec 31, 2011
Revenue:			
Energy sales	\$ 683,116	\$ -	\$ 683,116
Distribution (c,d,g)	108,780	12,703	121,483
Recovery of regulatory accounts (c)	7,772	(7,772)	-
Services	10,332	-	10,332
Other income (a)	14,351	65	14,416
	824,351	4,996	829,347
Operating Expenses:			
Energy purchases (c)	683,116	(4,254)	678,862
Employee salaries and benefits (d)	31,108	2,109	33,217
Materials and transportation (d)	6,298	(90)	6,208
Contract services	7,111	-	7,111
Other costs (d)	11,916	1,071	12,987
Conservation and demand management costs	9,363	-	9,363
Depreciation of property, plant and equipment (d,e,f,g)	23,863	1,679	25,542
Amortization of intangible assets (d)	2,309	(23)	2,286
Amortization of regulatory accounts (c)	7,772	(7,772)	-
	782,856	(7,280)	775,576
Results from operating activities	41,495	12,276	53,771
Non-operating revenue (expense):			
Interest income (c)	1,431	(193)	1,238
Interest expense (c)	(17,975)	728	(17,247)
Interest expense on accrued post-employment benefits (i)	-	(262)	(262)
	(16,544)	273	(16,271)
Profit before income tax expense	24,951	12,549	37,500
Income tax expense (h)	2,205	6,801	9,006
Profit for the year	22,746	5,748	28,494
Other Comprehensive Income net of income tax:			
Remeasurements of the net benefit liability (i)	-	(822)	(822)
Income tax charge (h,i)	-	207	207
	-	(615)	(615)

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

## 5. First Time Adoption of IFRS (continued):

Explanations of the effect of the transition to IFRS are as follows:

### (a) Preferred share ownership:

The Corporation recognized a financial asset equal to 3.5% of the Corporation's outstanding purchases from Enerpower Corporation that has not yet been paid as a dividend to the Corporation. As a result of this change, accounts receivable increased by \$233 as at January 1, 2011 and \$299 as at December 31, 2011.

### (b) Customer deposits reclassification:

Customer deposits have been reclassified from non-current assets and liabilities to current assets and liabilities under IFRS at the date of transition. These presentation differences between previous Canadian GAAP and IFRS have no impact on the reported comprehensive income. The amounts reclassified were \$20,739 as at January 1, 2011 and \$22,693 as at December 31, 2011.

### (c) Regulatory assets and liabilities:

Due to the absence of a rate regulated standard under IFRS, the Corporation derecognized all regulatory assets and regulatory liabilities as an adjustment to retained earnings. The Corporation derecognized the following amounts, excluding tax, under IFRS. These amounts will be recovered or refunded to/from customers through future distribution rates:

	December 31, 2011	January 1, 2011
Regulatory assets	\$ 7,719	\$ 17,140
Regulatory liabilities	(42,691)	(39,671)
Total regulatory adjustments	\$ (34,972)	\$ (22,531)

### (d) Indirect overhead costs:

The Corporation made an adjustment to expense for certain indirect overhead costs that were being capitalized under Canadian GAAP, such as general and administration costs, which were determined not to be directly attributable to the asset under IFRS. As a result of this change, PP&E and intangible assets decreased by \$2,196 and \$329 respectively as at December 31, 2011. In addition, depreciation of PP&E and amortization of intangible assets decreased by \$9 and \$23 respectively as at December 31, 2011.

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## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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### 5. First Time Adoption of IFRS (continued):

#### (e) Borrowing costs:

An allowance for the cost of funds used during construction was applied and capitalized as a component of cost of PP&E and intangible assets, where applicable, under Canadian GAAP. The capitalization rate under IFRS is the weighted average cost of borrowings on the Corporation's debt. As the result of this change, PP&E and intangible assets increased by \$4 as at December 31, 2011.

#### (f) Customer contributions:

Under IFRS, CIAC is not included as part of PP&E but is considered to be deferred contributions and is recognized over the period in which the service is to be provided. As the result of this requirement, PP&E and deferred contributions increased by \$4,448 as at December 31, 2011. The CIAC of \$50 previously recognized as amortization for the year ended December 31, 2011 has been reclassified as distribution revenue in the statement of comprehensive income.

#### (g) Derecognition:

Under IFRS an asset should be derecognized when it is disposed or when no future economic benefits are expected from its use. As a result of this change, PP&E has been reduced by \$1,833 as at December 31, 2011.

#### (h) Deferred tax assets and liabilities:

As a result of derecognizing all regulatory assets and liabilities, the Corporation was also required to make an adjustment to deferred income taxes. Deferred income tax balances have been adjusted to reflect the net impact of other timing differences stemming from the adoption of IFRS. Furthermore, deferred tax balances recorded in current assets and liabilities under Canadian GAAP were reclassified to non-current assets and liabilities, as deferred taxes are not permitted to be classified as current under IFRS.

	December 31, 2011	January 1, 2011
Future income tax liabilities current	\$ (2,419)	\$ 189
Regulatory liability for future income tax current	98	149
Deferred tax assets	(13,124)	(12,899)
Regulatory liability for future income tax non-current	27,865	32,495
Total deferred tax adjustments	\$ 12,420	\$ 19,934

The Corporation's current income taxes payable have been adjusted to reflect the impact of changes to the Corporation's profit and total comprehensive income under IFRS.



## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

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### 5. First Time Adoption of IFRS (continued):

#### (i) Employee post-employment benefits other than pensions:

The Corporation elected to adopt IAS 19R. Under IAS 19R, all actuarial gains and losses and past service costs are immediately recognized. Past service costs are recognized as an expense and actuarial gains and losses are recognized in other comprehensive income. The effect of this new accounting policy was a decrease to employee post-employment benefits of \$160 as at January 1, 2011 and an increase of \$628 as at December 31, 2011.

#### (j) Explanation of significant changes to the statement of cash flows:

Cash and cash equivalents did not change in the consolidated financial statements of the Corporation as a result of the transition from Canadian GAAP to IFRS.

The changes in classifications of cash flows under IFRS are mainly due to:

- Changes in the consolidated statements of financial position and consolidated statements of comprehensive income from Canadian GAAP to IFRS due to accounting differences that have an impact on the Corporation's financial statements
- Separate presentation of interest paid, interest received, and income taxes paid that are now disclosed within in the body of the consolidated statements of cash flows as required by IFRS. Canadian GAAP only required these items to be disclosed as supplemental cash flow information in the notes to the financial statements

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## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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### 5. First Time Adoption of IFRS (continued):

(k) Reconciliation of the consolidated statement of changes in equity:

	December 31, 2011	January 1, 2011
<b>Equity under Canadian GAAP</b>	<b>\$ 249,374</b>	<b>\$ 237,250</b>
Preferred share ownership (a)	299	233
Derecognition of regulatory assets (c)	(7,719)	(17,140)
Indirect overhead cost on PP&E (d)	(2,196)	-
Indirect overhead costs on intangible assets (d)	(329)	-
Deferred tax asset adjustments (h)	(13,124)	(12,899)
Deferred tax liability adjustment (h)	27,865	32,495
Future income tax asset/liability (h)	(2,419)	189
Regulatory liability for future income tax assets (h)	98	149
Income tax payable (h)	971	43
Derecognition of regulatory liabilities (c)	42,691	39,671
Employee post-employment benefits (i)	(628)	160
Borrowing costs (e)	4	-
Depreciation change due to CIAC and overhead (d,f)	64	-
Early derecognition (g)	(1,833)	-
Deferred revenue (f)	4,290	-
IFRS impact on retained earnings	48,034	42,901
<b>Equity under IFRS</b>	<b>\$ 297,408</b>	<b>\$ 280,151</b>

#### *Exemptions from other IFRS:*

The Corporation determined the following IFRS exemptions will not have an impact on the financial statements at the date of transition:

#### (a) Share-based payment transactions:

The Corporation does not grant shares or share options to other employees or other parties; hence this exception is not applicable to the Corporation at the date of transition.

#### (b) Insurance contracts:

This optional exemption allows a first time adopter to apply IFRS 4 Insurance Contracts ("IFRS 4") requirements prospectively to reporting periods beginning on or after January 1, 2005. This exemption is not applicable to the Corporation since IFRS 4 does not address how to account for insurance contracts by policyholders.

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

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## 5. First Time Adoption of IFRS (continued):

### (c) Employee post-employment benefits:

The Corporation elected to adopt the revised IAS 19R and thus the exemptions under IFRS 1 for employee benefits are not applicable to the Corporation at the date of transition.

### (d) Cumulative translation differences:

The Corporation occasionally has transactions in a foreign currency. In these rare occasions, the Corporation's policy is to translate the currency at the spot rate at the time of the transaction, and translate the balance using the closing rate at any subsequent reporting date, with the exchange difference recorded through profit and loss. This exemption will not apply to the Corporation at the date of transition.

### (e) Investments in subsidiaries, jointly controlled entities and associates:

Based on this exemption, a first time adopter that chooses to measure these investments at cost may choose to measure the carrying amount of the investments at the date of transition at an amount equal to:

- i. cost as determined in accordance with IAS 27; or
- ii. deemed cost, which is either fair value or the previous Canadian GAAP carrying amount.

The Corporation accounts for its investments in subsidiaries by consolidating and does not have any interest in a jointly controlled or associate entity; hence this exemption is not applicable to the Corporation at the date of transition.

### (f) Assets and liabilities of subsidiaries, jointly controlled entities and associates:

This exemption applies to subsidiaries that adopt IFRS later than the parent. The Corporation and its subsidiaries will adopt IFRS at the same time. This exemption is not applicable to the Corporation.

### (g) Compound financial instruments:

A compound instrument is a financial instrument that from the issuer's perspective includes both a liability and an equity component. If the liability component is no longer outstanding at the day of transition, IFRS 1 through this optional exemption permits a first time adopter to ignore the split between cumulative interest portion of retained earnings and the original equity component. Since the Corporation does not have any compound financial instruments, this exemption is not applicable at the date of transition.

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## **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

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### **5. First Time Adoption of IFRS (continued):**

#### **(h) Designation of previously recognized financial instruments:**

Under this exemption, a first time adopter is allowed to designate at the transition date any financial asset or liability at fair value through profit and loss or designate them as available for sale, regardless of the classification under Canadian GAAP.

The Corporation made the designation that financial assets and liabilities would be measured at fair value through profit and loss under Canadian GAAP; hence this exemption is not applicable to the Corporation at the date of transition.

#### **(i) A financial asset or an intangible asset accounted for in accordance with IFRIC 12:**

The Corporation has not entered into any service concession arrangements. None of the Corporation's current service arrangements meet the scope criteria set out in this standard; hence this exemption is not applicable to the Corporation at the date of transition.

#### **(j) Borrowing costs:**

The Corporation has elected to use the deemed cost election under IFRS 1. Since the Corporation will be using Canadian GAAP ending balances for the opening IFRS PP&E and intangible assets values, this borrowing cost IFRS 1 exemption will not apply at the date of transition.

#### **(k) Transfers of assets from customers:**

The Corporation has elected to use the deemed cost election under IFRS 1. Since the Corporation will be using Canadian GAAP ending balances for the opening PP&E and intangible assets values, the IFRS 1 exemption for transfer of assets from customers will not apply at the date of transition.

#### **(l) Extinguishing financial liabilities with equity instruments:**

The Corporation does not issue equity and would not extinguish any financial liabilities by issuing equity. This exemption is not applicable to the Corporation at the date of transition.

#### **(m) Severe hyperinflation:**

The Corporation operates only in the province of Ontario, Canada. Canada does not display the characteristics of a hyper-inflationary economy. This exemption under IFRS 1 is not applicable to the Corporation at the date of transition.

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

## 6. Cash and Cash Equivalents:

For the purpose of the statement of cash flows, cash and cash equivalents include cash at the bank, cash on hand and short term investments with a maturity of 90 days or less from the date of purchase, net of outstanding bank overdrafts.

	December 31, 2012	December 31, 2011	January 1, 2011
Cash	\$ 57,441	\$ 102,083	\$ 48,463
Short term investments	15,283	5,044	5,105
Total cash and cash equivalents	\$ 72,724	\$ 107,127	\$ 53,568

The carrying amounts disclosed above reasonably approximate fair value at the statement of financial position date. There are no restrictions, pledges or limitations to the use of the cash and cash equivalents.

## 7. Accounts receivable:

The components of accounts receivable, net are as follows:

	December 31, 2012	December 31, 2011	January 1, 2011
Trade receivables	\$ 56,500	\$ 54,928	\$ 52,836
Less allowance for doubtful accounts	(3,299)	(3,673)	(2,536)
Trade receivables, net	\$ 53,201	\$ 51,255	\$ 50,300
Receivables due from related parties (note 23)	3,358	2,621	3,093
Other receivables	8,680	6,304	2,772
Total accounts receivable, net	\$ 65,239	\$ 60,180	\$ 56,165
Of which:			
Not yet due	52,946	33,353	37,201
Past due 1 day but not more than 15	6,227	17,647	8,513
Past due 15 days but not more than 45	4,797	5,691	6,207
Past due 45 days but not more than 75	1,385	1,931	1,721
Past due 75 days but not more than 105	732	1,335	1,354
Past due more than 105 days	2,451	3,896	3,705
Less: allowance for doubtful accounts	(3,299)	(3,673)	(2,536)
Total accounts receivable, net	\$ 65,239	\$ 60,180	\$ 56,165

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## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

### 7. Accounts receivable (continued):

The allowance for doubtful accounts as at December 31, 2012 was 4.8% (December 31, 2011 – 5.8%, January 1, 2011 – 4.3%) of the total accounts receivable which includes accounts receivable, that are not yet due or past due, that the Corporation has deemed to be impaired.

### 8. Inventory:

The amount of inventory consumed by the Corporation and recognized as an expense during 2012 was \$1,849 (2011 - \$2,682). The amount of inventory that was written down due to obsolescence in 2012 was \$9 (2011 - \$20).

### 9. Deposits:

The following outlines the deposits and letters of credit/guarantees of the Corporation posted as security. The amounts are comprised of cash and cash equivalents in the form of deposits and letters of credit/letters of guarantee, under which the Corporation is contingently liable.

	December 31, 2012		December 31, 2011		January 1, 2011	
	Cash and cash equivalents	Letters of credit/guarantees	Cash and cash equivalents	Letters of credit/guarantees	Cash and cash equivalents	Letter of credit/guarantees
Customer deposits	\$ 19,732	\$ -	\$ 22,693	\$ -	\$ 20,739	\$ -
Security with the IESO	-	11,450	-	10,588	-	10,588
Security with the City of Brampton	-	4,853	-	5,026	-	5,026
Security with the City of Mississauga	-	350	-	-	-	-
	\$ 19,732	\$ 16,653	\$ 22,693	\$ 15,614	\$ 20,739	\$ 15,614

#### (a) Customer Deposits:

The Corporation collects cash and cash equivalents as deposits from certain customers to reduce credit risk.

#### (b) Security with the Independent Electricity System Operator:

Entities that purchase electricity in Ontario through the Independent Electricity System Operator ("IESO") are required to post security to mitigate the risk of their default on their expected activity in the market. The IESO could draw on this security if the Corporation failed to make payment required by a default notice issued by the IESO. The Corporation has posted a letter of credit as security in the amount of \$11,450 as at December 31, 2012 (December 31, 2011 - \$10,588, January 1, 2011 - \$10,588).

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Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

## 9. Deposits (continued):

### (c) Security with the City of Brampton:

The Corporation has posted letters of credit in the amount of \$4,853 as at December 31, 2012 (December 31, 2011 - \$5,026, January 1, 2011 - \$5,026) relating to contracts with the City of Brampton to provide routine and emergency maintenance of street lighting and related services. The City of Brampton could draw on this security by issuing a certificate demonstrating that the Corporation has failed to fulfill its obligations related to these contracts.

### (d) Security with the City of Mississauga:

The Corporation has posted a letter of credit in the amount of \$350 as at December 31, 2012 (December 31, 2011 - \$nil, January 1, 2011 - \$nil) relating to a contract with the City of Mississauga for the installation of Light Emitting Diode ("LED") streetlight luminaires and monitoring system components. The City of Mississauga could draw on this security by issuing a certificate demonstrating that the Corporation has failed to fulfill its obligations related to this contract.

## 10. Property, Plant and Equipment

PP&E consists of the following as at December 31, 2012:

	December 31, 2011	Additions/ Depreciation	Disposals/ Retirements	December 31, 2012
<b>Cost</b>				
Distribution system	\$ 352,141	\$ 28,395	\$ (1,814)	\$ 378,722
Distribution station equipment	54,071	1,775	(165)	55,681
Other PP&E	57,318	9,821	(1,750)	65,389
Buildings and fixtures	14,822	17,556	-	32,378
Land	4,069	5,823	-	9,892
Construction in progress	4,239	1,220	-	5,459
Subtotal	\$ 486,660	\$ 64,590	\$ (3,729)	\$ 547,521
<b>Accumulated depreciation</b>				
Distribution system	\$ (12,590)	\$ (13,127)	\$ 102	\$ (25,615)
Distribution station equipment	(1,684)	(1,762)	7	(3,439)
Other PP&E	(5,988)	(6,555)	691	(11,852)
Buildings and fixtures	(532)	(852)	-	(1,384)
Land	-	-	-	-
Subtotal	\$ (20,794)	\$ (22,296)	\$ 800	\$ (42,290)
Carrying amount	\$ 465,866	\$ 42,294	\$ (2,929)	\$ 505,231

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**ENERSOURCE CORPORATION**Notes to Consolidated Financial Statements  
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**10. Property, Plant and Equipment (continued):**

PP&amp;E consists of the following as at December 31, 2011:

	January 1, 2011 (Transfers)	Additions/ Depreciation	Disposals/ Retirements	December 31, 2011
<b>Cost</b>				
Distribution system	\$ 325,963	\$ 29,552	\$ (3,374)	\$ 352,141
Distribution station equipment	49,454	4,715	(98)	54,071
Other PP&E	50,832	7,874	(1,388)	57,318
Buildings and fixtures	12,451	2,371	-	14,822
Land	4,070	-	(1)	4,069
Construction in progress	6,597	(2,358)	-	4,239
Subtotal	\$ 449,367	\$ 42,154	\$ (4,861)	\$ 486,660
<b>Accumulated depreciation</b>				
Distribution system	\$ -	\$ (12,942)	\$ 352	\$ (12,590)
Distribution station equipment	-	(1,689)	5	(1,684)
Other PP&E	-	(6,325)	337	(5,988)
Buildings and fixtures	-	(532)	-	(532)
Land	-	-	-	-
Subtotal	\$ -	\$ (21,488)	\$ 694	\$ (20,794)
Carrying amount	\$ 449,367	\$ 20,666	\$ (4,167)	\$ 465,866

During 2012, \$1,869 (2011 - \$1,833), of the carrying amount of PP&E which have not been sold, have been derecognized before the end of their estimated useful lives, and have been recorded as depreciation expense on the statement of comprehensive income.

During 2012, \$952 (2011 - \$908) of the carrying amount of old conventional meters were derecognized before the end of their useful lives due to the smart metering deployment program. These costs would have been included as part of regulatory assets under Canadian GAAP. Under IFRS, this amount has been recorded as depreciation expense on the statement of comprehensive income.

During 2012, \$650 (2011 - \$289), have been included to the additions to PPE representing the borrowing cost attributable to the assets during construction, and allocated to the qualifying asset at the weighted average cost of borrowings of 5.091% (January - April 2011 - 6.498%; May - December 2011 - 5.091%).

For the period ended December 31, 2012, accrued liabilities relating to PP&E in the amount of \$6,004 (December 31, 2011 - \$6,394) have been included in additions to PP&E.

PP&E and intangible asset purchase commitments outstanding as at December 31, 2012 total \$11,760 (December 31, 2011 - \$12,800, January 1, 2011 - \$7,524).



# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

## 11. Intangible Assets:

Intangible assets consists of the following as at December 31, 2012:

	December 31, 2011	Additions/ Amortization	Disposals/ Retirements	December 31, 2012
<b>Cost</b>				
Easements	\$ 333	\$ 191	\$ -	\$ 524
Computer software	19,717	2,447	(75)	22,089
Software in development	526	478	-	1,004
Subtotal	\$ 20,576	\$ 3,116	\$ (75)	\$ 23,617
<b>Accumulated amortization</b>				
Easements	\$ -	\$ -	\$ -	\$ -
Computer software	(2,187)	(2,852)	75	(4,964)
Subtotal	\$ (2,187)	\$ (2,852)	\$ 75	\$ (4,964)
Carrying amount	\$ 18,389	\$ 264	\$ -	\$ 18,653

Intangible assets consist of the following as at December 31, 2011:

	January 1, 2011	Additions/ Amortization	Disposals/ Retirements	December 31, 2011
<b>Cost</b>				
Easements	\$ 36	\$ 297	\$ -	\$ 333
Computer software	13,743	6,073	(99)	19,717
Software in development	1,804	(1,278)	-	526
Subtotal	\$ 15,583	\$ 5,092	\$ (99)	\$ 20,576
<b>Accumulated amortization</b>				
Easements	\$ -	\$ -	\$ -	\$ -
Computer software	-	(2,286)	99	(2,187)
Subtotal	\$ -	\$ (2,286)	\$ 99	\$ (2,187)
Carrying amount	\$ 15,583	\$ 2,806	\$ -	\$ 18,389

During 2012, \$33 (2011 - \$114) has been included in the additions to intangible assets, representing the borrowing costs attributable to the assets during the development phase and allocated to the qualifying asset at weighted average cost of borrowings of 5.091% (January - April 2011 - 6.498%; May - December 2011 - 5.091%).

For the period ended December 31, 2012, accrued liabilities relating to intangible assets in the amount of \$876 (December 31, 2011 - \$730) have been included in additions to intangible assets.

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### 12. Accounts payable and accrued liabilities:

Major components of accounts payable and accrued liabilities for the years ended December 31, 2012 and 2011 consist of the following:

	December 31, 2012	December 31, 2011	January 1, 2011
Amounts due to the IESO for energy purchases	\$ 59,157	\$ 58,893	\$ 63,438
Trade payables due to related parties (note 23)	100	34	33
Other trade payables	8,720	4,390	3,990
Accrued expenses	28,895	26,434	20,501
Other non-trade payables	10,832	9,813	2,926
<b>Total accounts payable</b>	<b>\$ 107,704</b>	<b>\$ 99,564</b>	<b>\$ 90,888</b>

### 13. Income taxes:

The components of income tax expense for the years ended December 31, 2012 and 2011 were as follows:

	December 31, 2012	December 31, 2011
Current income tax expense:		
Expense for the year	\$ 3,527	\$ 5,097
Benefit arising from unrecognized tax loss	(98)	(563)
Utilization of future timing differences in the current period	(4,969)	(577)
<b>Total current income tax expense</b>	<b>(1,540)</b>	<b>\$ 3,957</b>
Deferred income tax expense:		
Reversal of temporary differences	\$ (712)	\$ 4,863
Increase in future tax rates on existing timing differences	(930)	(65)
Reduction of future timing differences	2,550	251
<b>Total deferred income tax expense</b>	<b>\$ 908</b>	<b>\$ 5,049</b>
<b>Total income tax (recovery) expense</b>	<b>\$ (632)</b>	<b>\$ 9,006</b>

The provision for income taxes differs from the amount that would have been recorded using the combined federal and Ontario statutory income tax rate. A reconciliation between the statutory and effective tax rates is provided as follows:

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

## 13. Income taxes (continued):

	December 31, 2012	December 31, 2011
Federal and Ontario statutory income tax rate	26.50%	28.25%
Income before provision for income taxes	\$ 10,333	\$ 37,500
Provision for income taxes at statutory rate	2,738	10,594
Increase (decrease) resulting from:		
Tax effect of non-capital losses for which no benefit has been recorded	(98)	(563)
Increase in future tax rates on existing timing differences	(930)	(66)
Other timing differences between accounting net income and net income for tax purposes	(2,342)	(959)
Provision for income taxes	\$ (632)	\$ 9,006
Effective income tax rate	(6.12%)	24.02%

Due to federal and provincial enacted corporate income tax rate changes, the statutory income tax rate for the Corporation decreased from 28.25% in 2011 to 26.50% in 2012.

## 14. Deferred tax assets:

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The net deferred tax asset consists of the following:

	December 31, 2012	December 31, 2011	January 1, 2011
Deferred income tax assets	\$ 14,004	\$ 14,800	\$ 19,641
Deferred income tax liabilities	-	-	-
Net Deferred income tax asset	\$ 14,004	\$ 14,800	\$ 19,641

	December 31, 2012	December 31, 2011	January 1, 2011
Property, plant and equipment and intangible assets	\$ 17,806	\$ 22,673	\$ 26,288
Timing of refund of energy variances	(9,299)	(10,937)	(8,055)
Employee post-employment benefits other than pensions	1,796	1,446	1,166
Deferred revenue	3,619	1,705	30
Other temporary differences	82	(87)	212
	\$ 14,004	\$ 14,800	\$ 19,641

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**ENERSOURCE CORPORATION**Notes to Consolidated Financial Statements  
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**14. Deferred tax assets (continued):**

At December 31, 2012, certain other subsidiaries have non-capital loss carryforwards totalling \$nil (2011 - \$372).

**15. Deferred Distribution Revenue:**

As of January 1, 2011, the Corporation, under IFRS, revised its capitalization policy and the useful lives of its depreciable assets based on an independent evaluation. The revised useful life estimates were adopted prospectively and extended the lives of many depreciable assets. Since depreciation expense is a component of approved distribution rates, Enersource Hydro deferred distribution revenue equal to the net decrease in depreciation expense. The amount of distribution revenue not earned that has been included in the statement of financial position for the year as deferred revenue was \$6,528 as at December 31, 2012 (December 31, 2011 - \$6,444).

**16. Debentures and Bonds Payable:**

	December 31, 2012	December 31, 2011	January 1, 2011
4.52 % Series A Debentures due April 29, 2021	\$ 110,000	\$ 110,000	\$ -
Deferred debt issue cost (net of accumulated amortization of \$109)(Dec. 31, 2011 \$43)	(682)	(748)	-
5.30 % Series B Debentures due April 29, 2041	210,000	210,000	-
Deferred debt issue cost (net of accumulated amortization of \$34 )(Dec. 31, 2011 \$13)	(1,367)	(1,388)	-
6.29% Borealis-Enersource Series Bonds, with Tranche 1, due May 1, 2011	-	-	290,000
Deferred debt issue cost (net of accumulated amortization of \$4,147)	-	-	(189)
<b>Net debentures and bonds payable</b>	<b>\$ 317,951</b>	<b>\$ 317,864</b>	<b>\$ 289,811</b>

The Borealis-Enersource Series Bonds matured on May 3, 2011. On April 29, 2011, the Corporation completed its private placement debt offering of \$320,000. The placement comprised of \$110,000 of Series A, 10-year debenture with fixed coupon rate of 4.52%, and \$210,000 of Series B 30-year debentures with fixed coupon rate of 5.30%. The net proceeds of

## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
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Years ended December 31, 2012 and 2011

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### 16. Debentures and Bonds Payable (continued):

the debentures were used to repay the amount owed by the corporation to Borealis Infrastructure trust and the remaining balance was used for general corporate purposes.

Interest expense for the year ended December 31, 2012 included \$16,141 (December 31, 2011 - \$17,091) in respect of interest on the debt. The amortization of the debt issue cost for the year ended December 31, 2012 was \$87 (December 31, 2011 - \$245).

The Corporation has the following material covenants associated with its long-term debt:

- (a) The Corporation will duly and punctually pay or cause to be paid payments of principal and interest to each holder of the debentures.
- (b) The Corporation will, and will cause each designated subsidiary to maintain its corporate existence (unless all of its assets are or have been conveyed to the Corporation or another designated subsidiary), and will carry on and conduct its business in a proper and efficient manner.
- (c) The Corporation will provide to the Trustee copies of (i) within 120 days of each fiscal year end of the Corporation, annual audited consolidated financial statements of the Corporation together with a report of the Corporation's auditors thereon; (ii) within 60 days of the end of the first, second and third quarters of the Corporation's fiscal year, interim consolidated financial statements. The corporation's first interim consolidated financial report prepared in accordance with IFRS for the first quarter in which such report is required to be prepared, which may be provided within 90 days of the end of such quarter.
- (d) The Corporation will, and will cause each Designated Subsidiary to, from time to time pay or cause to be paid all taxes (including transfer taxes), rates, levies, payments in lieu of taxes, assessments (ordinary or extraordinary), government fees or dues lawfully levied, assessed or imposed upon or in respect of its respective property or any part thereof or upon its income and profits as and when the same become due and payable and to withhold and remit any amounts required to be withheld by it from payments due to others and remit the same to any government or agency thereof.
- (e) The Corporation will not, and will not permit any Designated Subsidiary to, create, assume or suffer to exist any Security Interest, other than permitted encumbrances, on any of its assets to secure any obligation, unless at the same time it secures equally and rateably therewith all the debentures issued pursuant to the Trust Indenture then outstanding.
- (f) The Corporation shall not issue, incur or become liable for obligations that exceed 75% of the total consolidated capitalization.

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# **ENERSOURCE CORPORATION**

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(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

- (g) The Corporation may not amalgamate or consolidate with or merge into any other Person, or permit any other Person to amalgamate or consolidate with or merge into with the Corporation,

## **16. Debentures and Bonds Payable (continued):**

or directly or indirectly transfer, sell, lease or otherwise dispose of all or substantially all of its property or assets. Notwithstanding the foregoing, a Designated Subsidiary shall be permitted to merge with another entity provided that, after giving effect to such merger, it continues to be a Designated Subsidiary.

- (h) No default or event of default shall have occurred and be continuing, or shall occur.

The Corporation is in compliance with all credit agreement covenants and limitations associated with its debt.

## **17. Deferred Contributions:**

The continuity of deferred customer contributions in aid of construction ("CIAC") of PP&E is as follows:

	December 31, 2012	December 31, 2011	January 1, 2011
Deferred contributions, net, beginning of year	\$ 4,448	\$ -	\$ -
CIAC received	1,248	4,498	-
CIAC recognized as distribution revenue	(112)	(50)	-
Deferred contributions, net, end of year	\$ 5,584	\$ 4,448	\$ -

## **18. Employee Post-Employment Benefits:**

The Corporation elected to adopt the amended IAS 19R Employee Benefits at the date of transition. The Corporation applied the revised standard retrospectively and recognized all past service costs (unrecognized plan amendment costs) and all unrealized actuarial gains and losses at the date of transition. At the date of transition, all remeasurements included in accumulated other comprehensive income were reclassified to retained earnings.

The Corporation's retirement plan is comprised of a defined contribution plan.

In addition, the Corporation provides other employee post-employment benefits, primarily life, health and dental coverage, on a shared basis.

- (a) OMERS pension plan:

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

P-3(v)(v)

Years ended December 31, 2012 and 2011

The defined contribution plan is mandatory for all full-time employees of the Corporation from day one of employment. Under the terms of the defined contribution plan, employees contribute

## 18. Employee Post-Employment Benefits (continued):

a percentage of eligible employee earnings per year. The Corporation makes contributions for each contributing employee in amounts equal to the employee contribution. The defined contribution plan is fully vested from day one of employment.

The most recently available OMERS annual report is for the year ended December 31, 2011, which reported that the plan was 88.7% funded, with an unfunded liability of \$7,290,000. This unfunded liability will likely result in future payments by participating employers and members. The Corporation's contributions could be increased if other entities withdraw from the plan.

The Corporation expensed contributions to OMERS of \$3,564 (December 31, 2011 – \$2,953) for the year ended December 31, 2012. These amounts are included under operating expenses on the statement of comprehensive income.

### (b) Employee post-employment benefits other than pensions:

Employee post-employment benefits other than pensions are subject to periodic actuarial valuations. The Corporation has a December 31 measurement date. A valuation of the employee post-employment benefits was performed as of December 31, 2012. The next valuation of the employee post-employment benefits will be performed as at December 31, 2013.

	December 31, 2012	December 31, 2011
<b>Accrued benefit obligation, beginning of year</b>	<b>\$ 5,784</b>	<b>\$ 4,496</b>
Current service costs	479	367
Interest on accrued employee post-employment benefits	260	262
Benefits paid	(169)	(163)
Remeasurements of the post-employment net benefit liability	423	822
<b>Accrued benefit obligation, end of year</b>	<b>\$ 6,777</b>	<b>5,784</b>

### Total expense recognized in profit or loss:

	December 31, 2012	December 31, 2011
Current service costs	\$ 479	\$ 367
Interest on obligation	260	262
<b>Total Expense</b>	<b>\$ 739</b>	<b>\$ 629</b>

### Actuarial gains and losses recognized in other comprehensive income:

	December 31, 2012	December 31, 2011
Cumulative amount, January 1	\$ 822	\$ -

R-3(w)(w)

# **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

Recognized during the period	423	822
Cumulative amount, December 31	\$ 1,245	\$ 822

## **18. Employee Post-Employment Benefits (continued):**

Actuarial assumptions:

	December 31, 2012	December 31, 2011
Discount rate (beginning of year)	4.25%	5.50%
Discount rate (end of year)	3.75%	5.50%
Health care cost increases	8.50%	9.00%
Dental cost increases	4.00%	4.00%
Rate of compensation increase	3.00%	3.00%

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing to \$5,864. A 1% decrease in the assumed discount rate would result in the defined benefit obligation increasing to \$7,686.

The Corporation expects \$4,057 in contributions to be paid to its defined benefit plan in 2013.

## **19. Share Capital:**

	December 31, 2012	December 31, 2011	January 1, 2011
Authorized:			
Unlimited, Class A shares, voting			
1,000 Class B shares, no-voting			
100 Class C shares, voting			
Issued:			
180,555,562 Class A shares	\$ 155,628	\$ 155,628	\$ 155,628
1,000 Class B shares	1	1	1
100 Class C shares	20,062	20,062	20,062
	\$ 175,691	\$ 175,691	\$ 175,691

The holders of Class A shares and Class C shares are entitled to receive notice of, to attend, and to 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.



# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

R-3(x)(x)

Years ended December 31, 2012 and 2011

The holders of the Class A shares and holders of the 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

## 19. Share Capital (continued):

Board of Directors, concurrent cumulative preferential dividends at a rate per annum equal to the regulated rate of return on the rate base equity represented by each such class of shares. 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 the Class A shares and the Class C shares are together entitled to 60% 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 such class. Holders of the Class B shares are entitled to 40% 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. In 2012, a dividend of \$13,648 (2011 - \$10,622) was declared and paid to the Shareholders of the Corporation.

## 20. Change in non-cash working capital:

	December 31, 2012	December 31, 2011
<i>Operating Activities, changes related to:</i>		
Accounts receivable	\$ (5,025)	\$ (3,957)
Unbilled revenue	376	7,824
Inventory	(947)	345
Prepaid and deposits	(111)	(396)
Accounts payable	8,031	8,753
Advance payments	8	(689)
Deferred revenue	7,015	6,703
Accrued PP&E and intangible assets	244	(1,509)
Increase in non-cash operating working capital	9,591	\$ 17,074

R-3(y)(y)

## **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

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### **21. Contingencies, Commitments and Guarantees:**

The Corporation is party to a number of disputes and lawsuits in the normal course of business. The Corporation believes that the ultimate liability arising from these matters will have no material impact on the consolidated financial statements. Accordingly, no provision for any liability has been made in these financial statements.

In the normal course of operations, the Corporation executes agreements that provide for indemnification to third parties in transactions such as service agreements, leases and purchases of goods. Under these agreements, the Corporation agrees to indemnify the counterparty against loss or liability arising from the acts or omissions of the Corporation in relation to the agreement.

#### **(a) Insurance Claims:**

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 \$24,000 per occurrence. The Corporation has also obtained additional general liability insurance of \$10,000 per occurrence through Alternative Risk Services.

Enersource Hydro has been jointly named as a defendant in several actions. No provision has been made for these potential liabilities as Enersource Hydro expects that these claims are adequately covered by its insurance.

#### **(b) Environmental:**

The Corporation is subject to Canadian federal, provincial and municipal environmental regulations. As part of the Corporation's risk mitigation strategy, environmental assessments and environmental remediation are underway at various sites. The Corporation records a liability for the estimated future expenditures associated with testing and remediation of contaminated lands at various municipal substations and neighbouring properties.

## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

R-3(z)(z)

Years ended December 31, 2012 and 2011

Actual future environmental expenditures may vary from these estimates. As at December 31, 2012, the Corporation provided \$370 (December 31, 2011 - \$160, January 1, 2011 - \$217) for testing and future remediation.

### 21. Contingencies, Commitments and Guarantees (continued):

#### (c) Operating Lease Commitments:

The Corporation has entered into a commercial lease arrangement on a premise which is recognized and reported as part of other costs in the statement of comprehensive income.

For the period ended December 31, 2012, the Corporation recognized minimum lease payments of \$139 (December 31, 2011 - \$133) in the statement of comprehensive income. The lease has a life of one year with yearly renewal options. There are no restrictions placed upon the Corporation by entering into this lease. As at December 31, 2012, the Corporation's committed future minimum annual lease payments under operating leases were \$132 for 2012. The future minimum lease commitments would change depending on the decision to renew the agreement. The Corporation has numerous cancellable operating leases which are predominantly in the form of encroachment permits required to place distribution infrastructure assets on a rights-of-way or private property. The lease terms are between one and twenty years, and the amounts of these leases are immaterial and have been included in other costs in the statement of comprehensive income.

### 22. Risk Management and Financial Instruments:

The private placement debt offering, having a principal amount of \$320,000 as at December 31, 2012 (December 31, 2011 - \$320,000), has a fair value of \$384,986 (December 31, 2011 - \$376,766).

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 does not have commodity risk due to the flow through nature of energy purchases and costs and its foreign exchange risk is not considered material since the Corporation's exposure is limited to U.S. dollar cash and cash equivalents holdings of \$96 as at December 31, 2012 (December 31, 2011 - \$4, January 1, 2011 - \$103).

R-3(a)(a)(a)

## **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

Distribution rates and charges are currently based on a revenue requirement less other income, which includes interest income. The difference between actual interest income earned by the Corporation and the interest revenue reduction approved by the OEB may have a negative impact on the results of operations.

The Corporation minimizes interest rate risk by issuing long-term fixed rate debt.

### **22. Risk Management and Financial Instruments (continued):**

#### **(b) Credit Risk:**

Financial assets create credit risk that counterparties will fail to discharge an obligation, causing a financial loss.

The Corporation manages counterparties credit risk through various techniques including, limiting total exposure levels with individual counterparties consistent with the Corporation's policies, and monitoring the financial condition of counterparties. Short-term investments held as at December 31, 2012, met the credit exposure limits specified under the Corporation's Investment Policy.

The Corporation's distribution revenue is earned on a broad base of customers principally located in Mississauga. As a result, the Corporation did not earn a significant amount of revenue from any individual customer. As at December 31, 2012, there were no significant balances of accounts receivable due from any single customer.

Management believes that the credit risk of accounts receivable is not significant due to the following reasons:

- i. There is a broad base of customers with no single customer that accounts for revenue or an accounts receivable balance in excess of 10% of the respective balance in either year.
- ii. Enersource Hydro, as permitted by the OEB's Retail Settlement and Distribution System Code, may obtain a security deposit or letter of credit from customers to mitigate risk of payment default.
- iii. The percentage of accounts receivable that is past due for more than 75 days is approximately 4.9% (2011 – 8.7%) of the total net outstanding balance. (See note 7)
- iv. Enersource Hydro included an amount for accounts receivable write-offs within operating expense for rate setting purposes.

#### **(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 cash equivalents on hand,

# ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

R-3(h)(h)(b)

Years ended December 31, 2012 and 2011

funds from operations, as well as an established \$50,000 banking line of credit, if required. Short-term liquidity is expected to be sufficient to fund normal operating requirements.

The Borealis-Enersource Series Bonds matured in May, 2011 and were refinanced through a private placement effective April 29, 2011. The debentures due on the private placement mature in 2021 and 2041.

## 22. Risk Management and Financial Instruments (continued):

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
Accounts payable and accrued liabilities	\$ 107,704	-	-
Debentures payable (interest and principal)	16,097	80,484	590,764
Total	\$ 123,801	\$ 80,484	\$ 590,764

## 23. Related Party Transactions:

The Corporation's operations include the provision of electricity and services to its principal shareholder, the City. Electricity is billed to the City at the prices and terms as any other Enersource Hydro customer not with an electricity retailer. Street lighting maintenance and construction services are provided at an exchange amount, being that amount agreed to by the parties. A summary of amounts charged by the Corporation to the City is as follows:

	December 31, 2012	December 31, 2011
Electrical energy	\$ 10,031	\$ 9,415
Street lighting maintenance and construction	5,726	4,589
Street lighting energy	6,242	6,315

At December 31, 2012, accounts payable and accrued liabilities include \$100 (December 31, 2011 - \$34, January 1, 2011 - \$33) due to the City and accounts receivable include \$3,358 (December 31, 2011 - \$2,621, January 1, 2011 - \$3,093) due from the City.

At December 31, 2012, the Corporation incurred property taxes which are paid to the City in the amount of \$948 (December 31, 2011 - \$820).

R-3(c)(c)(c)

## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

The Corporation charged Borealis \$9 for the year ended December 31, 2012 (December 31, 2011 - \$9) for an access agreement. These transactions were recorded at the exchange amount being the amount agreed to by the parties.

No Director had, during or at the end of the year, any material interest in any contract of significance in relation to the Corporation's business.

### 23. Related Party Transactions (continued):

The following compensation has been provided to the key management personnel of the Corporation and members of the Board of Directors (Directors Honorarium), which have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

	December 31, 2012	December 31, 2011
Salaries and short term employee benefits	\$ 2,142	\$ 2,231
Retirement OMERS contributions	204	183
Other compensation	48	52
Directors Honorarium	179	133
	<u>\$ 2,573</u>	<u>\$ 2,599</u>

### 24. Divisional information:

The Corporation consists primarily of two operating divisions, regulated operations and non-regulated operations. Non-regulated operations are primarily comprised of engineering design, construction and maintenance services for utilities and developers and street lighting design and maintenance services.

The designation of activities to the two operating divisions is based on a combination of regulatory status and the nature of the products and services provided. The accounting policies followed by the divisions are the same as those described in the summary of significant accounting policies.

Financial information that adjusts IFRS results to show the effect of rate regulation is used by the Corporation's Board of Directors, as well as members of key Management having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. This group is determined to be the Chief Operating Decision Maker ("CODM") and it assesses operating performance principally on the basis of earnings adjusted for regulatory items as shown in the divisional information disclosed below.

# **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

R-3(c)(d)(d)

Years ended December 31, 2012 and 2011

If regulatory accounting was permitted under IFRS the Corporation's regulatory assets would represent certain amounts receivable from customers in the future and costs that have been deferred for accounting purposes because it is probable that they will be recovered in future rates. If regulatory accounting was permitted under IFRS the Corporation's regulatory liabilities would represent costs with respect to non-distribution market related charges and variances in recoveries that are expected to be settled through future distribution rates.

## **24. Divisional Information (continued):**

Year ended December 31, 2012

<b>2012</b>	<b>Enersource Hydro Regulated</b>	<b>Adjustment regulatory activities</b>	<b>Non- regulated</b>	<b>Eliminations</b>	<b>Total</b>
Energy revenues	\$ 711,877	-	-	-	\$ 711,877
Distribution revenue	112,555	(20,661)	-	-	91,894
Other revenues	17,948		9,129	(459)	26,618
	842,380	(20,661)	9,129	(459)	830,389
Energy purchases	(711,877)	7,350	-	-	(704,527)
Operating expenses	(65,219)	(335)	(8,069)	459	(73,164)
Depreciation and amortization	(27,894)	75	(149)	-	(27,968)
Interest income	1,493	(183)	331	-	1,641
Interest expense	(16,733)	771	(76)	-	(16,038)
Profit before income tax expense	22,150	(12,983)	1,166	-	10,333
Income tax (recovery) expense	2,668	(3,503)	203	-	(632)
Other comprehensive income	(292)	-	(19)		(311)
Comprehensive income at December 31	\$ 19,190	\$ (9,480)	\$ 944	-	\$ 10,654

Year ended December 31, 2011

<b>2011</b>	<b>Enersource Hydro Regulated</b>	<b>Adjustment regulatory activities</b>	<b>Non- regulated</b>	<b>Eliminations</b>	<b>Total</b>
Energy revenues	\$ 683,116	-	-	-	\$ 683,116
Distribution revenue	113,121	8,362	-	-	121,483
Other revenues	14,291		10,826	(369)	24,748
	810,528	8,362	10,826	(369)	829,347
Energy purchases	(683,116)	4,254	-	-	(678,862)
Operating expenses	(59,716)	(861)	(8,678)	369	(68,886)

P-3(e)(e)(e)

# **ENERSOURCE CORPORATION**

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

Depreciation and amortization	(27,857)	163	(134)	-	(27,828)
Interest income	1,154	(193)	277	-	1,238
Interest expense	(18,167)	725	(67)	-	(17,509)
Profit before income tax expense	22,826	12,450	2,224	-	37,500
Income tax expense (recovery)	1,838	7,051	117	-	9,006
Other comprehensive income	(577)	-	(38)	-	(615)
Comprehensive income at December 31	\$ 20,411	\$ 5,399	\$ 2,069	-	\$ 27,879

## **24. Divisional Information (continued):**

Total assets for the Corporation's two operating divisions are as follows:

	December 31, 2012	December 31, 2011	January 1, 2011
Enersource Hydro regulated	\$ 737,286	\$ 728,489	\$ 663,705
Non-regulated	30,822	30,099	28,664
	\$ 768,108	\$ 758,588	\$ 692,369

Total liabilities for the Corporation's two operating divisions are as follows:

	December 31, 2012	December 31, 2011	January 1, 2011
Enersource Hydro regulated	\$ 468,547	\$ 457,076	\$ 407,872
Non-regulated	5,147	4,104	4,346
	\$ 473,694	\$ 461,180	\$ 412,218

Total regulatory balances that have been derecognized under IFRS that will be recovered or refunded through future distribution rates are as follows:

	January 1, 2011	2011 activity	December 31, 2011	2012 activity	December 31, 2012
Regulatory assets	\$ 17,140	\$ (9,421)	\$ 7,719	\$ 2,248	\$ 9,967
Regulatory liabilities	(39,671)	(3,020)	(42,691)	8,737	(33,954)
Net regulatory liabilities	\$ (22,531)	\$ (12,441)	\$ (34,972)	\$ 10,985	\$ (23,987)

\*Net regulatory liabilities excluding timing differences of taxes as at December 31, 2012 and December 31, 2011 do not include smart meter deferral of \$966 and \$(9) respectively. Net regulatory liabilities as at December 31, 2012 does not include the write off of a PILS regulatory balance of \$1,032.



## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

R-3(f)(f)(f)

Years ended December 31, 2012 and 2011

In a rate regulated environment, there is normally a requirement from the regulator to the utility to either reduce or increase rates in a future period. Under regulatory accounting, utilities account for the impact of rate regulation through the recognition of regulatory assets and liabilities, which is the deferral of costs (revenues) to a future period to match with the higher (lower) rates recovered in that period, usually as a result of a decision approved by the regulator.

### 24. Divisional Information (continued):

In the absence of a rate regulated standard under IFRS, the Corporation does not recognize assets and liabilities arising from rate regulated activities. Since the economics of rate regulation have not changed from the adoption of IFRS, the CODM will continue to assess operating performance principally on the basis of earnings adjusted for the following significant regulatory activities:

- (i) Retail settlement variances are caused by the difference between the actual price of the electricity commodity throughput and the prices set by the OEB. Specifically, these amounts include variances between the amounts charged by Hydro One and the IESO for the operation of the electricity markets and grid, as well as various wholesale market settlement charges and transmission charges as compared to the amount billed to consumers based on the OEB-approved rates. Under regulatory accounting, the Corporation would have adjusted energy purchases for these variances. These variances will now be reflected as an increase or decrease to distribution revenue in the future under IFRS.
- (ii) Unearned revenue and costs associated with the Enersource Hydro's smart meter program, and costs relating to stranded conventional meters would have been deferred under regulatory accounting but are recognized under IFRS in accordance with the Corporation's revenue recognition policy or when expenses are incurred.
- (iii) The OEB approved two deferral accounts to record incremental costs associated with the implementation of IFRS, and any incremental costs needed to comply with Environment Canada's new regulations associated with PCBs under regulatory accounting. The Corporation's expenses these items as incurred under IFRS.
- (iv) The OEB approved a deferral account to record lost revenues associated with the delivery of CDM programs between 2011 and 2014. The Corporation will recover this revenue through future distribution rates.
- (v) The OEB approved four deferral accounts to record qualifying incremental capital investments or OM&A expenses related to the connection of renewable generation or the development of smart grid. The Corporation expenses and capitalized these items as incurred under IFRS.

R-3(g)(g)(g)

## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

Years ended December 31, 2012 and 2011

- (vi) The OEB also requires Enersource Hydro to track the difference between revenue and costs associated with providing retailers with customer settlement services as retail cost variance account deferrals. Under IFRS, this difference flows through the statement of comprehensive income as profit or loss and will affect future distribution revenue.

### 24. Divisional Information (continued):

- (vii) The difference in income taxes or PILs resulting from legislative or regulatory changes to tax rates or rules as compared to rate-setting was recorded in an OEB approved variance account in regulatory accounting. The Corporation will now recognize these differences in future periods under IFRS as an increase or decrease to distribution revenue in future periods.
- (viii) On November 27, 2009, Enersource Hydro submitted an application to the OEB to recover/refund all retail settlement variance account balances as at December 31, 2008, as well as energy variance and global adjustment variance account balances as at September 30, 2009. The net recovery of \$12,800 was approved by the OEB on January 29, 2010 to be recovered from February 1, 2010 to January 31, 2012. Under regulatory accounting, the Corporation amortizes a net regulatory asset according to the recovery of these variances. Since the Corporation does not recognize regulatory assets and liabilities under IFRS, the net recovery of these prior period variances included in revenue will not be offset by an increase in operating expenses.
- (ix) On August 17, 2011, Enersource Hydro submitted an Electricity Distributors' Deferral and Variance Account Review application to refund approximately \$40,000 in Retail Settlement Variance Accounts balances as at December 31, 2010. On December 9, 2011, the OEB released its decision and order in which it approved a two year disposition period effective February 1, 2012 of all balances as filed including interest up to January 31, 2012. Under IFRS, the net refund of these prior period variances included in revenue will not be offset by an increase in operating expenses.
- (x) The OEB requires the Corporation to accrue interest on regulatory assets and liabilities balances. Under IFRS, the net interest on these balances, once approved for recovery or refund by the OEB, either increases or decreases future distribution revenue.
- (xi) To the extent that the OEB's future actions are different from the Corporation's expectations, the timing and amount of recovery or settlement of amounts included in the adjustment for regulatory activities could be significantly different from the amounts that are eventually recovered or settled through distribution rates in the future.

### 25. Other Revenue:

## ENERSOURCE CORPORATION

Notes to Consolidated Financial Statements  
(In thousands of Canadian dollars)

R-3(h)(h)(h)

Years ended December 31, 2012 and 2011

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(a) Government grants:

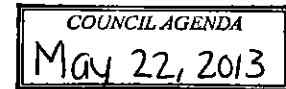
The Corporation recognized \$13,703 (\$9,952 – 2011) of OPA funding in other revenue for the year ended December 31, 2012. The Corporation recognized \$12,298 (\$9,363 – 2011) of OPA costs under operating expenses for the year ended December 31, 2012. The Corporation currently has no unfilled obligations relating to the government grants received by the OPA.

**25. Other Revenue (continued):**

(b) Compensation from third parties for items of PP&E:

The Corporation recognized \$290 (\$206 – 2011) for damage claims received from third parties relating to emergency replacement of distribution equipment.

REPORT 2 – 2013



TO: MAYOR AND MEMBERS OF COUNCIL

The Audit Committee presents its second report of 2013 and recommends:

AC-0007-2013

That the report dated March 12, 2013 from the Director of Internal Audit with respect to the 2012 Investment Audit be received for information.

AC-0008-2013

That the 2012 Audited Financial Statements for the City of Mississauga (City), City of Mississauga Public Library Board, City of Mississauga Trust Funds, Clarkson Business Improvement Area, Port Credit Business Improvement Area, Streetsville Business Improvement Area and Enersource Corporation be received.

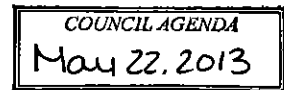
AC-0009-2013

That the 2012 External Audit Findings Report dated April 18, 2013 from the Commissioner of Corporate Services and Treasurer, which includes the Audit Findings Report from KPMG for the fiscal year 2012 for the City of Mississauga, be received for information.

AC-0010-2013

That the report dated April 23, 2013 from the City Manager & Chief Administrative Officer regarding the status of outstanding audit recommendations as of March 31, 2013 be received for information.

REPORT 5-2013



TO: MAYOR AND MEMBERS OF COUNCIL

The Governance Committee presents its fifth report for 2013 and recommends:

GOV-0023-2013

That the Council Code of Conduct for the City of Mississauga be amended by adding the following to Rule 5 – Use of City Staff, Property, Services and Other Resources:

5. No member shall include in his or her website, newsletters, E-mails or other printed material, advertising of businesses in the City, including the distribution of gift certificates, free tickets and compiling a list of businesses located in a ward. Attending and reporting the opening of a new business or a business event in the City is permissible and a Member may thank verbally or in a newsletter, a business by name or an employee of that business, which contributes to a City or ward event provided that no such recognition shall constitute an endorsement of the business, and shall not include a description of its product, its address or telephone number.

GOV-0024-2013

That the order of business for the General Committee and Council agendas be amended to include "Other Business/Announcements" and that staff include this change to the order of business for the Council agenda with the proposed amendments to the Procedural By-law 421-03 to be reported to General Committee.

GOV-0025-2013

That the listing of outstanding items presented at the May 13, 2013 meeting that were directed to staff by the Governance Committee, be received.

## REPORT 10 - 2013

COUNCIL AGENDA

May 22, 2013

TO: THE MAYOR &amp; MEMBERS OF COUNCIL

General Committee of Council presents its tenth Report of 2013 and recommends:

## GC-0302-2013

That the funding request from David Naylor, President, University of Toronto, Deep Saini, Vice-President, University of Toronto and Principal, University of Toronto Mississauga (UTM) and Professor Ulrich Krull, Vice-Principal, Special Initiatives, University of Toronto Mississauga with respect to UTM's Institute for Management and Innovation be received and referred to staff to report back to General Committee.

## GC-0303-2013

That the deputation by Syed Siraj-Ul Hassan, resident with respect to a request for an exemption to the Animal Care and Control By-law 98-04 for a pigeon enclosure at 3293 Fanleaf Drive be received.

(Ward 10)

## GC-0304-2013

1. That the report entitled, "Car Share Service Pilot Project-Year One Update" from the Commissioner of Transportation and Works, dated May 1, 2013 be received for information.
2. That the Transportation and Works Department report back to General Committee in one year with a final report on the Car Share Service Pilot Project.

## GC-0305-2013

That the Corporate Report dated April 25, 2013 from the Commissioner of Community Services entitled Mississauga Sport Tourism Strategy be endorsed in principal and referred to the budget process for implementation.

## GC-0306-2013

That the deputation by Robert Kawamoto, Mississauga Toronto West Tourism to provide an update on Mississauga Tourism be received.

## GC-0307-2013

That a by-law be enacted to amend the Property Standards By-law 654-98, as amended, to update the by-law and limit the length of time a boarded building may remain boarded, as outlined in the report from the Commissioner, Transportation and Works, dated May 1, 2013 titled "Amendments to the Property Standards By-law 654-98, as amended, to address deficiencies related to boarded buildings".

GC-0308-2013

That a by-law be enacted authorizing the Commissioner of Transportation and Works and the City Clerk to execute a Ground Lease Agreement, and all documents ancillary thereto, including amending agreements, between the Corporation of the City of Mississauga ("City"), as Landlord, and Bell Mobility Inc. ("Bell"), as Tenant, for the use of a portion of the public highway known as Premium Way, for a term of five (5) years, commencing on April 1, 2013 and expiring on March 31, 2018, to permit Bell to install and operate a telecommunication cell tower, together with three (3) options to extend of five (5) years each. The subject property is located on the south side of Premium Way, east of Stavebank Road, containing an area of approximately 34.84 square metres (375 square feet), in the City of Mississauga, Region of Peel, in Ward 7.  
(Ward 7)

GC-0309-2013

That a by-law to amend the Noise Control By-law 360-79, as amended, be enacted exempting GO Transit, a Division of Metrolinx, from Schedule 2, Column 1, Section 2 of the Noise Control By-law 360-79, as amended, for the Public Address System, located within the City of Mississauga right of way on Station Gate Road, upon the execution of a Licence Amending Agreement to permit the Public Address System.  
(Ward 4)

GC-0310-2013

That the Corporate Report dated May 1, 2013 from the Commissioner of Transportation and Works with respect to the Administrative Penalty System for Licensing and Parking Offences and a Single Source Contract Award to ParkSmart Inc. be deferred until the next General Committee meeting on May 29, 2013

GC-0311-2013

That a by-law be enacted authorizing the Mayor and Clerk to execute an Agreement between the Corporation of the City of Mississauga and her Majesty the Queen in Right of Canada, as represented by the Minister of Justice and the Attorney General of Canada to provide for the administration of parking tickets issued at Lester B. Pearson International Airport from January 1, 2013 to March 31, 2018.

GC-0312-2013

That a by-law be enacted to amend By-law 555-2000, as amended, to implement a parking prohibition anytime on the west and south sides of Barchester Court.  
(Ward 8)

## GC-0313-2013

That a by-law be enacted to implement the following temporary road closures necessary for GO Transit to complete the removal and replacement of track material and reconstruction of the railway crossings at:

1. Lorne Park Road commencing at 7:00 p.m. on Friday, May 31, 2013 and ending at 5:00 a.m. on Monday, June 3, 2013.
2. Haig Boulevard commencing at 7:00 p.m. on Friday, June 21, 2013 and ending at 5:00 a.m. on Monday, June 24, 2013.

(Wards 1 and 2)

## GC-0314-2013

1. That the 2013 net operating levy be approved at \$369,688,103.
2. That the City of Mississauga's 2013 tax ratios remain unchanged and be set as follows:

Commercial	1.409816
Industrial	1.570762
Multi-residential	1.778781
Pipeline	1.151172
Farmland	0.250000
Managed Forest	0.250000
3. That the City of Mississauga's 2013 tax rates be established as outlined in Appendix 1 to the report dated April 17, 2013 from the Commissioner of Corporate Services and Treasurer.
4. That the 2013 residential tax due dates be set for July 4th, August 1st and September 5th, 2013.
5. That the 2013 non-residential tax due date be set for August 1st, 2013.
6. That the 2013 due dates for properties enrolled in one of the City's Pre-authorized Tax Payment Plans be set based on their chosen withdrawal date.
7. That the 2013 budgets of the Clarkson, Port Credit, Streetsville and Malton Business Improvement Areas as set out in Appendix 2 requiring tax levies of \$75,000, \$594,993, \$232,102 and \$108,400 respectively, be approved as submitted, and that the necessary budget adjustments be made.



8. That the rates to levy the 2013 taxes for the Clarkson, Port Credit, Streetsville and Malton Business Improvement Areas be established as set out in Appendix 3 to the report dated April 5, 2013 from the Commissioner of Corporate Services and Treasurer.
9. That the necessary by-laws be enacted.

## GC-0315-2013

That the Purchasing Agent be authorized to sign and issue a purchase order to Dependable Truck and Tank Ltd, Brampton, ON in the amount of \$360,000.00 annual estimate (plus tax) per annum, subject to Council approval of annual operating budgets, for a period of five years for the demand service repairs and supply of parts.

## GC-0316-2013

That the Public Vehicle Advisory Committee approve the recommended changes to the requirements for taxicab model years as outlined in the report from the Commissioner, Transportation and Works, dated April 22, 2013 and titled "Amendments to the Public Vehicle Licensing By-law 420-04, as amended for Taxicab Model Years", and that the by-law be amended accordingly.

(PVAC-0009-2013)

## GC-0317-2013

That the corporate report dated April 22, 2013 from the Commissioner of Transportation and Works with respect to amendments to the Public Vehicle Licensing By-law 420-04, as amended, for Camera System Requirements in Taxicabs be received and deferred to a future Public Vehicle Advisory Committee meeting.

(PVAC-0010-2013)

## GC-0318-2013

That the fax dated April 19, 2013 from Gurvel Singh, Broker Representative with respect to hotel shuttles be received and referred to staff to prepare a Corporate Report for a later meeting date.

(PVAC-0011-2013)

## GC-0319-2013

That the Action List of the meeting held on March 25, 2013 provided to the Committee to update on the status of initiatives raised at prior meetings be received.

(PVAC-0012-2013)

## GC-0320-2013

That the report from the Commissioner of Community Services dated April 12, 2013 entitled "Shade and Furniture for Mississauga Celebration Square" be received for information.

(MCSEC-0008-2013)

GC-0321-2013

That an exemption to the ban on mechanical amusement rides, as outlined in the "Outdoor Events in the Civic District" policy 05-03-03, be approved for the 2013 Mississauga Amacon Rotary Ribfest, contingent to the event organizers compliance with all conditions and requirements set out by the City of Mississauga.

(MCSEC-0009-2013)

GC-0322-2013

That the report from the Commissioner of Community Services dated April 16, 2013 entitled "Mississauga Celebration Square 2012/13 Rink Summary" be received for information.

(MCSEC-0010-2013)

GC-0323-2013

That the report from the Commissioner of Community Services dated April 10, 2013 entitled "Assessing Televised Programming Event Opportunities for Mississauga Celebration Square" be received for information.

(MCSEC-0011-2013)

GC-0324-2013

That the verbal update provided by Melissa Agius, Manager, Mississauga Celebration Square Events on the 2013 Summer Programming Launch be received for information.

(MCSEC-0012-2013)

GC-0325-2013

That the memorandum dated April 24, 2013 from the Legislative Coordinator with respect to recommendations resulting from the City Committees of Council Structure Review that were approved by Council on April 10, 2013, be received for information.

(MCSEC-0013-2013)

GC-0326-2013

That Council be requested to pass a resolution to authorize the absence of a Mississauga Celebration Square Events Committee member who will be absent for three (3) consecutive months.

(MCSEC-0014-2013)

GC-0327-2013

1. That the PowerPoint presentation, dated May 7, 2013 and entitled "Mississauga Plastic Litter: The Prevention of Plastics from Mississauga Entering Streams, Rivers, The Great Lakes and The Ocean," by Ruwanthi Halwala, Intern, International Holistic Tourism Education Centre, to the Environmental Advisory Committee on May 7, 2013 be received and that the recommendations in Ms. Halwala's PowerPoint presentation be forwarded to the federal and provincial governments for their information and review; and

2. That the email messages dated April 23, 2013 and March 27, 2013 from Julia Morton-Marr, Founding President, International Holistic Tourism Education Centre, and Ward 8 resident, entitled "Plastics Near Highway Exits," be received.

(EAC-0015-2013)

GC-0328-2013

That the Memorandum dated April 25, 2013 from Jeff Smylie, Environmental Engineer, Environmental Services, Transportation and Works Department, entitled "Pipeline Proposals in Mississauga," be received.

(EAC-0016-2013)

GC-0329-2013

That the PowerPoint presentation, dated May 7, 2013 and entitled "Toronto's Future Weather & Climate," by Christopher LI. Morgan, PhD, Program Manager, Environment & Energy Office, City of Toronto, to the Environmental Advisory Committee on May 7, 2013 be received.

(EAC-0017-2013)

GC-0330-2013

That the Environmental Advisory Committee supports the enforcement action plan outlined in the Corporate Report dated April 24, 2013 from the Commissioner of Transportation and Works entitled "Enforcement Action Plan – Idling Control By-law 194-09."

(EAC-0018-2013)

GC-0331-2013

That the Memorandum dated April 26, 2013 from Kate Hayes, Project Leader, Restoration and Stewardship, Credit Valley Conservation, entitled "Lakeview Waterfront Connection Environmental Assessment," be received.

(EAC-0019-2013)

GC-0332-2013

That the Memorandum dated March 19, 2013 from John Calvert, Director, Policy Planning Division, Planning and Building Department, entitled "Natural Areas Survey 2012 Update," be received.

(EAC-0020-2013)

GC-0333-2013

That the Memorandum dated April 25, 2013 from Andrea J. McLeod, Environmental Specialist, Environment Division, Community Services Department, entitled "Update on the Development of a Recognition Program," be received.

(EAC-0021-2013)

GC-0334-2013

That the chart from Environment staff, with respect to upcoming agenda items and Environmental Advisory Committee (EAC) role, be received.

(EAC-0022-2013)

GC-0335-2013

That the chart dated May 7, 2013 from Julie Lavertu, Legislative Coordinator, Environmental Advisory Committee, with respect to the status of outstanding issues from the Environmental Advisory Committee, be received.

(EAC-0023-2013)

GC-0336-2013

That the email message dated May 2, 2013 from Michael Hoy, Environmental Planner, City of Brampton, entitled "City of Brampton's Natural Heritage Strategy Stakeholder Workshop," be received.

(EAC-0024-2013)

GC-0337-2013

That the proposed Corporate Policy and Procedure entitled. "Museums Collections Policy" dated April 25, 2013, be endorsed.

(MOMAC-0008-2013)

GC-0338-2013

That Council endorses that staff proceed with the Stop Gap Port Credit Ramp Project in Port Credit.

(Ward 1)

Members of Council:

It has come to our attention the unanimous decision of the Mississauga Electoral Finance Committee, MEFC, in not ordering an audit of the finances of Ms. Carolyn Parrish for the 2011 Ward 5 by-election, was upheld in a recent decision by the Hon. Madam Justice K. van Rensburg of the Ontario Superior Court.

Upon reading that decision on a local website, it is clear that the judge has requested any submissions for costs within 30 days of the decision released April 29, 2013. We encourage Council to submit a request for recovery of costs incurred on behalf of the of Mississauga and Ontario taxpayers. Mr. Vezina's appeal of the MEFC's decision does not serve a public good; rather it serves solely his own good. It is, therefore, our submission Mr. Vezina should pay the cost of adjudicating this matter and the public must be spared the expense.

Revisions to The Municipal Elections Act, MEA, provides for creation of an independent committee of qualified citizens, appointed by Council, to adjudicate an elector's complaint on irregularities about candidate's election finance returns. The committee's purpose is to provide recommendations to Council about possible breaches of the MEA. This MEC serves a secondary purpose; providing a less expensive route, than the congested court system, to hear an elector's complaint, frivolous, vexatious, unsubstantiated or otherwise.

Mr. Greg Vezina made representation to this Committee on occasions against several candidates. On all occasions, he received a hearing, supported his claims with witnesses testimony and documentary evidence. In every instance, the MEFC rejected his requests for audits. Comprehensive audits recently undertaken in other municipalities cost their taxpayers in the range of \$75-\$100,000 per audit.

**Mr. Vezina disagreed with the decision of the MEFC, and, in the case of Ms. Carolyn Parrish, appealed to Provincial Court. Mr. Vezina laid a private information charge against Ms. Parrish under the Provincial Offences Act, which was subsequently dismissed.**

The City engaged the services of one Charles Loopstra, an outside lawyer, to support the decision of MEFC at the Ontario Court of Justice. This lawyer, having not been present at the Committee hearing, was unable to answer some of Justice Duncan's questions. Since the committee had no audio or verbatim record of its proceedings, this lawyer was clearly disadvantaged. Justice Duncan ordered an audit of Ms. Parrish's election finances. Both the City and Ms. Parrish appealed Justice Duncan's decision to Ontario Superior Court, where the judgement was overturned.

A series of decisions by this Council raise several questions:

1. Why did Council hire an outside lawyer to defend the decision of its MEFC?
2. Why was the lawyer present at the MEFC not used in the Ontario Court hearings?
3. What is the total legal bill, to date, for the two Court appearances and required preparation by the outside lawyer, Mr. Charles Loopstra?
4. What is City's position on recovering costs now being borne by Mississauga and Ontario taxpayers?

We intend to delegate Council Wednesday May 22, 2013 and sincerely hope the answers to our questions will be available at that time.

The Election Finance Committee system envisioned in the MEA appears to be functioning very well in other jurisdictions. We are concerned it is not doing so here in Mississauga.

Respectfully,

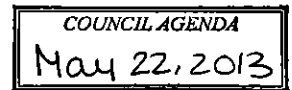
Cecil Young and Mark Cashin

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I-2

May 7, 2013

"RECEIVED"



Attention City Clerk

'13 MAY 10 P1:21

My name is Marian Hojsan and I live at Oak Row Crescent, Mississauga, Ontario. I am a member of the Canadian Racing Pigeon Union, a not-for-profit organization that promotes the sport of pigeon racing in Canada. I have been a member now for 2 years, in good standing. I have been recently contacted by a City of Mississauga By-Law Officer and advised that my racing pigeon enclosure is located within 6.1 meters of the property line. I was not aware of this by-law and do apologize. I am willing to work with your office to accommodate this by-law if need be. I would like to request an exemption of 3 meters as opposed to 6.1 meters as 6.1 meters would place the enclosure in the center of my yard. My loft is well-kept, cleaned once a day and all birds are exercised according to the City of Mississauga By-Laws.

Thank you for your consideration,

Marian Hojsan

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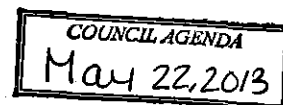
I-3

Minister of State  
(Science and Technology)  
(Federal Economic Development  
Agency for Southern Ontario)



Ottawa, Ontario K1A 0H5

Ministre d'État  
(Sciences et Technologie)  
(Agence fédérale de développement  
économique pour le Sud de l'Ontario)



MAY 01 2013

Her Worship Hazel McCallion  
Mayor of the Corporation of the  
City of Mississauga  
300 City Centre Drive  
Mississauga, Ontario L5B 3C1

MSC 0007019

Dear Madam Mayor:

Thank you for your letter of February 12, 2013, requesting an extension on the completion date for the City of Mississauga's projects funded under the Community Infrastructure Improvement Fund (CIIF).

The CIIF was announced in Budget 2012 committing \$150 million nationally over two years to support repairs and improvements to existing community facilities. In Ontario, more than 1,800 applications were submitted, requesting more than \$395 million in CIIF funding. Through the CIIF, the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) is supporting nearly 430 projects across Ontario and I am pleased that the City of Mississauga was approved for the Don McLean Westacres outdoor pool and the Streetsville Main Street Square projects.

As the program was intended to be a temporary, short-term economic stimulus measure, all project applications were assessed based on program guidelines which included the ability to complete construction by March 31, 2014. As per the terms of the City's funding agreements, projects are to confirm substantial completion by this time and costs are only eligible between April 1, 2012 and March 31, 2014.

Once again, thank you for taking the time to write and please accept my best wishes.

Yours sincerely,

The Honourable Gary Goodyear, P.C., M.P.

*Great to see you @*

**RECEIVED**

REGISTRY No. 1334

DATE MAY 07 2013

FILE No. 13/020

**MAYORS OFFICE**

Canada

I-3(a)



OFFICE OF THE MAYOR

February 12, 2013

The Honourable Gary Goodyear  
Minister of State  
Federal Economic Development Agency for Southern Ontario  
155 Queen Street  
14<sup>th</sup> Floor  
Ottawa, Ontario  
K1P 6L1

Dear Mr. Minister:

On behalf of the residents of Mississauga I thank you and your government for awarding the City of Mississauga funding under the Community Infrastructure Improvement Fund (CIIF). With almost \$2 million dollars in federal funding we will be able to complete two important projects. The first project will see Don McLean Westacres outdoor pool, a facility that is over 40 years old, updated and refurbished to today's standards. The second project will see the Streetsville Main Street Square, the central gathering place for this community, rehabilitated and made more accessible for the community's use. We are looking forward to the completion of both of these exciting projects.

As you are aware the application deadline for the CIIF program was August 24, 2012. The City of Mississauga received confirmation of our two approved projects on December 5, 2012. The four month gap between the application submission deadline and the confirmation of our approval meant that valuable construction time was lost on both projects. The time lost between August and December makes both the Program Completion Date of March 31, 2014 and the Final Report Date of June 30, 2014 a significant challenge for us to meet. While we will work diligently to meet both of these dates, I am requesting that the Program Completion Date be changed to October 31, 2014, to afford us another complete construction season for the projects, and the Final Report Date be changed to February 1, 2015. These dates provide us with the right amount of time to complete both projects in an economical, safe and complete manner ensuring the proper community engagement happens along the way.



THE CORPORATION OF THE CITY OF MISSISSAUGA  
300 CITY CENTRE DRIVE, MISSISSAUGA, ONTARIO L5B 3C1  
TEL: (905) 896-5555 FAX: (905) 896-5879

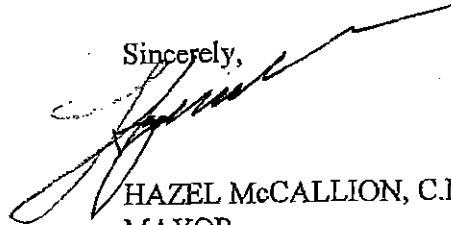


I-3(b)

-2-

Should you have any questions or require any further information about my request please do not hesitate to contact my office or our Commissioner of Community Services, Paul Mitcham at (905) 615-3200, ext. 3100.

Sincerely,



HAZEL MCCALLION, C.M., L.L.D.  
MAYOR

cc: Stella Ambler, MP, Mississauga South  
Brad Butt, MP, Mississauga Streetsville  
Members of Council  
Leadership Team

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	<input type="checkbox"/> Report

I-4

Ministry of Education

Ministère de l'Éducation

Minister

Ministre

Mowat Block  
Queen's Park  
Toronto ON M7A 1L2  
Telephone 416 325-2600  
Facsimile 416 325-2608

Édifice Mowat  
Queen's Park  
Toronto ON M7A 1L2  
Téléphone 416 325-2600  
Télécopieur 416 325-2608



**RECEIVED**

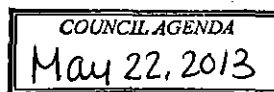
**REGISTRY No.**

**DATE** MAY 10 2013

**FILE No.**

**MAYORS OFFICE**

May 8, 2013



Her Worship Hazel McCallion  
Mayor  
The Corporation of the City of Mississauga  
300 City Centre Drive  
Mississauga ON L5B 3C1

*Hazel*  
Dear Mayor McCallion,

Thank you for your correspondence about municipal election administration. I am pleased to respond.

Your letter on behalf of the Council of the City of Mississauga requests that the government make legislative changes to ensure that school boards designate a municipal election day as a professional activity day, thereby ensuring that board facilities would be available for use as polling stations.

There are a limited number of designated professional activity days during the school year to accommodate opportunities for staff to enhance their professional growth, with a focus on improving learning and achievement for all students. Local boards have autonomy to determine the specific calendar dates for these days under *The Education Act*, Regulation 304:4(1). Every board in the province is required to submit a proposed school year calendar to the Ministry of Education for approval by May 1.

As you know, many school sites are used as polling stations. Dialogue between the local boards and City Council might bring attention to how the Council's request could be applied. We encourage your office to contact the local boards directly to hold discussions at the local decision-making level.

Thank you again for writing about this matter.

Sincerely,

Liz Sandals  
Minister  
01-2253

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<input type="checkbox"/> Community Services <input type="checkbox"/> Corporate Services	For <input type="checkbox"/> Appropriate Action <input checked="" type="checkbox"/> Information
<input type="checkbox"/> Planning & Building <input type="checkbox"/> Transportation & Works	<input type="checkbox"/> Reply <input type="checkbox"/> Report

I-4(a)



OFFICE OF THE MAYOR

February 12, 2013

The Honourable Liz Sandals  
Minister of Education  
14<sup>th</sup> Floor, Mowat Block  
900 Bay Street  
Toronto, Ontario  
M7A 1L2

Dear Madam Minister:

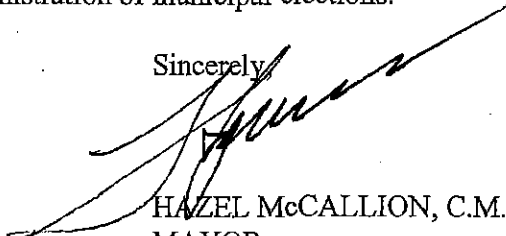
Re: Recommendations with Respect to Municipal Election Administration

The Council of the Corporation of the City of Mississauga at its meeting on February 6 2013, adopted the enclosed recommendation regarding the recommendations in the Corporate Report dated January 14, 2013 entitled 2010 Municipal Election and 2011 By- Election Review.

I am enclosing a copy of the Corporate Report dated January 14, 2013 entitled 2010 Municipal Election and 2011 By- Election Review. The City of Mississauga is requesting that the Province of Ontario and the School Boards consider implementing part three (3) of the recommendation which requests that the School Boards deem election day a Professional Activity Day (P.A. Day) to ensure that all School Board facilities are available for use as polling locations during municipal elections.

On behalf of the members of Council, I urge you to take action and make the necessary legislative changes to improve the administration of municipal elections.

Sincerely,



HAZEL McCALLION, C.M., LL.D.  
MAYOR



THE CORPORATION OF THE CITY OF MISSISSAUGA  
300 CITY CENTRE DRIVE, MISSISSAUGA, ON L5B 3C1  
TEL: 905-896-5555 FAX: 905-896-5879  
mayor@mississauga.ca

cc: ✓ The Honourable Linda Jeffrey, Ministry of Municipal Affairs and Housing  
✓ Mississauga MPPs  
Members of Council  
✓ Association of Municipalities of Ontario (AMO)  
✓ J. Kostoff, Director of Education, Dufferin- Peel Catholic District School Board  
✓ T. Pontes, Director of Education, Peel District School Board

Enc.

I- 4(c)



RECOMMENDATION GOV-0007-2013  
adopted by the Council of  
The Corporation of the City of Mississauga  
at its meeting on February 6, 2013

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GOV-0007-2013

1. That the report dated January 7, 2013, from the Commissioner of Corporate Services and Treasurer, titled "2010 Municipal Election and 2011 Municipal By-Election Review" be received.
2. That Council request that identification standards for electors be established by the Federal Government for use by the Provincial and Municipal Governments during elections.
3. That the Peel District School Board and Dufferin- Peel Catholic District School Board be requested to deem election day as specified in the *Municipal Elections Act 1996*, a Professional Activity Day (P.A. Day) to ensure that all School Board facilities are available for use as polling locations during Municipal Elections.
4. That enforcement measures and fees and charges for contravention of the Sign By- law be reviewed and that staff report back prior to 2014.
5. That opportunities to increase staff participation on Election Day be explored.
6. That staff report back to Governance Committee on the AMCTO review of the Voters' List, once the final report is released
7. That the matter of an amendment to the Election Campaign Finances Committee procedure be deferred pending a report from staff to review the feasibility of a dedicated oversight body to review election expenses of all candidates running for municipal office.

# ARMY, NAVY AND AIR FORCE VETERANS IN CANADA

FOUNDED 1840

I-5

All communications Must Be Addressed

To: Secretary – Carol Downey  
ANAF Lakeview 262  
765 - Third Street  
Mississauga, Ont..  
L5E 1B8

April 19, 2013



President - Norm Lemay  
Vice President – Roger Hamberg  
Vice President – Don Jowett  
Treasurer – Rick Embury  
Secretary – Carol Downey

COUNCIL AGENDA

May 22, 2013

City Clerk  
City of Mississauga  
300 City Centre Dr  
Mississauga, On L5B 3C1

Dear Sir/Madam,

The Army, Navy and Air Force Veterans in Canada, Branch Lakeview Unit 262, will be holding our annual Canada Day Celebration on July 1, 2013. This celebration of Canada Day is open to all our members, their families and the general public. As our Club Room is only for members and their guests over the age of 19 years, we are applying for an extension liquor permit to have a beer facility on our premises. The area will be approximately 62metres X 20metres not including our outside patio.


We will be serving hot dogs, hamburgers, chips and pop from a different location on the premises. The meat will be bought from European Meats. We will have live entertainment, music etc. We expect to have approximately 250 people attending this celebration. There will be security on the premises to help insure the day goes smoothly and can be enjoyed by all.

We have been informed that we need a Letter of Non-Objection from your office. Please fax the required letter to Norm Lemay at \_\_\_\_\_ or email to \_\_\_\_\_

The contact person for this event is Norm Lemay, President at telephone # \_\_\_\_\_

The Executive Team of Lakeview, Unit 262 would like to thank you in advance for considering our application for a permit.

Yours in Comradeship,

  
Carol Downey,  
Secretary,  
ANAF, Lakeview, Unit 262

<input checked="" type="checkbox"/> Receive	<input checked="" type="checkbox"/> Resolution
<input type="checkbox"/> Direction Required	<input type="checkbox"/> Resolution / By-Law
<input type="checkbox"/> Community Services	For
<input type="checkbox"/> Corporate Services	<input type="checkbox"/> Appropriate Action
<input type="checkbox"/> Planning & Building	<input type="checkbox"/> Information
<input type="checkbox"/> Transportation & Works	<input type="checkbox"/> Reply
	<input type="checkbox"/> Report

Existing Fence

Lane way

Existing Licenced area

Army Navy & Airforce Veterans in Canada Unit 262  
Memorial Hall  
765 Third Street

Temporary Fence

Patio

Temporary  
Fence

Existing Fence

Controlled  
Entrance

Food  
Hamburgers  
Hot Dogs

Pop Chips

Stage

Bar

Temporary Fence

Existing Fence

62m

$20 \times 62 = 1240$  cubic meters  
Approx 250 People Expected to attend

THIRD STREET

I-5(a)

30m

26  
m

Carmela Radice

**From:** Mel Lee  
**Sent:** 2013/05/08 4:56 PM  
**To:** Katie Mahoney; Marcia Taggart; Ben Phillips; Ed Sajecki; Mary Ellen Bench; Carmela Radice; Debbie Thomson; Diana Haas; Angela DiLegge; Nando Iannicca; George Carlson

**Cc:**

[REDACTED]

**Subject:** Urgent Planning to review on record. Dunpar Mississauga serious considerations and questions

**Attachments:** Roof top balconies on 5th floor, 4th and 2nd floor balconies, wooden decks combustible.jpg; Hot Tub on 5th floor flat roof top extreme overlook.jpg; Many for sales guests park on lanes block traffic.jpg; Guest park in front to enter versus rear tandem garage.jpg; Parking in front of Tandem Garages can block EMR.jpg; Planter box roof water issues with drainage.jpg; Roof top balconies on 5th floor, 4th and 2nd floor balconies, wooden decks combustible.jpg

Hi Katie and Ben et Al.. 7 attachment photos in assistance to city and residents

The following notes are provided for Council and Planning to respond to when reviewing Mississauga Road proposed new plans. Residents are concerned and want to help

As before residents want this on record with council as you did gratefully Katie on the fire concerns with the 40 cars parked under the wooden decks behind the high wooden fence.

Ben, most of this information you must have observed or became aware of from your visits with Dunpar on staff to their 4 and 5 storey 114 unit towns on Kipling north of highway 7.

When you went into the units on the golf course easterly side you no doubt took the optional small elevator from the garage to the top roof or the 5th floor. The seller of the unit I was in called it 5th as did the buttons. The 13.5 foot wide unit I saw has a 5th floor roof top hot tub that this owner/speculator had installed. He is asking \$839,000



I-6(a)

but it is well decorated with options galore. He will do well if sold as I suspect he and his partner bought in early.

Please note over 500 trees apparently cut for this project. There are no overlooks on the east ( golf course far away ) north ( same ) or south as these are Dunpar detached new homes

The long line of towns facing the street, with street parking is like Mississauga Road except Kipling is designated main arterial, 4 lane, not 2 lane scenic. Mississauga Road

**1. Will 5th floor balconies be allowed in any of the units in Mississauga and if so which ones? Why if allowed as they further affect privacy overlook transition?**

Other residents I met advised me of the following if purchasing. There were quite a few units for sale by the way.

I was told by a lady with carriage that this development was more suitable to young professionals only as there was little area for children to play; that the stairs in the front hallway were steep so that unless an elevator was purchased it would be a challenge for both kids and seniors. I was careful not to slip on the steep entrance hardwood stairs when leaving.

The small expensive elevator ( free? to early buyers ) would be tight for a walker folded out is what the seller suggested. So not good for our moms/dads! Wheel chair hello!

The maintenance fee of \$235 a month included garbage collection on Tuesdays by an independent contractor yet taxes were still paid to the city for services. You can check into that.

In winter the snow piled up until they found a corner piece on the north near the dead pines to store it I was told. Pushing it onto city streets was illegal. Are fines on record?

**2. Where will the snow be stored or pushed at Mississauga especially with the ravine and the affect raw salt would have on the CVCA Mullet Creek water and trees?**

The eaves troughs are designed to flow rain and snow melt into the planter boxes in front of each unit. In a few cases the stone work did not support the volume so it flows at free will. One picture shows it routed with trough out the front to the electrical box. As many roofs are flat decks with asphalt is there harmful residue that flows off them?

**3. How has planning addressed water flow and possible salt, flat roof tile asphalt contamination's or safety issues with water run off and grade/roof issues in winter?**

With the tandem garages the seller advised that many people parked in the guest parking spots. On weekends " Al " a home owner on the west side of Kipling said you can take a picture of all the cars parked along Kipling to use the front door entrances, as guest in particular do not want to be invited into the house from the back door tandem garage entrance.

If you check with the local fire department they may have some thoughts on entry to the property centre court with even a small fire truck when guest visitation and parking are high.

You may want to check the accident records of frequency and occurrence/ severity of vehicles coming out of the commune onto Kipling at Hurricane Street? ( Hazel in Vaughn? )

**4. With anticipated parking issues due to tandem garages (who totally uses their garage) multi guests visits of communities, how is illegal parking going to be controlled?**

**5. Who will pay for the barrier gates and control of illegal parking on the Heritage House lot on the east of Mississauga Road?**

**6. Who will pay for LTC Home parking control and gate control?**

**7. Based on the incidents on Kipling at the exits we expect the city to provide details of projected traffic accident probabilities?**

**8. Will the city put no parking signs on Badminton Drive, monitor same daily and on week ends and pay for all associated cost?**

**9. Who will be liable should there be an issue with fire trucks getting into the property with residents and guests overflow on limited space especially when**

I-6(c)

snow is piled up over parking spots or big family events or student parties are in progress?

10. Has planning done studies on all the noise and pollution issues of all these vehicles and air conditioners and when can we see them? Shadow studies to please?

Additional for your awareness:

Another seller talked openly about noise issues of all the air conditioners so we trust planning will do thorough studies on the affect on the LTC Home of both AC and vehicle noise from all those cars parked onther the wooden decks behind the "Berlin" extra high fence expected if legal as used on the hydro lines side aat Burnhamthorpe. The mail is only delivered to the towns along Kipling since the union rejected door to door. Apparently the postal worker dodges ice melt off the peaked roofs along Kipling as the homeowner on the west side AI has witnessed. Dunpar apparently had workers holding hands trying to clear it so it would not fall on the sidewalk and hurt anyone.

This could be the same for the Semis with seniors walking along Mississauga Road and throughout the compound. We are warned!

The EMR Ambulance, Fire Truck and Police picture was taken at the courner of Badminton and Mississauga Road this week. One can imagine if this were to take place on the narrower roads with owner and guest parking in the planned 5 storey (4 plus rooftop balcony if committe of adjustment filed/ approved) townhouse development

We await your swift reply on the serious issues raised in questions 1 to 10 inclusive.

Please confirm as before this is documented by council for the records.

We trust this will aid council and planning in doing their homework as our mayor repeately states with informed decision making prior to granting a general bi law for 65 of these units over intensifying our namesake road.

**Mississauga Residents for the Preservation of Low density and the Environment off Scenic Historic Mississauga Road**

<input checked="" type="checkbox"/> Receive	<input type="checkbox"/> Resolution
<input type="checkbox"/> Direction Required	<input type="checkbox"/> Resolution / By-Law
<input type="checkbox"/> Community Services	For
<input type="checkbox"/> Corporate Services	<input type="checkbox"/> Appropriate Action
<input type="checkbox"/> Planning & Building	<input checked="" type="checkbox"/> Information
<input type="checkbox"/> Transportation & Works	<input type="checkbox"/> Reply
	<input type="checkbox"/> Report

I-6(d)

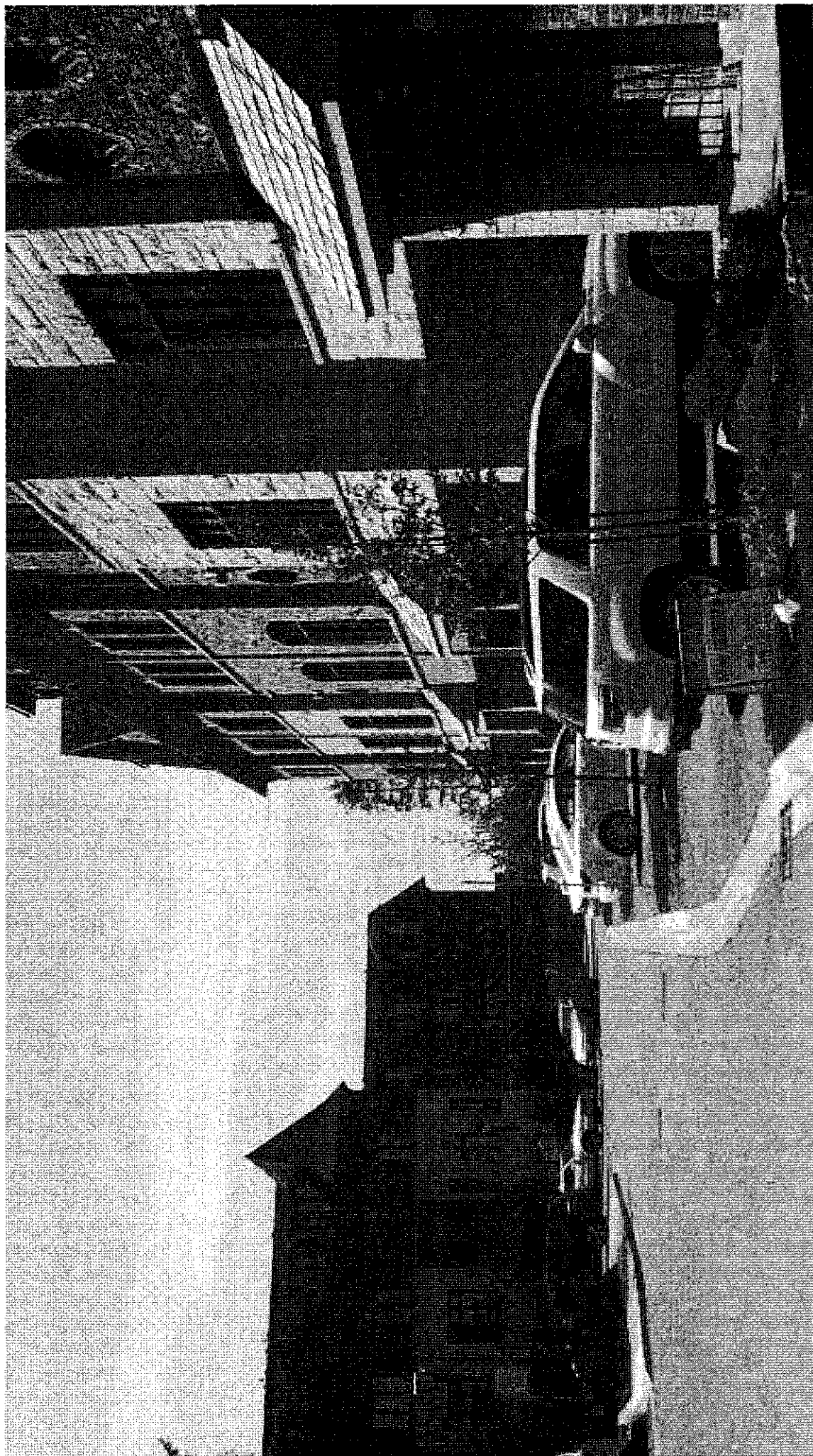


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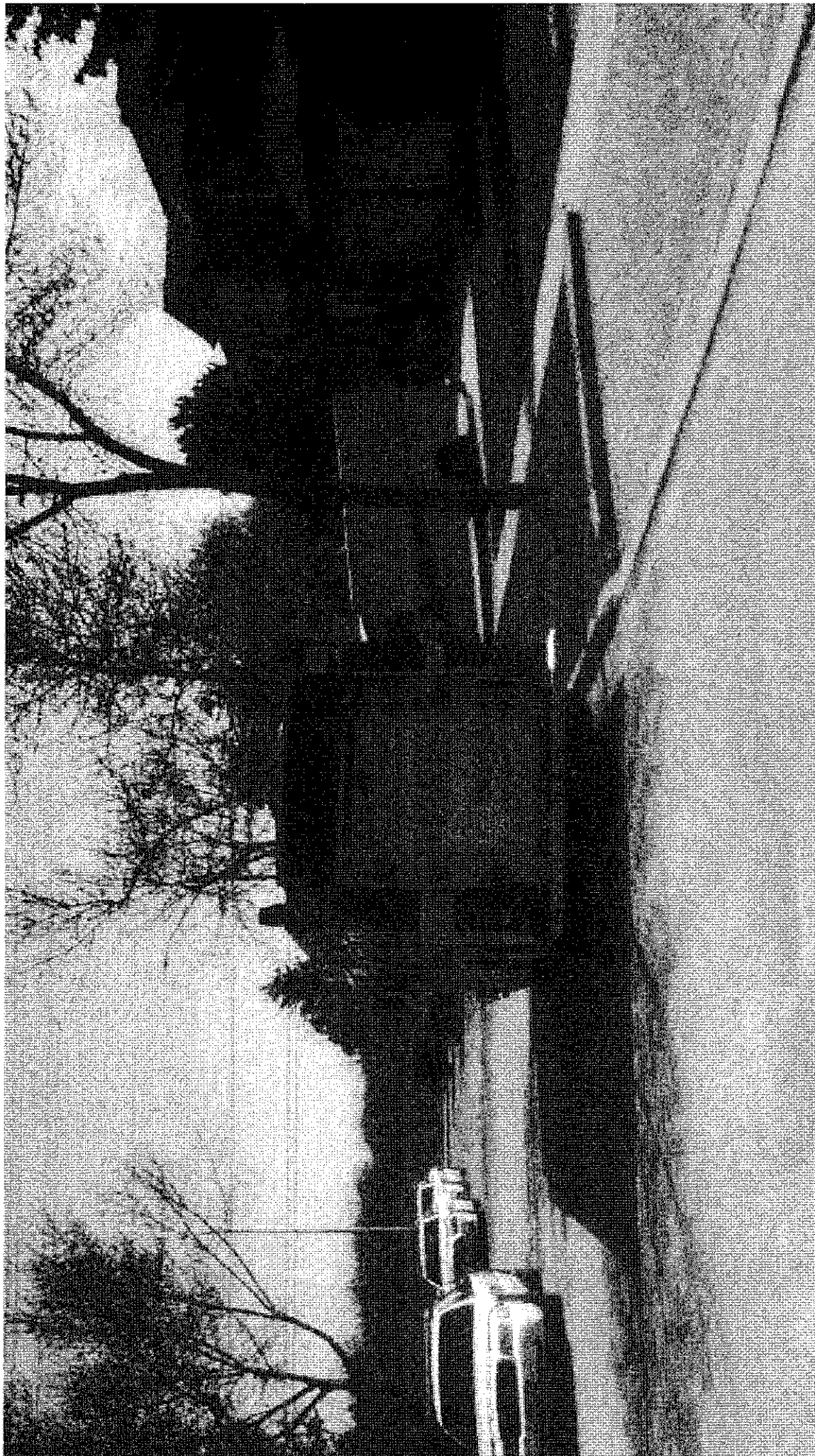




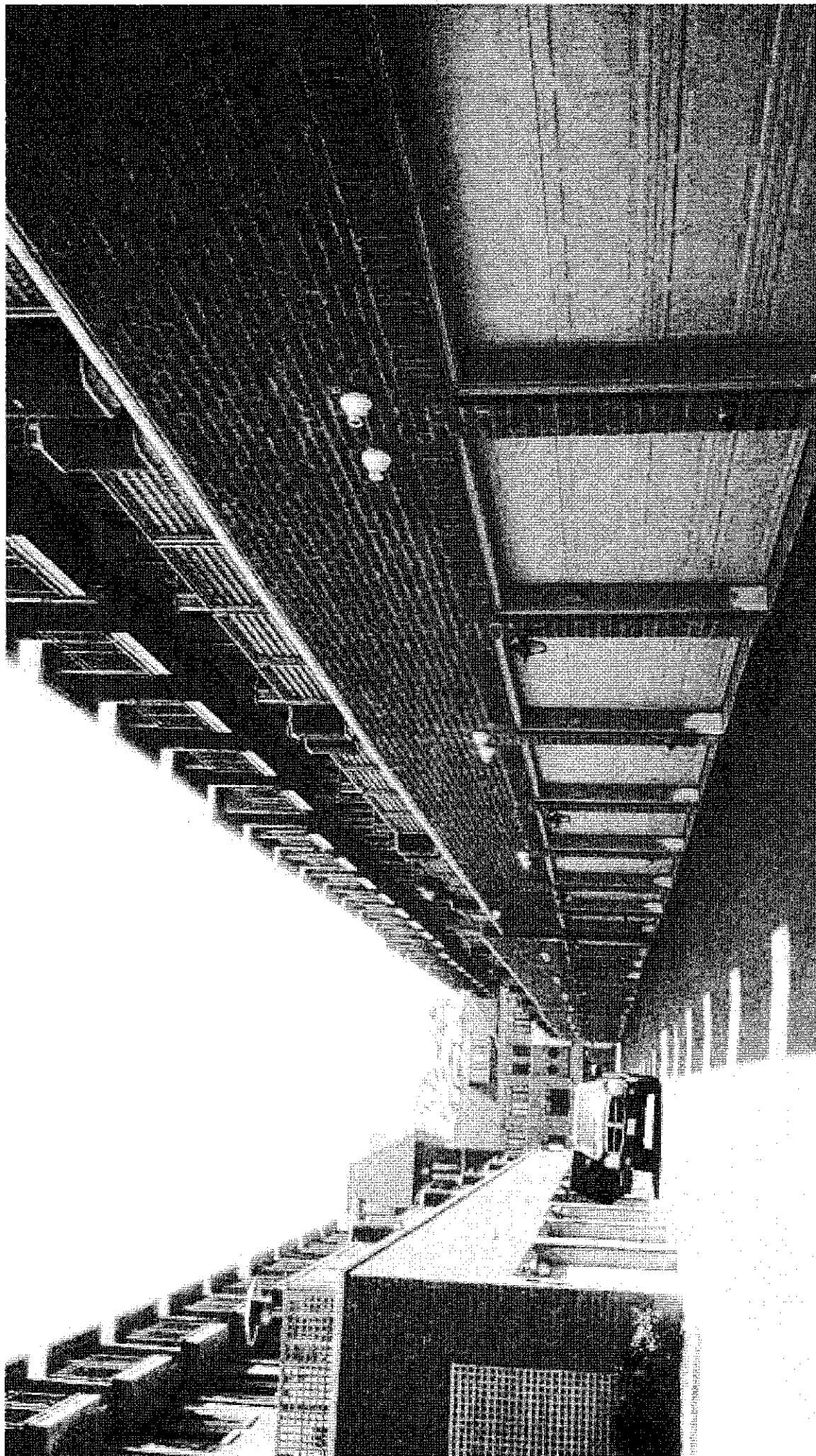
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I-6(g)

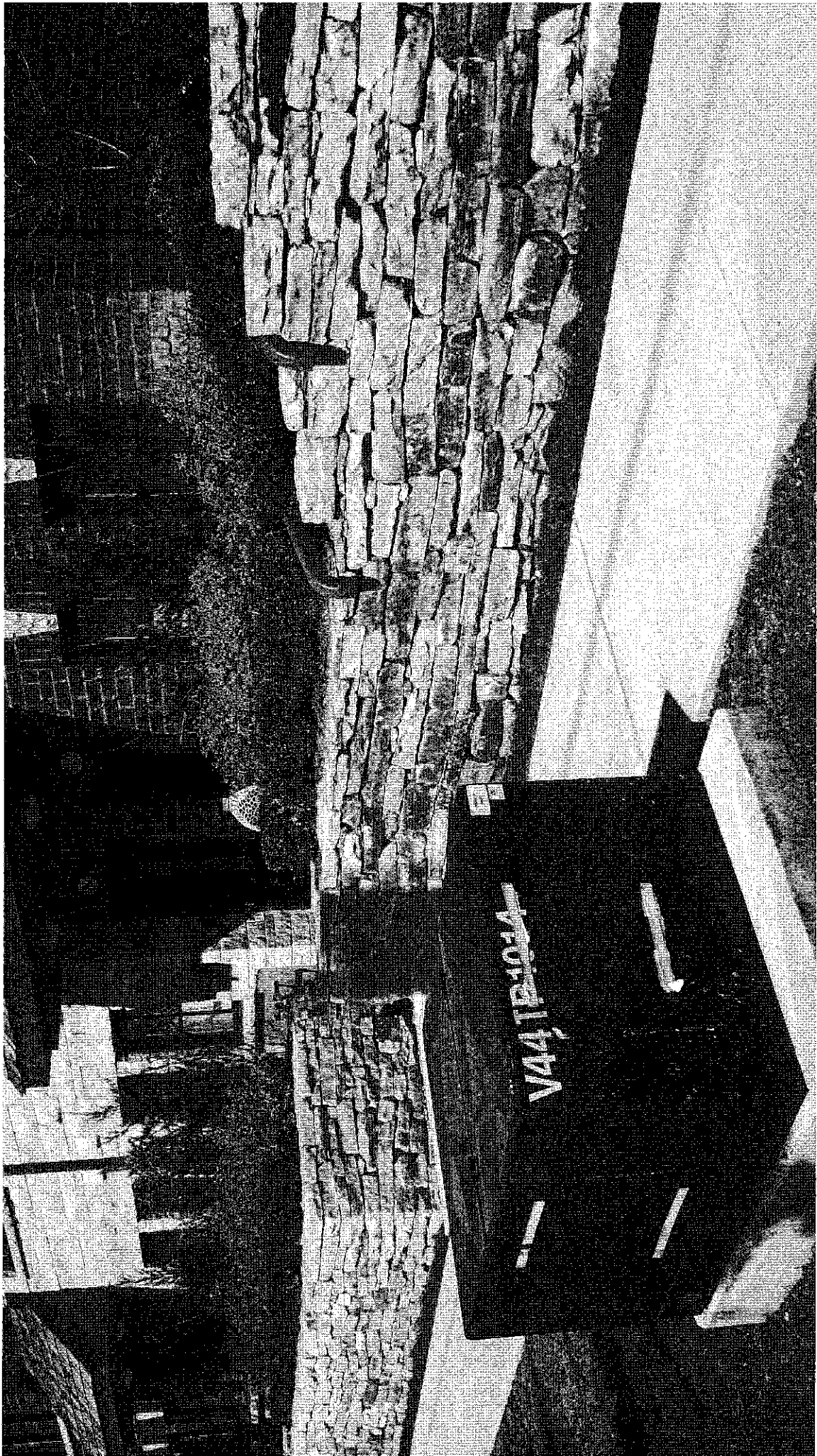


I-6(h)





I-6(i)



I-7



COUNCIL AGENDA  
May 22, 2013

May 8, 2013

Sent via email: [mayor@mississauga.ca](mailto:mayor@mississauga.ca)

Mayor Hazel McCallion  
City of Mississauga  
300 City Centre Drive  
Mississauga, ON L5B 3C1

Dear Mayor McCallion:

This will acknowledge receipt of your letter and Council's adopted motion GOV-0018-2013. Your correspondence has been shared with the Ministry as part of its own review of the *Municipal Elections Act*.

Some of the municipal sector's submissions have called for clarity of regulatory provisions which may contribute to better information for all candidates.

We appreciate the suggestions of Council and will follow up with the Ministry.

Yours Truly,

Pat Vanini  
Executive Director

**RECEIVED**

**REGISTRY No.**

**DATE** MAY 08 2013

**FILE No.** 13/035  
**MAYORS OFFICE**

<input checked="" type="checkbox"/> Receive	<input type="checkbox"/> Resolution
<input type="checkbox"/> Direction Required	<input type="checkbox"/> Resolution / By-Law
<input type="checkbox"/> Community Services <input type="checkbox"/> Corporate Services	For <input type="checkbox"/> Appropriate Action <input checked="" type="checkbox"/> Information
<input type="checkbox"/> Planning & Building <input type="checkbox"/> Transportation & Works	<input type="checkbox"/> Reply <input type="checkbox"/> Report

I-7(a)

Left via May 7/13



OFFICE OF THE MAYOR

March 13, 2013

Ms. Pat Vanini  
Executive Director  
Association of Municipalities of Ontario  
200 University Avenue  
Suite 801  
Toronto, Ontario  
M5H 3C6

Dear Ms. Vanini:

Re: Improving Communication and Education for Municipal Election Candidates

The Council of the Corporation of the City of Mississauga at its meeting on March 6, 2013, adopted the enclosed recommendation with respect to improving communication and education for municipal election candidates.

On behalf of the members of Council, I am requesting that the Association of Municipalities of Ontario (AMO) support the City of Mississauga's request to the Province to improve the information available for municipal election candidates. The municipal elections guide in many cases is not clearly understood and candidates need to be provided with more education and resources to adhere to their roles and responsibilities as mandated under the *Municipal Elections Act*. Providing an interactive website where candidates have the opportunity to ask questions and receive quick answers, webinars and live chats are examples of tools that could provide candidates with training and maintain a consistent message.



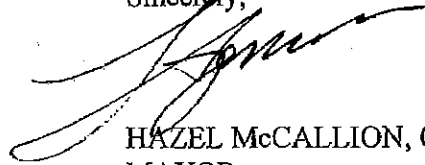
THE CORPORATION OF THE CITY OF MISSISSAUGA  
300 CITY CENTRE DRIVE, MISSISSAUGA, ON L5B 3C1  
TEL: 905-896-5555 FAX: 905-896-5879  
mayor@mississauga.ca

I-7(b)

-2-

I trust you will consider our request in an effort to improve communication and resources for municipal election candidates and I look forward to receiving your favourable reply.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hazel McCallion', written over a horizontal line.

HAZEL McCALLION, C.M., LL.D.  
MAYOR

cc: Mississauga MPPs  
Members of Council  
Brenda Breault, Commissioner of Corporate Services and Treasurer  
Crystal Greer, Director of Legislative Services and City Clerk

Enc.

I-7(c)

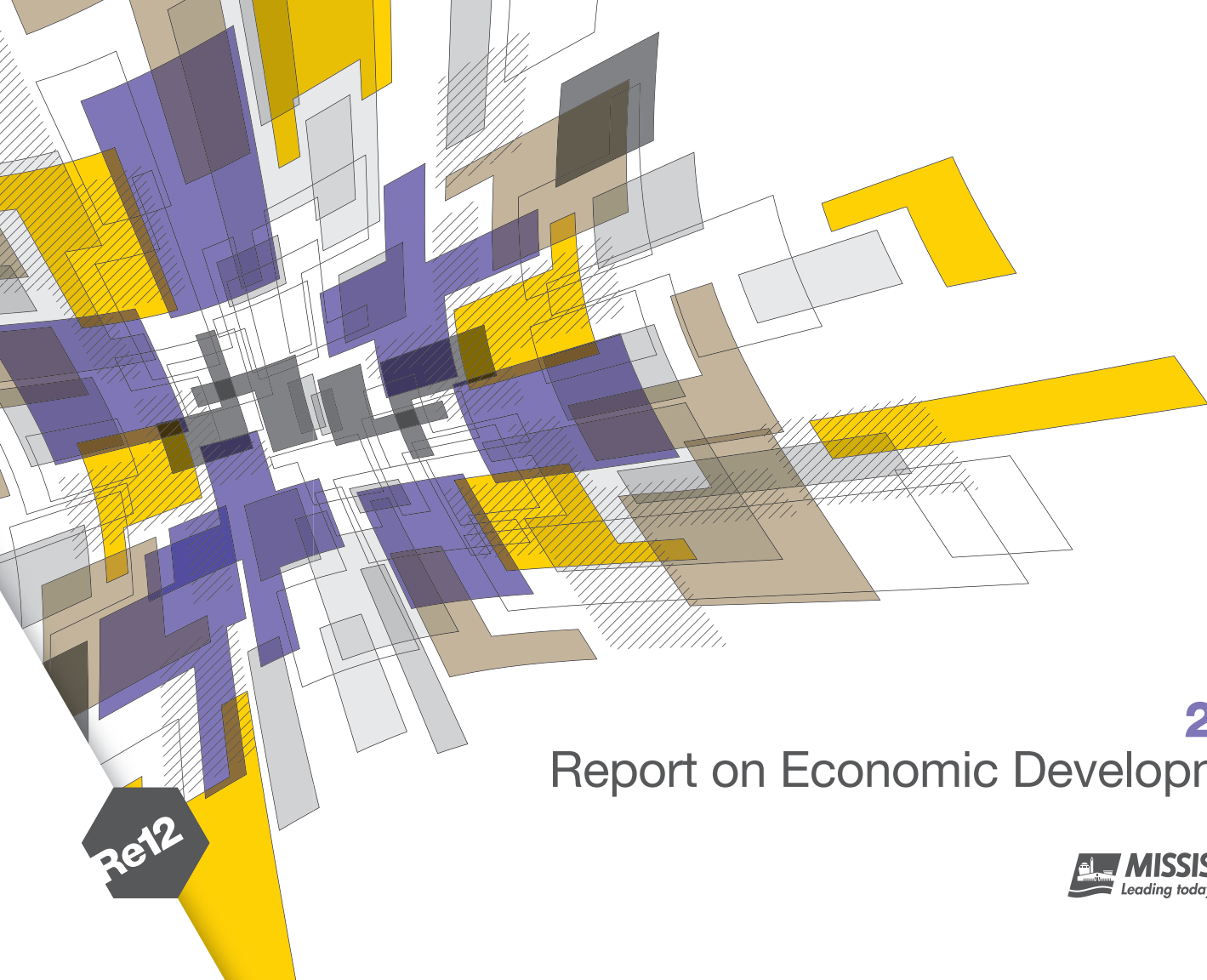


RECOMMENDATION GOV-0018-2013  
adopted by the Council of  
The Corporation of the City of Mississauga  
at its meeting on February 27, 2013

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GOV-0018-2013

1. That the Report dated February 20, 2013 from the Commissioner of Corporate Services and Treasurer entitled "Feasibility of Establishing an Election Finance Review Committee" be received.
2. That a letter be sent from the Mayor to the Minister of Municipal Affairs and Housing and the Association of Municipalities Ontario to request better communication and education for municipal election candidates.



Re12

# 2012 Report on Economic Development

## Business Development

In 2012, the Economic Development Office was involved in activities that will result in \$3.2 million of new and retained taxable assessment. That represents both planned or under construction investments. In addition, \$23 million of capital investment is projected to generate an increase in tax revenue over the next three years. This activity represents 2,200–2,600 new jobs created and retained in Mississauga. Taken together, this activity is an indication of the confidence in Mississauga and a reflection of the strength in the local economy.

**\$3.2 million** new and retained  
taxable assessment

**2,200–2,600** new jobs created and  
retained in Mississauga

### The business development team played a role in the following highlighted investments in 2012:

- **Sumitomo Precision Products Limited**  
established a world class site for commercial aircraft landing gear equipment and systems. This production operation will generate new revenue and employment within the aerospace manufacturing sector.
- **Mitsubishi Heavy Industries Canada Aerospace**  
relocated its aircraft wing assembly facility. This location is expected to employ 100 to 200 employees when fully operational.

- **Hoffman LaRoche's**  
mandate has grown at the Mississauga location. An extra 200 staff will be hired based on the talent that is available within the local market. Physical expansion will bring additional taxable assessment.
- **Therapure BioPharma**  
invested approximately \$17 million into capital equipment and renovations at a Mississauga location, which has resulted in approximately 100 new jobs.
- **Almirall**  
a Spanish pharmaceutical firm's first direct presence in North America is in Mississauga. Canadian patients will benefit as they receive a range of innovative medicines, especially in the respiratory and dermatology fields directly.

## Corporate Call Program

In 2012, 30 corporate calls were attended by members of the Economic Development team and senior executives of Mississauga companies to discuss current operations, future plans and assistance needed to do business in Mississauga. Often, Mayor McCallion and a member of Council accompany EDO on these calls.

## International Investment Attraction

In September 2012, the Director of Economic Development joined the Greater Toronto Marketing Alliance (GTMA) on an investment mission to Brazil. The delegates participated in a series of business development initiatives focusing on the information communications technologies sector.

## Small Business Development and Support (Mississauga Business Enterprise Centre)

As part of the City of Mississauga's partnership with the Province of Ontario, the Economic Development Office through its Mississauga Business Enterprise Centre (MBEC) offers programs such as seminars, online training, in person consultation and general information and guidance to small businesses and entrepreneurs. These initiatives allow EDO to offer a supportive business environment for the start-up and growth of local businesses, and the creation of jobs in Mississauga.

**35**

businesses  
started

**182**

jobs  
created

**102**

consultations

**274**

business  
registrations

**5012**

client  
inquiries

Community connections are defined as the number of individuals MBEC connected with outside the MBEC office in promoting the work of EDO/MBEC and forming partnerships.

**19**

community  
events  
attended

**660**

community  
connections  
(approx.)



## Encouraging Youth Entrepreneurship

In support of our youth and entrepreneurship, MBEC offers the Summer Company program which provides students with the opportunity to turn their ideas into business opportunities while developing professional skills. This program is delivered in partnership with the Province of Ontario and provides hands on coaching, mentoring and financial support to help young entrepreneurs start and operate a summer business.

In 2012, the Summer Company program resulted in 12 business start-ups with a combined 13 new jobs created.

## Events and Seminars

### Sponsorship of Business Events

In 2012 MBEC sponsored three Mississauga Board of Trade (MBOT) seminars that focused on introducing Mississauga businesses to opportunities that exist in China, India and the United States.

The seminars provided businesses with information on the business opportunities, programs and services that exist to help interested companies export products and services to the respective country.



# Realizing a Prosperous Economy

To realize its vision for Mississauga to be a global hub of creative and innovative activity where talent and business thrive, the City of Mississauga adopted a 10-year Economic Development Strategy in 2010. It identifies strategies for fostering a prosperous and sustainable economy that attracts and develops talent and key knowledge-based companies, which will contribute to Mississauga's already diverse business community and global profile.

Moving forward, the City of Mississauga is optimistic as it focuses on existing strengths and seeks new opportunities that will help the local economy continue to grow and prosper. In order to appeal to potential investors and partners, the City must establish and manage a global presence and commit to international connections. In 2012, the Economic Development Office hired a Manager of Global Business Investment who will be dedicated to international marketing and development activities.

This summary represents the actions taken in 2012 to fulfill our goals as set out in the Economic Development Strategy. The Economic Development Strategy is structured by these three high level goals that will help to align the City's Economic Development Office's strategic initiatives and actions:

**1** Become a global business magnet

**2** Embrace a culture of innovation

**3** Build a knowledge economy

These goals will develop talent, attract innovative business, meet employment needs, strengthen arts and culture and create partnerships for innovation. For more information about Mississauga's Economic Development Strategy, view the report online at: [mississauga.ca/business](http://mississauga.ca/business)

This is the first year of reporting on achievements in this format. Annual reporting will keep the citizens of Mississauga informed about activities and results as strategic goals are implemented.

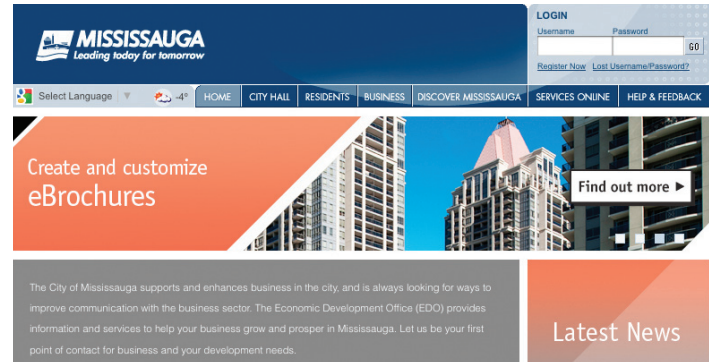
# 2012 Highlights

## Mayor Hazel McCallion takes the pulse on the local economy

The Pulse of the Local Economy Roundtable meetings with local businesses are organized by the Economic Development Advisory Board (EDAB) and facilitated by Mayor Hazel McCallion. These meetings provide a diverse group of local businesses with an opportunity to discuss the challenges, issues and opportunities available to them and help ensure that Mississauga continues to offer a supportive environment for local businesses.

As an advisory board to the Economic Development Office, EDAB uses these meetings as an opportunity to identify economic conditions, trends and new markets that assist in responding to the demands of our globally competitive knowledge-based economy.

The discussions generated a number of ideas that the City of Mississauga investigates, reviews and if feasible, will implement.



## EDO Website Innovations

The Economic Development Office announced two new interactive tools in October 2012. The online business directory helps visitors review, locate and receive reliable contact information for over 10,000 companies located in Mississauga. Online searches are free or a 12 month subscription that is downloadable is available for purchase.

The second tool introduced visitors to create customized brochures online. This feature is targeted to commercial real estate and other professionals responsible for making location decisions. The brochures enable business decision makers to create personalized business cases featuring key information including location attributes, market conditions, population demographics, housing statistics and more.

**79,884** visitors

**54%** new visits

## Selling to Government Seminars

In an effort to encourage and support companies in their efforts to do business with the government, the Selling to Government seminars provided an opportunity for existing businesses to learn the fundamentals of selling goods and services to all levels of government, including steps to becoming a supplier, registering a company, searching for opportunities, marketing a product or service, and security clearance requirements. MBEC coordinated two events in 2012 with a total of 340 attendees.

## International Student Welcome to Mississauga Event

The International Student Welcome to Mississauga event was hosted in November and invited international students studying at Sheridan College (Mississauga campus) and University of Toronto Mississauga to City Hall to welcome them to the City and provide information about Mississauga and the various city services that are available. Over 100 students attended this event, representing over 20 international countries from Africa, Asia, Central America, the Caribbean, Europe and South America.



Photo: Rob Behrman, Mississauga News



## For more information:

### **Economic Development Office, City of Mississauga**

300 City Centre Drive  
Mississauga, ON L5B 3C1

**Inquiries:** 905-896-5016 or 1-800-456-2181

**Email:** [economic.development@mississauga.ca](mailto:economic.development@mississauga.ca)

[www.mississauga.ca/business](http://www.mississauga.ca/business)

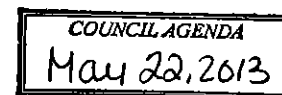


[ourfuturemississauga.ca](http://ourfuturemississauga.ca)

NOTICE OF MOTION

Moved by: Sue McFadden

Seconded by: Pat Saito



WHEREAS the property owner at 3755 Britannia Road West wishes to display a portable sign on his property to advertise the 20<sup>th</sup> anniversary of his business at this location;

AND WHEREAS this property has special residential zoning (R1-17) and is a permitted commercial use;

AND WHEREAS portable sign permits are regulated by Sign Bylaw 54-2002 and the property owner's request would require an application for a sign variance carrying a fee of \$850;

AND WHEREAS a change in the zoning for this property was initiated by the City of Mississauga approximately five years ago to make it comply with the Official Plan;

AND WHEREAS prior to this zoning change the property owner was permitted to display a portable sign on his property;

AND WHEREAS the intent of this zoning change was to impose no additional restrictions to the property for its permitted use;

NOW THEREFORE BE IT RESOLVED that this property and its applicable zoning circumstances are unique and do not set a precedent for the future;

AND FURTHER that the \$850 fee for a sign variance be waived and that staff issue the variance at no cost to the property owner.

*S. McFadden*  
*May 15/2013*

*P. Saito*  
*May 15/13*