

# 2013 Financial Report



The City of Mississauga, Ontario, Canada for fiscal year ended December 31, 2013.

# City Council



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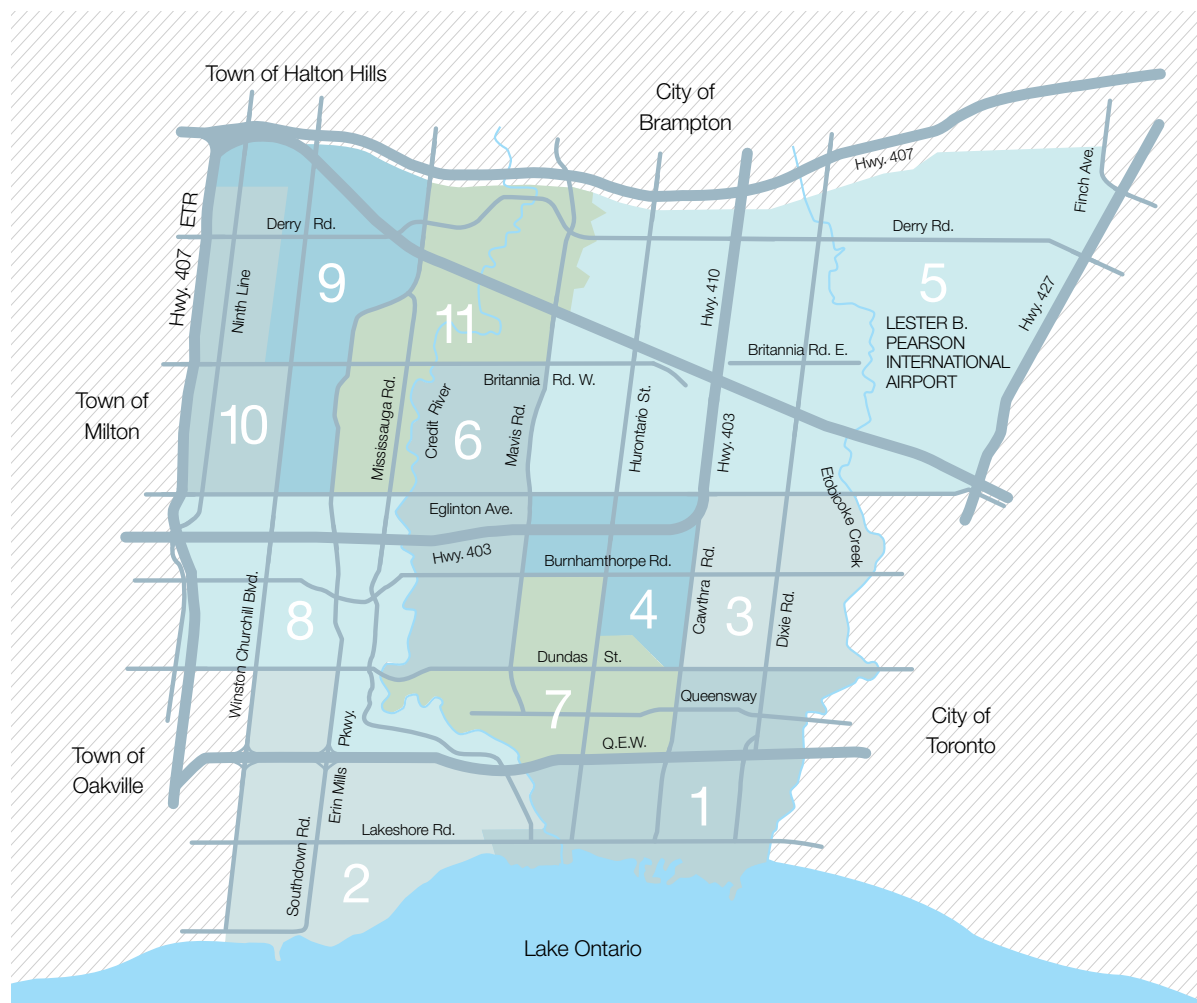
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**M Hazel McCallion**  
Mayor

**4 Frank Dale**  
Ward 4 Councillor

**8 Katie Mahoney**  
Ward 8 Councillor

**1 Jim Tovey**  
Ward 1 Councillor

**5 Bonnie Crombie**  
Ward 5 Councillor

**9 Pat Saito**  
Ward 9 Councillor

**2 Pat Mullin**  
Ward 2 Councillor

**6 Ron Starr**  
Ward 6 Councillor

**10 Sue McFadden**  
Ward 10 Councillor

**3 Chris Fonseca**  
Ward 3 Councillor

**7 Nando Iannicca**  
Ward 7 Councillor

**11 George Carlson**  
Ward 11 Councillor

## 2013 Financial Report

The 2013 annual Financial Report has been prepared in an electronic format and is available on the City's website at [www.mississauga.ca](http://www.mississauga.ca).

In keeping with the City's goals of fiscal restraint, environmental responsibility and increasing the availability of City information on the web, the City of Mississauga no longer publishes hardcopy annual financial reports. This initiative is one of many City initiatives that helps reduce the costs that affect property taxes in Mississauga for residents and businesses.

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

The City of Mississauga  
Financial Report 2013

**FOR THE FISCAL YEAR ENDING DECEMBER 31, 2013**  
**MISSISSAUGA, ONTARIO, CANADA**

Produced by the Finance Division, Corporate Services Department of the City of Mississauga in co-operation with all civic departments, offices and agencies.

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# Our Vision and Values

## **Our Vision**

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

## **Our Values**

### **TRUST**

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

### **QUALITY**

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

### **EXCELLENCE**

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

# GFOA Award

## Canadian Award for Financial Reporting

For the 16<sup>th</sup> consecutive year, the Government Finance Officers Association of the United States and Canada presented the City of Mississauga with the Canadian Award for Financial Reporting for its 2012 Annual Financial Report in recognition of the City's ability to present financial information in a clear, concise and informative manner. This award program encourages innovative financial reporting and maintains a high quality standard that is recognized amongst peers. The City of Mississauga is continuing this standard of high quality reporting for the submission and evaluation for the 2013 award program.



Government Finance Officers Association

## Canadian Award for Financial Reporting

Presented to  
**City of Mississauga**  
**Ontario**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2012**

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director/CFO

# Message from the Mayor



On behalf of my colleagues on Council, I am pleased to present our 2013 Financial Report.

The Mississauga of today is a great City that is only getting better. We continue to demonstrate our diversity and innovation. We are home to some of the best City parks, natural areas, trail systems, community centres and libraries in Ontario. Each year, our population grows, attracting more business and talent. People come here to enjoy the quality programs and services that define a great City.

During my time as Mayor, there have been many steps we've taken to build a great City. It takes forethought by a dedicated City Council to realize a vision and make it a reality.

Our Strategic Plan ensures that we celebrate our culture, are mindful of preserving our environment and continue to build our neighbourhoods. We are providing opportunities for youth by expanding and supporting the City's post-secondary options. The transitway is on course to ease traffic congestion, allowing us to grow more comfortably. Mississauga is the best place to live, work and play.

It is also a great place to invest. For 2013/14, Mississauga was first overall in Foreign Direct Investment magazine's American Cities of the Future rankings for mid-sized cities. We continue to be home to more than 54,000 businesses, including more than 60 Fortune 500 companies with Canadian head offices or major divisional offices.

I am proud that during my 36-year tenure as Mayor, the City has been run in a fiscally responsible manner. We have always done our homework on City projects. Our infrastructure remains in a state of good repair and we are committed to meeting the needs of our residents. But it's clear – we can't continue to do it alone. The Federal and Provincial governments must step up with the sustainable funding sources the City requires to keep maintaining the infrastructure that people in our community need.

It is my hope that Mississauga will continue to grow, change and adapt to the needs of residents while maintaining a strong financial position. There will be challenges, as would be expected of any world-class city. As the sixth largest city in Canada, however, we will continue to set an example for others on how to practise sound financial management while working to build an even better, more vibrant City.

Hazel McCallion,  
C.M., LL.D.

A handwritten signature in black ink, appearing to read 'Hazel McCallion', written in a cursive style.

Mayor

# Mississauga Quick Facts

## Location

- Located within the Greater Toronto Area
- Adjacent to City of Toronto on the west side and on the north shores of Lake Ontario
- Area: 113 square miles (292 km<sup>2</sup>); 72,200 acres (29,000 ha)

## Population

- Canada's 6<sup>th</sup> largest city: 754,000 (2013)
- Projected Population: 878,000 (2041)

## Employment

- Employees in Mississauga: 413,325 (per 2013 Planning profile)
- 61 Fortune 500 companies have their Canadian head offices or major divisional offices located in Mississauga
- 41 Financial Post Top 500 companies have their Canadian head offices or major divisional offices located in Mississauga

## Transportation

### Airport

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

### Highways

- The only city in the GTA serviced by 7 major highways
- Excellent highway connections, less than 2 hours from the USA border

### Railways

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

### Public Transit

- MiWay is the third largest municipal transit system in Ontario servicing approximately 43 million riders annually
- 95 routes throughout the City connect with the Toronto Transit Commission, Brampton Transit, Oakville Transit and all GO Transit stations
- GO Transit operates three train lines and several GO Bus routes through Mississauga providing frequent service throughout the day with connections to Toronto and surrounding areas

## Higher Education

### In Mississauga

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

### Within Commuting Distance

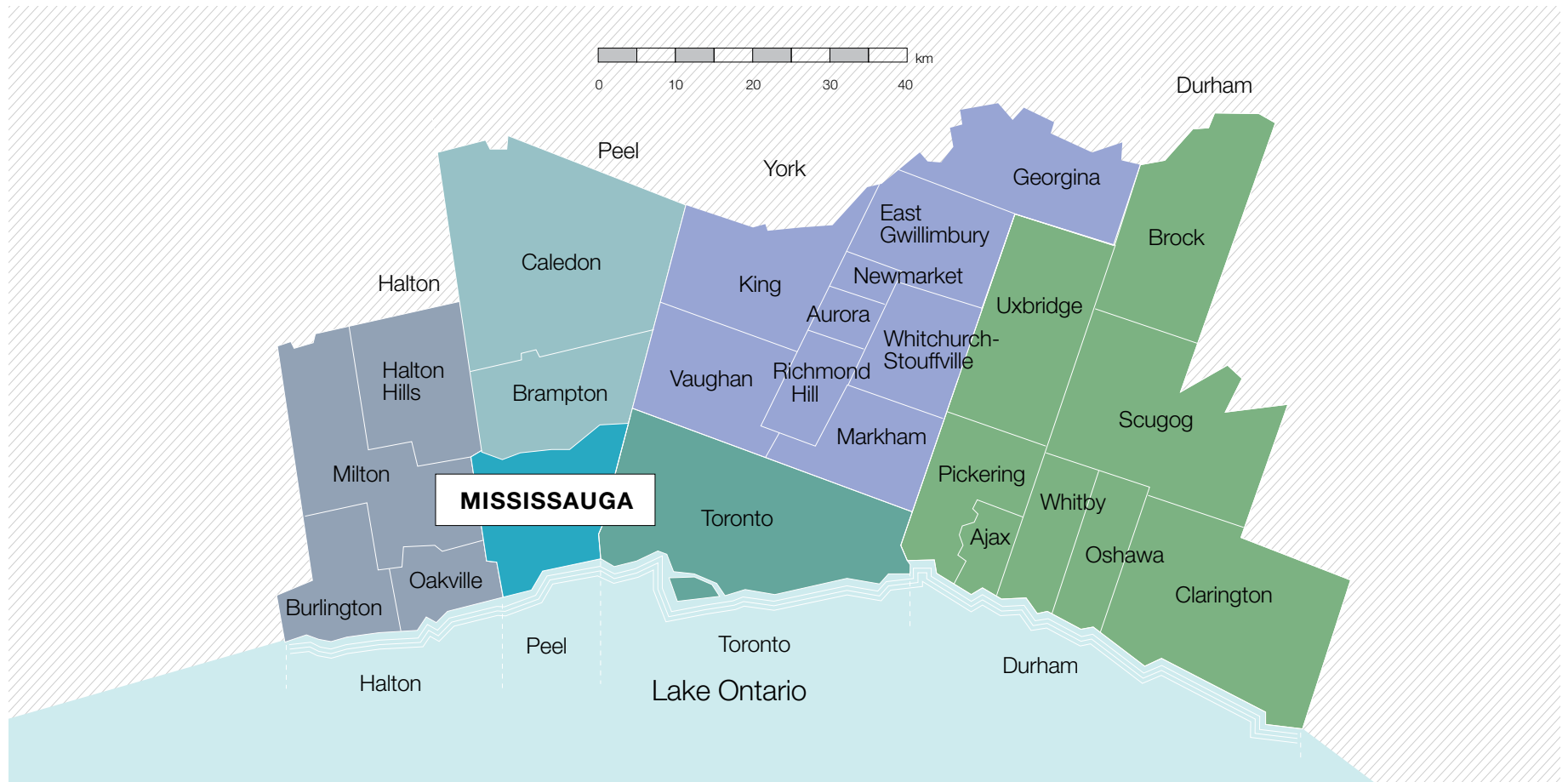
- 10 major universities and 11 technical colleges

## Tax Rates (2013)

- Industrial: 2.521798 per cent
- Commercial: 2.154999 per cent
- Residential: 0.926648 per cent
- Multi-Residential: 1.483202 per cent



# Mississauga and GTA Municipalities



# Message from the City Manager



For the City of Mississauga, 2013 was another year of great progress. We delivered on a number of our strategic goals, continued to plan for the future and delivered excellence in service to our residents.

Thanks to the hard work of Council and staff, Mississauga received five awards from Foreign Direct Investment magazine's American Cities of the Future rankings for 2013/14. The City won the overall prize for mid-sized cities against 79 other cities. In specific categories, we ranked first for business friendliness and second for economic potential. We scored high marks for strategy and infrastructure as well.

Our skill in financial planning plays a big part in our success. As part of our business planning and budget process, we continuously evaluate our services and programs to ensure they are being delivered in the most cost-effective and efficient manner. Staff are challenged to look for innovative ways to maintain service levels and reduce costs every year. In 2013, \$11.3 million in savings were realized including \$10 million in labour and benefits costs.

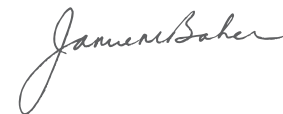
While great planning is essential, from time to time, unforeseen circumstances force us to re-think and re-evaluate our plans. Even with the best planning, situations arise that challenge us and put us to the test. The July 8 storm that swept across the GTA and the December 22 ice storm were two extreme events that tested us in 2013.

We are also working to address the infestation of our trees by the Asian Long-horned Beetle and the Emerald Ash Borer (EAB). Maintaining the health of City trees has always been included in our Business Plan and Budget, but the devastation caused by the EAB, for instance, has forced us to go one step further. We have developed an EAB management plan that requires a special levy on Mississauga's portion of the property tax bill.

While our City is well-positioned for the future, the cost to provide our services and maintain our aging infrastructure is increasing at a faster rate than our revenues. In order to repair and rehabilitate our infrastructure without placing additional pressure on property taxes, it was necessary to issue debt for the first time in over 30 years. We have been careful to put a policy in place that clearly outlines how the City will manage its debt according to a strict set of guiding principles.

There is much more to be done as we continue to build Our Future Mississauga and deliver on our commitments from the Strategic Plan. We have had to make hard choices – pushing some initiatives further out into the future and rearranging our priorities to address current and emerging challenges. The key to our City's success has always been proactive planning and a commitment to delivering excellence; and that is what we will continue to do.

Janice M. Baker, FCPA, FPA



City Manager and Chief Administrative Officer  
City of Mississauga

# Corporate Organizational Structure

**Janice M. Baker,**  
**FCPA, FPA**  
City Manager  
& Chief Administrative Officer



**Responsibilities:**

- Economic Development
- Internal Audit
- Corporate Performance & Innovation
- Legal Services

Commissioners  
report to the City  
Manager &  
Chief Administrative  
Officer.



**Martin Powell,**  
**P. Eng.**

Commissioner  
Transportation  
and Works

**Responsibilities:** Transportation & Infrastructure  
Planning • Engineering & Construction • MiWay  
• Enforcement • Works Operations & Maintenance



**Edward R. Sajecki,**  
**P. Eng., MCIP**

Commissioner  
Planning and  
Building

**Responsibilities:** Strategic Community  
Initiatives • Development & Design  
• Policy Planning • Building



**Gary Kent,**  
**BA**

Commissioner  
Corporate Services  
and Chief Financial Officer

**Responsibilities:** Finance • Communications  
• Legislative Services & Office of the City Clerk  
• Facilities & Property Management  
• Human Resources • Information Technology  
• Revenue & Materiel Management



**Paul A. Mitcham,**  
**P. Eng., MBA**

Commissioner  
Community  
Services

**Responsibilities:** Recreation • Parks & Forestry  
• Fire & Emergency Services • Library  
• Culture • Environment



# 2013 Accomplishments and Successes



# Delivering Existing Services

- The 311 Call Centre managed 300,000 calls in 2013.
- There were almost 12.5 million visits to the City's website with over \$15.5 million in online transactions completed.
- Public access to free Wi-Fi in all public facilities connects over 5,000 users on average every day.
- 2,653 marriage licenses were issued and 203 wedding ceremonies were performed in 2013.
- The City was a 'Best Employer for New Canadians' in 2013.
- More than 5,000 employees, volunteers and vendors received training on updated regulations under the Accessibility for Ontarians with Disabilities Act.
- The Planning & Building Customer Services Centre helped more than 17,500 visitors in 2013; more than 22,000 accessed eServices.
- More than \$285 million in conditional building permits were issued to help speed up construction and occupancy for new business and residential buildings.
- 65,000 building inspections were completed in 2013.
- The City legalized safe Second Units.
- The City's recreation facilities welcomed 12,312,000 visitors in 2013.
- There were 21,982 course offerings and facilities were rented out to the community for more than 200,000 hours.
- The City maintained more than 7,100 acres of parkland and open spaces, including 522 parks, 532 sports fields, 262 playgrounds and 226 kilometres of trails.
- The Mississauga Library registered more than 4.5 million visits in 2013; more than 147,000 attended library programs.
- Visitors accessed the internet at the library's public-use computers almost 1.5 million times.
- More than 12,000 magazines were accessed by library customers through Zinio, a digital magazine service introduced in July 2013.
- The City approved its first Sport Plan.
- The City finalized the Credit River Parks Strategy.
- Celebration Square hosted 99 events and more than 550,000 visitors in 2013.
- There were 50.9 million MiWay boardings in 2013.
- All-day MiWay express service was introduced in Meadowvale and Malton.
- MiWay increased its service hours by 33,500 from 2012 to 2013.
- Entrepreneurs started 46 businesses in 2013, including 16 by young entrepreneurs.
- 256 businesses registered in 2013.

# Delivering Value for Money

- The City launched a web-based citizen self-service to improve access to 311 eGovernment services.
- Standard & Poor's gave Mississauga a 'AAA' credit rating in 2013.
- The City received the Government Finance Officers Association Financial Report and Budget Awards.
- The City initiated licensing for Personal Services Businesses.
- The City supported 155 community service organizations, granting more than \$750,000 in funding in 2013 to support their valued programs.
- The City initiated an EpiPen program for all Mississauga Fire vehicles.
- 22,000 streetlights were converted to energy-efficient LED lighting.
- The 'Greening our Fleet' energy efficiency program saved City fuel costs.
- The City saved more than \$200,000 in energy costs through natural gas and electricity conservation.



# Maintaining Our Infrastructure



- Improvements and repairs were made to Frank McKechnie indoor pool.
- Public art 'Migration' was installed at Burnhamthorpe Road West and Duke of York Boulevard.
- Phase 1 of Streetsville Village Square improvements was completed.
- Cooksville Four Corners public space opened.
- Holcim Waterfront Estate opened to the public.
- Improvements and repairs were made to South Common indoor leisure pool.
- The Riverwood Conservancy opened the Enabling Garden – a hands-on, accessible teaching garden.
- 2.3 kilometres of park trails were reconstructed.
- More than 8,600 volunteer hours were logged helping to plant more than 48,300 trees across the City.
- 43 kilometres of roadway were resurfaced and 15 kilometres of new sidewalks were constructed.
- 19 kilometres of new cycling lanes were installed.
- Sheridan Creek, Turtle Creek and the Credit River tributary received improvements.
- Improvements to MiWay Transit Terminals at City Centre and South Common Mall were completed.

# Message from the Director of Finance and Treasurer



The City of Mississauga is pleased to present its Financial Report for the year ended December 31, 2013. This report has been prepared in accordance with the Municipal Act and based on the reporting standards set by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

This Financial Report communicates to stakeholders, residents and local businesses the City's 2013 financial performance, and related information regarding significant financial policies and processes. The 2013 financial results continue to demonstrate Mississauga's legacy of strong leadership and excellence in financial planning and fiscal prudence.

Both the City of Mississauga and the Region of Peel provide municipal services to Mississauga taxpayers. The Region is exclusively responsible for garbage collection and disposal, water treatment and distribution, waste water services, police services and social services. The City of Mississauga's financial statements do not include Regional services.

Council, the Leadership Team and all City staff working with the community made 2013 another successful year despite unprecedented challenges presented by two severe weather events which generated significant additional and unplanned current and future costs. The City of Mississauga continues to be committed to providing quality services and infrastructure while building our City for the future in a fiscally responsible and sustainable manner. This commitment to excellence in service delivery was evident in the response of City staff to these severe weather events.

In developing our plans for 2013, once again, we asked our service areas to diligently review their services, look for efficiencies and plan for the City's future. It is a challenge to find the right balance that will meet Council and the community's expectations on services and taxation. Our Business Plan and Budget allows us to annually step back, evaluate our external environment and internal processes, and adjust goals, service levels, and programs in the context of our Strategic Plan and progressive financial planning. Mississauga operates in a complex environment and each of our lines of business is impacted differently by the economy and other political and legislative changes.

The 2013 Budget balanced priorities to meet the needs of taxpayers today and in the future, while recognizing the current economic conditions. The City's 2013 budget process began by identifying resources required to maintain current levels of service for the community. Council and staff carefully reviewed every service area for efficiency and value for our taxpayers. As a result of this review, the City was able to limit its property tax rate increase to 2.1 per cent on the total tax bill for 2013 without compromising services or service levels today or in the future. The increase in the total tax bill including the Region and Education was 2.6 per cent.



Like most municipalities, the City faces a variety of challenges – financial, economic, environmental, legislative, etc. In 2013, the challenges facing the City included two severe weather events, the July 8 storm which caused significant flooding in eastern parts of the City, and the December ice storm which caused significant damage to property and the tree canopy of the City. These two events will place pressure on the City's capital program to provide infrastructure to deal with storm water and to replace hundreds of damaged trees. Listed below are some of the additional challenges faced by the City impacting the 2013 budget, tax rate, and financial results.

At the forefront of these challenges is the maturing and aging City infrastructure. The City of Mississauga has an inventory of roads, facilities and other physical structures and assets, the net historical cost of which is approximately \$7.8 billion. Currently, the City is allocating tax funds to cover about 26 per cent of the annual depreciation of these assets based on historical value, resulting in an annual infrastructure gap of approximately \$309 million based on future replacement costs.

This infrastructure gap can be closed by increasing tax based funding through an infrastructure levy, debt funding and/or government funding. To address immediate needs, the City has begun to issue debt for the first time in over thirty years, in a very prudent and responsible manner. During the second quarter of 2013, the City worked with the Region of Peel to issue a \$50 million, ten-year serial debenture. This debenture, representing borrowing requirements for the 2012 and 2013 Capital Budgets, was issued at a favourable rate of 2.76 per cent.

While development charges paid for much of the City's infrastructure initially, its maintenance and repair is paid for largely through property taxes. The funding of these infrastructure costs is a significant financial challenge not only for the City of Mississauga, but for all municipalities across Canada. To help address this challenge, the City applied a two per cent infrastructure and debt financing levy in the 2013 budget. This levy is working to build up capital reserve funds for future infrastructure investments, while also paying down any debt issued for current capital investment.

The Ontario economy continued to struggle throughout 2013. The provincial unemployment rate, averaging around 7.5 per cent, was persistently higher than the national average which was closer to seven per cent. A high Canadian dollar was identified by the Bank of Canada and other private sector economists as a source of economic drag. These economic challenges impact the financial decisions and spending of our residents.

On the environmental front, in addition to the two severe weather events which impacted the City in 2013, the infestation of the Emerald Ash Borer (EAB) is affecting the City's urban trees. The EAB is a highly destructive invasive insect that attacks and kills all species of ash trees native to North America. EAB is present within the City of Mississauga and poses a serious threat to all Ash trees. The City's urban forest is comprised of approximately 2.1 million trees located on both public and private lands, with over half of the trees located on private land. Ash species represent a significant component (10 per cent) of the tree canopy on both public and private land. Funding of \$51 million over 10 years has been built into the budget and future business plans to help fight this problem.

The City is also faced with significant cost pressures in delivering current service levels. Cost pressures are driven by market forces on labour, uncontrollable costs such as contractual obligations, commodity, utility and fuel price increases, and operating costs for new facilities. The City has limited funding options and we are continually looking to implement efficiency improvements and cost savings where necessary to recover the costs of services.

Despite the many budgetary challenges, the City continues to maintain a 'AAA' credit rating from Standard and Poor's. This high credit rating allows the City to borrow at a lower cost and also per legislation to invest in financial instruments that will earn a higher rate of return for the City.

Strategies to deal with funding pressures related to aging infrastructure operation, cost increases, service level improvements and unexpected contingencies are limited largely to increases in property taxes and user fees. However, in the 2013 budget, City staff implemented \$5.9 million in efficiencies and reductions through a range of opportunities including leveraging technology, conducting efficiency reviews to reorganize and reduce staffing levels, conservation measures like the LED street lighting program, increasing user fees and general cost reductions in many smaller ways.

The services delivered by the City of Mississauga are highly valued by residents and businesses and funded with one of the lowest tax rates in the Greater Toronto Area. We look forward to another successful year in 2014.



Patti Elliott-Spencer, CMA, MBA

Director, Finance and Treasurer

April 14, 2014

# Financial Management Processes

## City Business Planning

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

## Financial Statement Preparation

City of Mississauga management is responsible for all information contained in the annual Financial Report. These financial statements and accompanying notes have been prepared using reasonable limits of materiality and within the framework of the accounting principles and disclosure requirements of the Chartered Professional Accountants of Canada guidelines included in the Public Sector Accounting and Auditing Standards Manual.

## Internal Control Management

Management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

## Internal Audit

Internal Audit is an independent, objective assurance and consulting activity established at the City to improve operations. Internal Audit's mission is to assist the City in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating City management processes. Internal Audit assesses the City's risk management, control and governance processes to determine whether these processes are adequate and functioning effectively.

## External Audit

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

## Audit Committee

The Audit Committee is comprised of four members of Council, appointed annually by Council including the Mayor as an ex-officio member. The Audit Committee provides a focal point for communications between Council, the external auditor, the internal auditor and management, and facilitates an impartial, objective and independent review of management practices through the internal and external audit functions.

## User Pay Philosophy

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



# 2013 Financial Year in Review

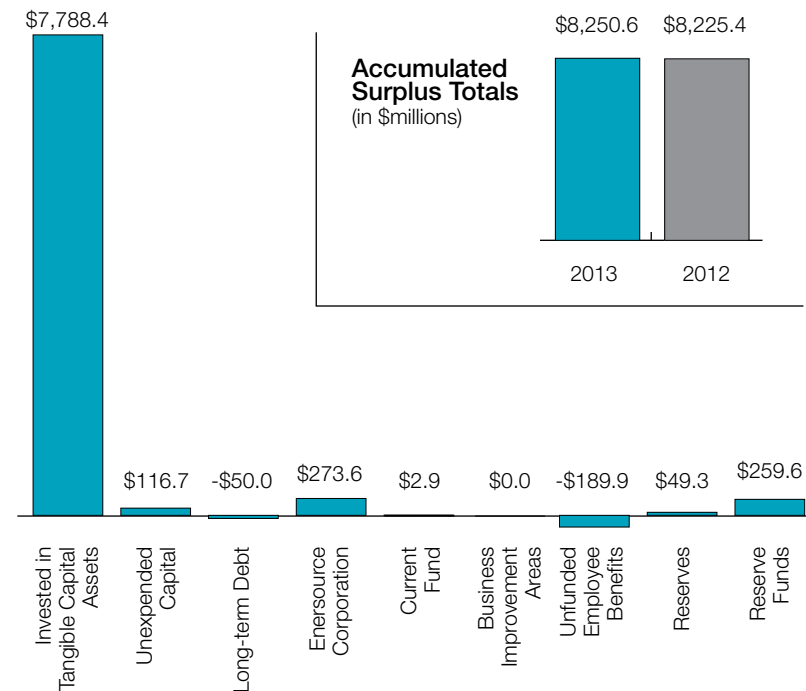
# 2013 Consolidated Financial Statement Overview

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

There are four required consolidated financial statements: consolidated statement of financial position, consolidated statement of operations, consolidated statement of change in net financial assets, and consolidated statement of cash flows. These consolidated financial statements provide information on the cost of all the City activities, how they were financed, investing activities and the assets and liabilities of the City. The information also reflects the full nature and extent of the City's financial affairs similar to a private sector financial statement presentation.

The following is a high level overview of the 2013 financial results of the City.

**2013 Accumulated Surplus Breakdown**  
(in \$millions)



## Consolidated Statement of Financial Position

The consolidated statement of financial position highlights four key figures that together describe the financial position of a government: (a) cash resources of the government, (b) net financial asset position calculated as the difference between financial assets and financial liabilities, (c) non-financial assets that are normally held for service provision such as tangible capital assets, (d) accumulated surplus/deficit (or in private sector terms, retained earnings as there are no shareholder contributions or distributions).

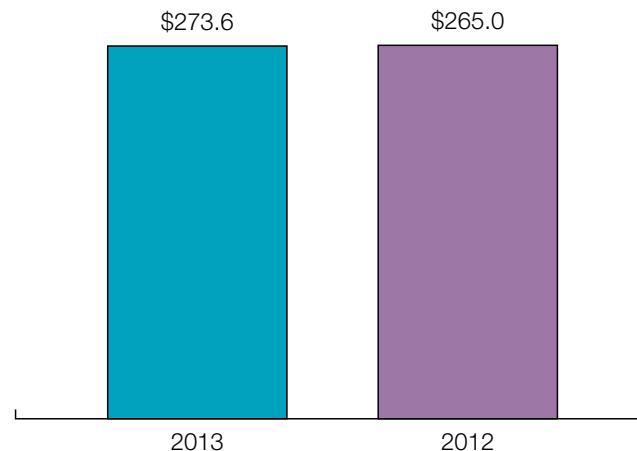
Although the City continues to manage its financial operations through various funds such as the Operating Fund, the Capital Fund, the Reserves and the Reserve Funds, in accordance with PSAB, these funds are no longer reported in the consolidated financial statements and have been replaced by Accumulated Surplus. The Accumulated Surplus summarizes the Corporation's consolidated equity which identifies the financial position, including tangible capital assets, and financial resources of the City.

The City's accumulated surplus for fiscal year 2013 is \$8.251 billion (2012 \$8.225 billion). The City's 2013 accumulated surplus is comprised of the following balances: investment in tangible capital assets of \$7.8 billion; operating surplus of \$2.9 million; unexpended capital of \$116.7 million; investment in Enersource Corporation of \$273.6 million; Reserves of \$49.2 million; Reserve Funds of \$259.6 million, offset by unfunded employee benefits and other liabilities of \$189.9 million and long-term debt of \$50.0 million. Refer to Note #11 in the Financial Statements for a detailed breakdown of the accumulated surplus.

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

The City's 2013 Investment in Enersource Corporation is \$273.6 million (2012 \$265.0 million), an increase of \$8.6 million from the prior year. This increase is attributed to the City's \$19.5 million share of Enersource's net income less a \$10.9 million dividend payment received from Enersource in 2013.

## Investment in Enersource Corporation (in \$millions)



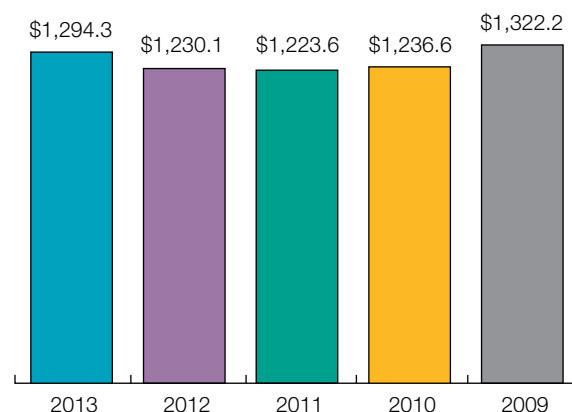
**NOTE:** Enersource adopted INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) beginning in 2011.

In 2013, the City's Net Financial Assets were \$452.8 million (2012 \$526.1 million), a decrease of \$73.3 million from the prior year. Total financial assets increased by \$64.3 million, however total financial liabilities increased by \$137.6 million, creating the decline in Net Financial Assets. Despite the decline in the past year, the City's Net Financial Assets position continues to remain financially healthy and well-positioned for the future.

- The \$64.3 million increase in total assets was attributed to a \$60.7 million increase in cash and investment holdings, an \$8.6 million increase in Enersource which was offset with minor decreases in other asset categories.
- The \$137.6 million increase in financial liabilities was mainly attributed to a \$38.7 million increase in the deferred revenue-obligatory reserve funds, \$50.0 million in new long-term debt, and a \$46.5 million increase in accounts payable and accrued liabilities. The timing of payments at year end impacted the cash and liability positions.

Total Financial Assets as of December 31, 2013 were \$1.29 billion (2012 \$1.23 billion), an increase of \$0.06 billion or \$64.3 million.

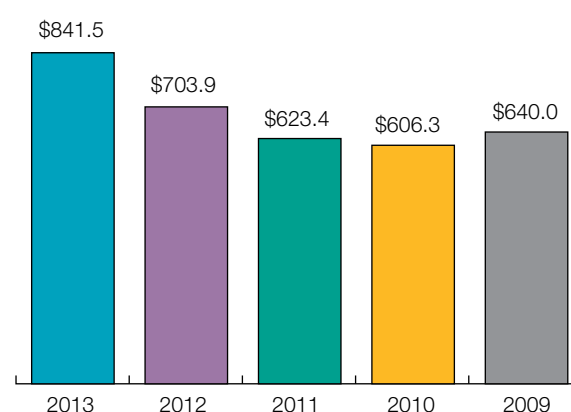
### Financial Assets Summary (in \$millions)



- Cash, short-term investments, and long-term investments at 2013 year end were \$921.6 million (2012 \$860.9 million), an increase of \$60.7 million. The timing of payments at year end impacted the cash/investment and liability positions.
- Taxes Receivable in 2013 were \$37.7 million (2012 \$46.0 million), a decrease of \$8.3 million.
- Accounts Receivable in 2013 were \$57.8 million (2012 \$56.8 million), an increase of \$1.0 million. The \$1.0 million relates to various miscellaneous receivable balances.
- Investment in Enersource Corporation in 2013 was \$273.6 million (2012 \$265.0 million), an increase of \$8.6 million from the prior year.

Total Financial Liabilities at the end of 2013 were \$841.5 million (2012 \$703.9 million), an increase of \$137.6 million from the prior year.

### Financial Liabilities Summary (in \$millions)



- Accounts Payable liabilities in 2013 were \$176.7 million (2012 \$130.2 million), an increase of \$46.5 million representing various liability accounts. The timing of payments at year end impacted the cash/investment and liability positions.
- Deferred revenue-general in 2013 was \$7.3 million (2012 \$8.3 million), a decrease of \$1.0 million, due to general fluctuations in various departmental deferred revenue accounts.
- The deferred revenue-obligatory reserve funds in 2013 were \$417.6 million (2012 \$378.9 million), an increase of \$38.7 million.
  - Provincial public transit funds in 2013 were \$98.8 million (2012 \$94.6 million), an increase of \$4.2 million.

- Federal public transit funds in 2013 were \$21.2 million (2012 \$20.3 million), an increase of \$0.9 million.
- Provincial gas tax funds in 2013 were \$14.9 million (2012 \$18.1 million), a decrease of \$3.2 million.
- Federal gas tax funds in 2013 were \$49.7 million (2012 \$20.4 million), an increase of \$29.3 million.
- Parkland funds in 2013 were \$56.4 million (2012 \$56.9 million), a decrease of \$0.5 million.
- Development Charge funds in 2013 were \$176.6 million (2012 \$168.6 million), an increase of \$8.0 million.
- Employee benefits and other liabilities in 2013 were \$189.9 million (2012 \$186.6 million), an increase of \$3.3 million.
- Non-financial assets in 2013 were \$7.8 billion (2012 \$7.6 billion).
  - Non-Financial Assets are comprised primarily of tangible capital assets.



## Consolidated Statement of Operations

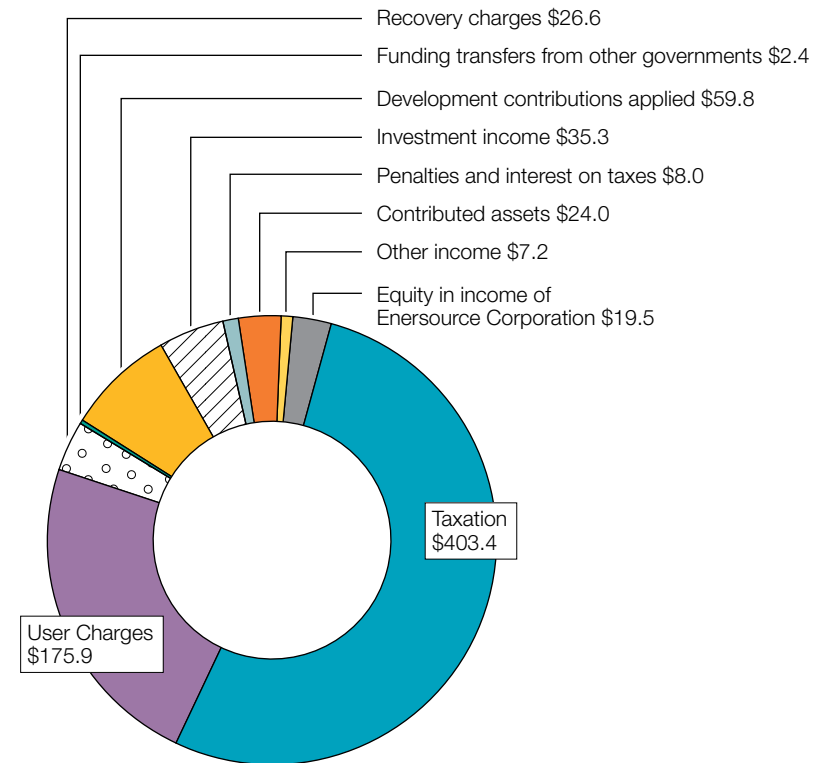
The consolidated statement of operations reports the annual surplus/ (deficit) from operations during the accounting period. The statement shows the cost of providing the City's services, the revenues recognized in the period and the difference between them.

### Revenues

Total revenues in 2013 were \$762.1 million (2012 \$702.3 million), an increase of \$59.8 million.

- Taxation revenues (property taxes and taxation from other governments) in 2013 were \$403.4 million (2012 \$374.3 million), an increase of \$29.1 million.
  - › The City had assessment growth of 0.2 per cent in 2013.
  - › City Council approved the 2013 budget which provided for a 6.8 per cent average property tax rate increase on the City portion of the total tax bill, which includes 0.62 per cent for the infrastructure levy and 0.25 per cent for the Emerald Ash Borer Program. This increase equates to an average 2.1 per cent increase on the total residential tax bill.
- User charges in 2013 were \$175.9 million (2012 \$172.0 million), an increase of \$3.9 million from the prior year.
  - › Transit fares represent 40.5 per cent of total user charges. Transit fares in 2013 were \$71.3 million (2012 \$69.0 million), an increase of \$2.3 million from the prior year. Total 2013 revenue riders were 35.79 million; the 2012 total was 34.76 million. The 3 per cent increase in riders and a fare increase resulted in a revenue increase of \$2.3 million over 2012.

## Consolidated Revenues by Type (in \$millions)



### Total Consolidated Revenues: \$762.1

- › General departmental user fees and service charges represent 28 per cent of total user charges. General departmental user fees and service charges in 2013 were \$49.2 million (2012 \$45.4 million), an increase of \$3.8 million from the prior year. Various departmental user fees (i.e. Transportation and Works Services fees, Fire Emergency Services fees, Planning and Building Services fees, Recreation membership and Program fees, etc.) accounted for this increase.
- › Golf green fees represent 1.7 per cent of total user charges. Golf green fees in 2013 were \$3.1 million (2012 \$3.3 million), a decrease of \$0.2 million from the prior year.



- › Rents and concession fees represent 12 per cent of total user charges. Rents and concession fees in 2013 were \$21.2 million (2012 \$22.1 million), a decrease of \$0.9 million from the prior year.
- › Licence and permit revenues represent 8 per cent of total user charges. Licence and permit revenues in 2013 were \$14.1 million (2012 \$14.1 million), the same as the prior year.
  - Building permit revenues in 2013 were \$9.4 million (2012 \$9.4 million), the same as the prior year.
- › Provincial offence revenues in 2013 were \$9.7 million (2012 \$8.4 million), an increase of \$1.3 million from the prior year. There were a number of variables that contributed to the increase such as higher fine amounts (more serious offences), increased compliance on payment and an increase in success of collections efforts.
- Recovery charges in 2013 were \$26.6 million (2012 \$38.7 million), a decrease of \$12.1 million from the prior year. This decrease relates to a number of major projects (i.e. RInC and ISF developments) completed in 2012.
- Development and other government contributions applied in 2013 were \$59.8 million (2012 \$14.6 million), an increase of \$45.2 million from the prior year.
  - › Expenditures on development-related capital projects in 2013 were up from the prior year. Therefore, increased development and government contributions were applied against the expenditures and recognized as revenue from the deferred revenue-obligatory reserve funds in 2013.

- Penalties and interest earnings from overdue tax accounts in 2013 were \$8.0 million (2012 \$9.0 million), a decrease of \$1.0 million from the prior year.
- Other revenues in 2013 were \$7.2 million (2012 \$3.9 million), an increase of \$3.3 million from the prior year. The increase is due to one-time miscellaneous revenues in 2013.
- Contributed Assets in 2013 were \$24.0 million (2012 \$30.9 million), a decrease of \$6.9 million from the prior year. Contributed assets include land under roads, land under infrastructure, as well as general infrastructure (storm sewers, roads, pathways, streetlights, etc.) assumed by the City through development agreements.
- The City's share of Enersource Corporation's net income in 2013 was \$19.5 million (2012 \$9.6 million), an increase of \$9.9 million from the prior year.
  - › From this net income amount, the City was paid a dividend of \$10.9 million in 2013 (2012 \$12.3 million).

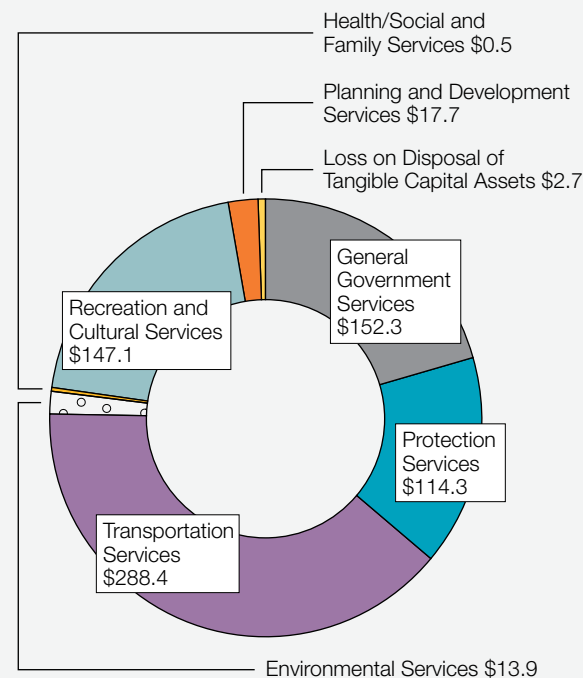
## Expenses

Expenses are broken down into major expense categories: labour and benefits, materials and supplies, contracted services, rents and financial expenses, transfer payments, and amortization. Total expenses in 2013 were \$736.9 million (2012 \$708.0 million), an increase of \$28.9 million.

- Labour costs (salaries, wages and benefits, and PSAB labour-related adjustments) in 2013 were \$425.8 million (2012 \$407.0 million), an increase of \$18.8 million or 4.6 per cent from the prior year. The significant variances are broken down as follows:
  - Salary, wage, and benefit costs in 2013 were \$422.5 million (2012 \$404.8 million), an increase of \$17.7 million (4.4 per cent). Growth in the City's labour force for new and expanded services, labour contract settlements and pay adjustments, and increased benefit costs contributed to this increase.
  - PSAB labour-related accounting adjustments for actuarial Workplace Safety and Insurance Board (WSIB) and post-employment, retirement, and sick leave liabilities in 2013 were \$3.3 million (2012 \$1.9 million), an increase of \$1.4 million from the previous year.
    - These expenses are based on the changes in employee benefits and other liabilities in the Consolidated Statement of Financial Position. These are accrual-based expenses which are not included in the City's annual budget but included in the financial statement presentation.
    - Employee benefits and other liabilities in 2013 were \$189.9 million (2012 \$186.6 million), an increase of \$3.3 million. This adjustment reflects the change in actuarial assessment, assumptions, and estimates from the previous year.

## Consolidated Expenses by Service

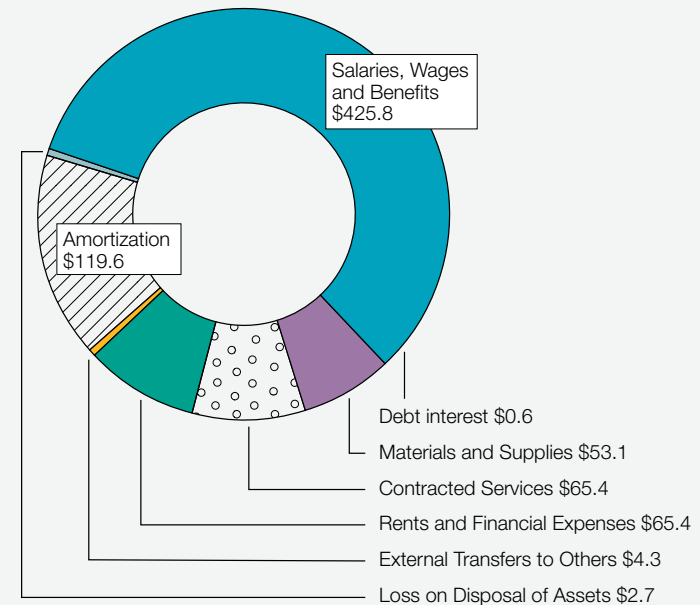
(in \$millions)



**Total Consolidated Expenditures: \$736.9**

- Materials and supplies in 2013 were \$53.1 million (2012 \$53.1 million), the same as the prior year.
  - Winter control supply costs were \$7.3 million (2012 \$3.7 million), an increase of \$3.6 million from the prior year primarily due to increased snowfall and events.
  - This increase was offset by reductions in other material and supply categories.
- Contracted services in 2013 were \$65.4 million (2012 \$61.5 million), an increase of \$3.9 million from the prior year.
  - Contracted services for standby winter control in 2013 were \$16.3 million (2012 \$13.0 million), an increase of \$3.3 million over the previous year due to increased snowfall and events.
  - Contracted services for storm sewer-related projects accounted for the majority of the remaining increase.
- Rents and financial expenses in 2013 were \$65.4 million (2012 \$59.0 million), an increase of \$6.4 million from the prior year.
  - Property tax related adjustments in 2013 were \$12.0 million (2012 \$6.8 million), an increase of \$5.2 million from the prior year.
  - Transportation and maintenance service-related costs increased by \$1.0 million.
  - Recreation and cultural service-related costs increased by \$0.8 million.
- Amortization of tangible capital assets in 2013 was \$119.6 million (2012 \$116.6 million), an increase of \$3.0 million from the prior year.
- Loss on disposal of assets in 2013 was \$2.7 million (2012 \$6.9 million), a decrease of \$4.2 million.

**Consolidated Expenses by Type**  
(in \$millions)



**Total Consolidated Expenditures: \$736.9**

## Consolidated Statement of Change in Net Financial Assets

The statement of change in net financial assets (net debt) explains the difference between a municipality's surplus or deficit for the reporting year and its change in accumulated surplus in the same reporting year. This statement provides the reporting of the acquisition of tangible capital assets and other significant items that impact the difference between the annual surplus/(deficit) and the change in net financial assets (net debt).

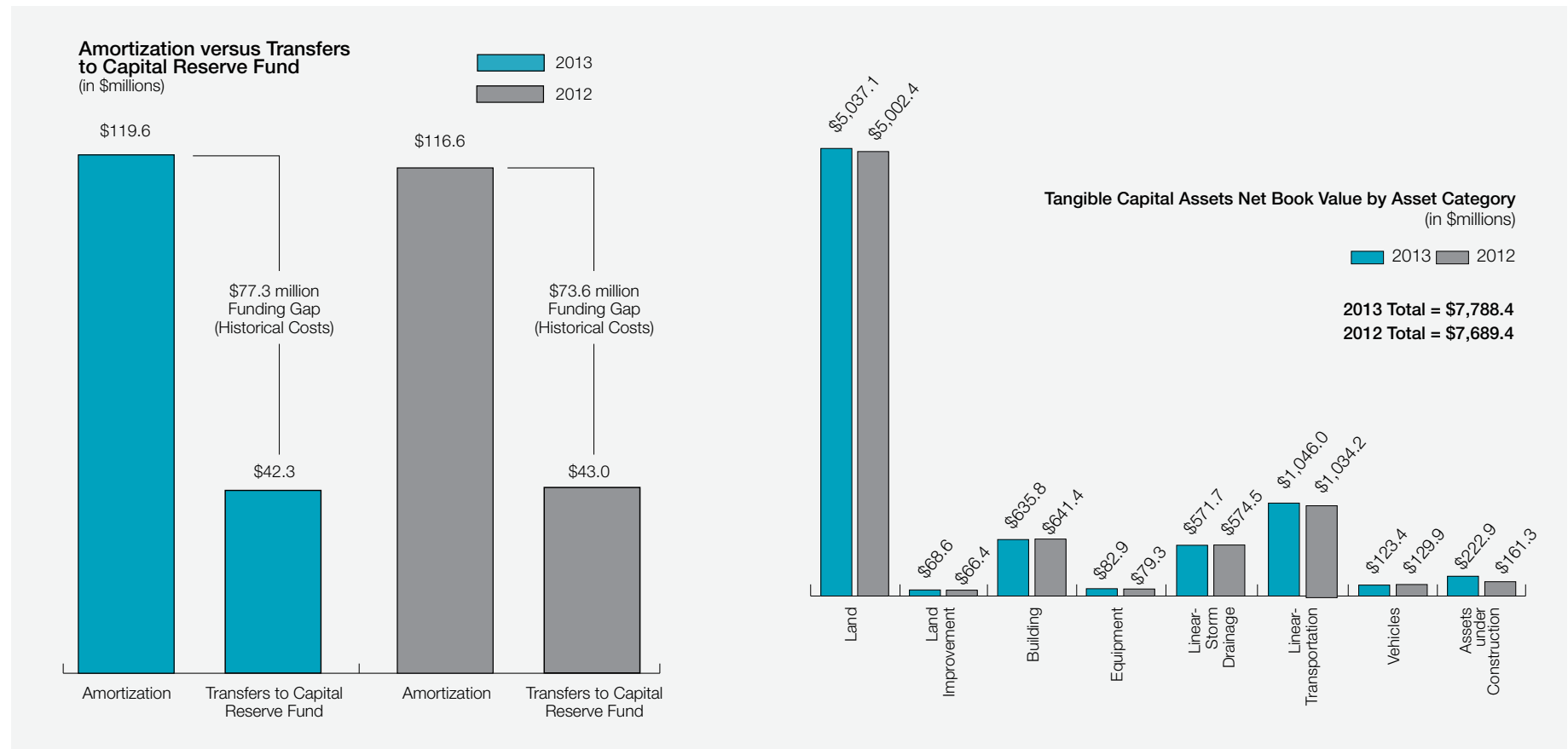
## Consolidated Statement of Cash Flows

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

## Tangible Capital Assets Overview

All City assets as at the end of 2013 have been inventoried, valued and recorded in an Asset Registry for accounting and reporting purposes. The City's net book values of tangible capital assets at the end of 2013 were \$7.79 billion (2012 \$7.69 billion). Refer to Note #10 in the financial statements for a detailed breakdown of tangible capital asset activity for 2013.

Annual amortization expense in 2013 was \$119.6 million (2012 \$116.6 million). The City currently only funds \$31.0 million or 26 per cent of its amortization expense.





## 2013 Major Capital Project Highlights

Some of the major capital projects undertaken in 2013 include:

### COMMUNITY SERVICES

- The Holcim Waterfront Estate event venue and heritage site opened to accommodate banquets, corporate events and staff training. The grounds of the estate were developed to enhance the ecological, cultural and recreational asset that is Mississauga's shoreline.
- A new air handling and heating system was installed at Frank McKechnie Community Centre pool.
- The pool and change rooms at South Common Community Centre were updated and improved.
- All 18 library locations had digital signs installed to improve communication about the library and other City programs and services.
- The design and plan for the relocation of Fire Station 119, which includes a Peel Regional Paramedic Services Satellite Station, was completed.
- Cooksville Four Corners was transformed into an attractive public place in the heart of historic Cooksville.
- The Riverwood Conservancy's Enabling Garden opened to provide a hands-on teaching garden that is accessible to people of all ages and abilities.
- Park improvements and redevelopments completed include: Lisgar Fields, Tobias Mason Community Park, Churchill Meadows Community Common, Lakefront Promenade, Jim Murray Community Park, Huron Heights and Meadow Green Park.
- More than 48,000 trees and shrubs were planted on City land in 2013.
- The City acquired just over three hectares (about 7.5 acres) of new park and greenbelt lands.



## CORPORATE SERVICES

- The technology that supports the library's public access computers was rebuilt from the ground up to include many new enhancements that ease management of the system.
- All 430 public access computers were replaced with brand new, faster, more reliable computers to improve service to people who use the library.
- A new web-based Citizen Self-service Portal on the City's website was launched to improve public access to 311 eGovernment services.
- Migration to a new state of the art data centre increased the speed of the City's website to improve navigation for users and content management for staff.
- Roofs were replaced at the Mississauga Seniors' Centre, the Picnic Shelter at Mississauga Valley, Malton Day Care, Burnhamthorpe Community Centre, the Comfort Station at the Meadowvale Conservation Area and the Living Arts Centre.
- The pool and environmental systems were improved at South Common Community Centre.
- Sports lighting was replaced at Dunton Athletic Field, Meadowvale Sports Park, Mississauga Valley Community Centre Fields and Wildwood Park.
- Pathway lighting was replaced at various parks throughout the City.
- Mechanical repairs were made to the Mississauga Seniors' Centre, the Central Library, Erin Mills Twin Arena and Port Credit Library.
- Structural repairs were completed at Cawthra Elliot House and the Chappell Estate and Park.
- On-street parking facilities were installed along Burnhamthorpe Road West and Kariya Drive.
- One kilometre of noise barriers was replaced along Rathburn Road West, McLaughlin Road, Creditview Road and Eglinton Avenue West.



## TRANSPORTATION AND WORKS

- Burnhamthorpe Road East from Hurontario Street to Dixie Road was reconstructed, adding new transit laybys, and improving cycling facilities and noise barriers.
- Forty-three kilometres of 88 roads in Mississauga were resurfaced as part of the 2013 Resurfacing Program.
- Eight kilometres of new sidewalks were installed as part of the 2013 Sidewalk Program.
- Twenty-two kilometres of new cycling facilities were installed along Bristol Road, Unity Drive, Creditview Road, Cawthra Road, Winston Churchill Boulevard, Southdown Road, Colonial Drive, Ridgeway Drive, Coopers Avenue, City Centre Drive, Queensway East, Drift Current Drive, Derry Road and Constitution Boulevard.
- The energy-efficient LED (Light Emitting Diode) streetlight project is on track to be completed by the end of 2014. Work crews have completed 22,000 of the 49,000 streetlights planned for conversion. The new lighting system includes more monitoring and control systems to better manage the streetlight network.
- Interior upgrades at various fire stations, Malton Satellite Transit Terminal and Malton Works Yard Depot were completed.
- Improvements were made to the Mississauga Canoe Club and Credit Valley Tennis Club.
- Frank McKechnie Pool was renovated.
- Sheridan Creek, Turtle Creek and the Credit River Tributary received watercourse improvements.
- Twenty-four buses were replaced.
- Thirteen new bus shelters were installed.
- Lighting was improved and cameras added to the South Common Mall transit terminal.
- Mississauga's Transitway bus rapid transit facilities between Highway 403/Eastgate Parkway corridor from the City Centre to Dixie Road were completed.
- Planning and preliminary design work for the Hurontario/Main Light Rail Transit (LRT) project is nearing completion.
- Mobile Licensing and Information Technology implemented an in-car Mobile Licensing Database to allow officers to get the most up-to-date information quickly, and better coordinate enforcement activities.



## Reserves and Reserve Funds Overview

Although Reserves and Reserve Funds are not formally reported directly in the financial statements, they are a key area in the financial management and operations of the City. Reserves and Reserve Fund balances are consolidated within the Accumulated Surplus position on the Consolidated Statement of Operations. Refer to Note #11 in the financial statements for more Reserve and Reserve Fund information.

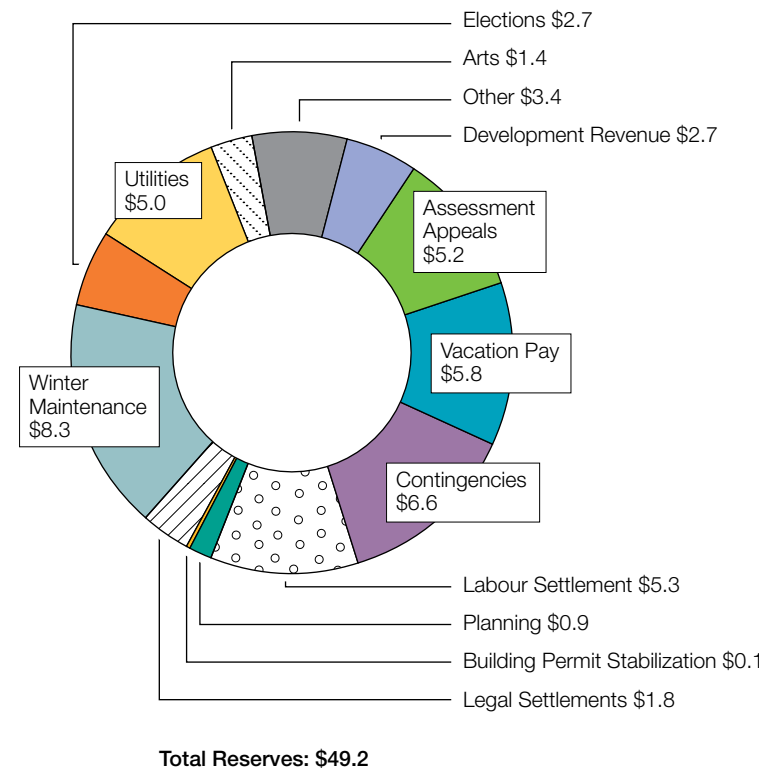
Reserves and Reserve Funds are established by Council. These funds are set aside to help offset future capital needs, obligations, pressures and costs. They are drawn upon to finance specific purpose capital and operating expenditures as designated by Council to minimize tax rate fluctuations due to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

Reserves and Reserve Fund balances at the end of 2013 totalled \$308.8 million (2012 \$323.1 million), a decrease of \$14.3 million from the prior year. The Reserves and Reserve Fund totals do not include development charges and senior government grants that are reported as deferred revenue-obligatory reserve funds on the Statement of Financial Position.

### Reserves

Reserves, which are discretionary in nature, are generally used to offset major fluctuations in operating costs/revenues or to fund future contingent liabilities. Total Reserves in 2013 were \$49.2 million (2012 \$50.7 million), a decrease of \$1.5 million.

**Reserves**  
(in \$millions)



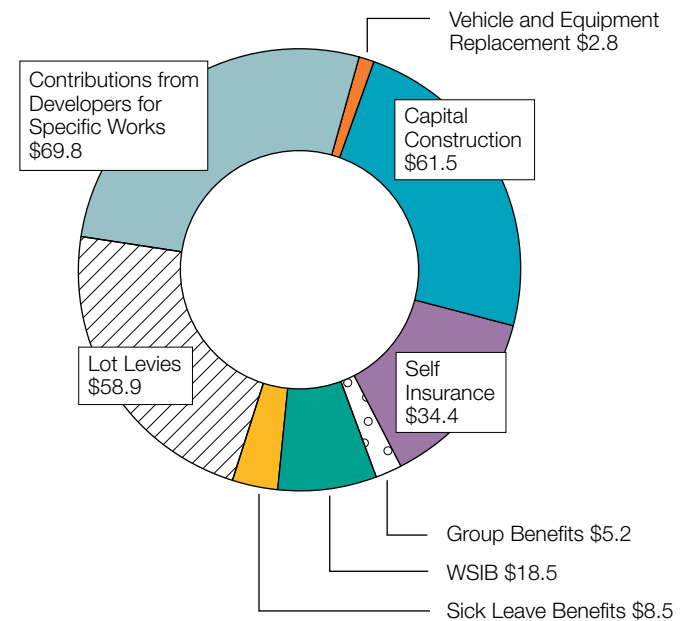


## Reserve Funds

Reserve Funds are non-discretionary, segregated and restricted to meet specific identified purposes for the municipality. Total Reserve Funds in 2013 were \$259.6 million (2012 \$272.4 million), a decrease of \$12.8 million from the prior year. This decrease is the result of the drawdown of Reserve Funds to finance capital projects. This drawdown is greater than funds being transferred or deposited into the Reserve Funds. The reduction in capital reserves has been presented for many years as part of the City's capital forecast.

The Reserve and Reserve Funds will help the City meet projected expenditure needs in the upcoming years. However, draws on Reserve and Reserve Funds in future years to support our growing capital infrastructure and maintenance needs will reduce these balances and therefore reduce the total accumulated surplus. This has been anticipated for many years, recognizing that as the City matured, infrastructure renewal would require increased funding. Additional funding support is needed from senior levels of government, as well as ongoing increased annual contributions from the operating funds, in order to help sustain and invest in new and replacement infrastructure.

**Reserve Funds**  
(in \$millions)



**Total Reserve Funds: \$259.6**

# Introduction to the Financial Statements

The accompanying Financial Statements have been prepared in accordance with the Municipal Act and based on the reporting standards set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

The Consolidated Financial Statements and all other financial information included within this Financial Report are the responsibility of the management of the City of Mississauga. The City's Financial Statements have been prepared in accordance with the accounting principles and disclosure requirements of the Chartered Professional Accountants of Canada guidelines contained in the Public Sector Accounting and Auditing Standards Manual.

The Director of Finance and Treasurer is responsible for submitting audited financial statements annually to the Audit Committee and Council. These financial statements include the consolidated results of the City of Mississauga for the fiscal year ending December 31, 2013.

Finance staff are responsible for the coordination and completion of the annual financial statements in a timely, accurate and efficient manner, as well as providing support and related financial information to external auditors during the year-end audit.

The Consolidated Financial Statements of the City of Mississauga provide important information about the overall financial condition of the City. The purpose of the Consolidated Financial Statements is to present the effects of transactions of the City taking into consideration the accounting for all City Funds and associated City business enterprises. The financial statements should reflect the full nature and extent of the government's financial affairs.

The following audited financial statements have been included in this annual Financial Report:

- City of Mississauga
- Trust Funds of the City of Mississauga

# Independent Auditors' Report



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

We have audited the accompanying consolidated financial statements of **The Corporation of the City of Mississauga**, which comprise the consolidated statement of financial position as at December 31, 2013, the consolidated statements of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### **Auditors' Responsibility**

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

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

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the City of Mississauga as at December 31, 2013, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A stylized, handwritten-style signature of 'KPMG LLP' in black ink, with a horizontal line underneath.

Chartered Accountants,  
Licensed Public Accountants  
April 14, 2014  
Toronto, Canada

# City of Mississauga

## Consolidated Statement of Financial Position

as at December 31, 2013 with comparatives for 2012. (All dollar amounts are in \$000s.)

	2013 \$	2012 \$
Recast Note 2		
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments	252,694	320,411
Taxes receivable (Note 3)	37,694	46,036
Accounts receivable (Note 3)	57,815	56,816
Mortgage receivable (Note 4)	2,209	-
Inventories for resale	402	366
Investments (Note 5)	668,907	540,486
Loans receivable	979	982
Investment in Enersource Corporation (Note 6)	273,622	264,972
<b>Total Financial Assets</b>	<b>1,294,322</b>	<b>1,230,069</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	176,667	130,179
Deferred revenue – general	7,338	8,277
Deferred revenue – obligatory reserve funds (Note 7)	417,630	378,912
Employee benefits and other liabilities (Note 8)	189,891	186,557
Current and long-term debt (Note 9)	50,000	-
<b>Total Financial Liabilities</b>	<b>841,526</b>	<b>703,925</b>
<b>Net Financial Assets</b>	<b>452,796</b>	<b>526,144</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 10)	7,788,423	7,689,448
Inventory of supplies	6,270	7,118
Prepaid expenses	3,114	2,701
<b>Total Non-Financial Assets</b>	<b>7,797,807</b>	<b>7,699,267</b>
<b>Accumulated Surplus (Note 11)</b>	<b>8,250,603</b>	<b>8,225,411</b>

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

# City of Mississauga

## Consolidated Statement of Operations

for the year ended December 31, 2013 with comparatives for 2012. (All dollar amounts are in \$000s.)

	Budget 2013 \$	Actual 2013 \$	Actual 2012 \$
REVENUES	Notes 1 (l) & 19		Recast Note 2
Taxation (Note 12)	400,082	403,371	374,304
User charges	173,441	175,859	171,957
Recovery charges	1,922	26,556	38,724
Funding transfers from other governments (Note 20)	3,859	2,382	5,305
Development and other contributions applied	30,507	59,816	14,579
Investment income	23,422	35,322	44,061
Penalties and interest on taxes	8,000	8,025	9,012
Contributed assets	-	24,038	30,873
Other	1,382	7,215	3,919
Equity in income of Enersource Corporation (Note 6)	-	19,522	9,588
<b>Total Revenues</b>	<b>642,615</b>	<b>762,106</b>	<b>702,322</b>
EXPENSES			
General government services	133,825	152,342	143,701
Protection services	113,936	114,335	108,309
Transportation services	293,349	288,397	274,632
Environmental services	11,938	13,883	12,108
Health services	-	-	72
Social and family services	632	465	524
Recreation and cultural services	150,288	147,134	145,202
Planning and development services	18,406	17,669	16,562
Loss on disposal of tangible capital assets	-	2,689	6,908
<b>Total Expenses</b>	<b>722,374</b>	<b>736,914</b>	<b>708,018</b>
<b>Annual Surplus/(Deficit)</b>	<b>(79,759)</b>	<b>25,192</b>	<b>(5,696)</b>
Accumulated surplus, beginning of year (Notes 2 & 11)	8,225,411	8,225,411	8,231,107
<b>Accumulated Surplus, End of Year</b>	<b>8,145,652</b>	<b>8,250,603</b>	<b>8,225,411</b>

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

## City of Mississauga

### Consolidated Statement of Change in Net Financial Assets

for the year ended December 31, 2013 with comparatives for 2012. (All dollar amounts are in \$000s.)

	Budget 2013 \$	Actual 2013 \$	Actual 2012 \$
	Note 1 (I)		
<b>Annual Surplus/(Deficit)</b>	<b>(79,759)</b>	<b>25,192</b>	<b>(5,696)</b>
Acquisition of tangible capital assets	(197,488)	(245,825)	(244,853)
Amortization of tangible capital assets	122,830	119,636	116,592
Loss on disposal of tangible capital assets (Note 9)	-	2,689	6,908
Transfer of assets under construction	-	24,525	53,461
	<b>(154,417)</b>	<b>(73,783)</b>	<b>(73,588)</b>
Acquisition of inventory of supplies	-	(6,270)	(7,118)
Acquisition of prepaid expenses	-	(3,144)	(2,701)
Consumption of inventory of supplies	-	7,118	7,570
Use of prepaid expenses	-	2,701	1,872
<b>Change in Net Financial Assets</b>	<b>(154,417)</b>	<b>(73,348)</b>	<b>(73,965)</b>
Net financial assets, beginning of year	526,144	526,144	600,109
<b>Net Financial Assets, End of Year</b>	<b>371,727</b>	<b>452,796</b>	<b>526,144</b>

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

# City of Mississauga

## Consolidated Statement of Cash Flows

for the year ended December 31, 2013 with comparatives for 2012. (All dollar amounts are in \$000s.)

	Actual 2013 \$	Actual 2012 \$
<b>CASH PROVIDED BY (USED IN): OPERATING ACTIVITIES</b>		
Annual surplus/(deficit)	25,192	(5,696)
<b>ITEMS NOT INVOLVING CASH</b>		
Amortization of tangible capital assets	119,636	116,592
Loss on disposal of tangible capital assets	2,689	6,908
Contributed assets	(24,038)	(30,873)
Change in employee benefits and other liabilities	3,334	1,857
Equity in income of Enersource Corporation	(19,522)	(9,588)
<b>CHANGE IN NON-CASH ASSETS AND LIABILITIES</b>		
Accounts receivable	(999)	(27,636)
Taxes receivable	8,342	4,827
Accounts payable and accrued liabilities	46,488	(1,917)
Deferred revenue – general	(939)	1,689
Deferred revenue – obligatory reserve funds	38,718	78,850
Inventories for resale	(36)	(81)
Inventories of supplies	848	452
Prepaid expenses	(413)	(829)
<b>Net Change in Cash and Short-term Investments from Operating Activities</b>	<b>199,300</b>	<b>134,555</b>

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

# City of Mississauga

## Consolidated Statement of Cash Flows (continued)

for the year ended December 31, 2013 with comparatives for 2012. (All dollar amounts are in \$000s.)

	Actual 2013 \$	Actual 2012 \$
<b>CAPITAL ACTIVITIES</b>		
Tangible capital asset additions	(221,787)	(213,980)
Transfer of assets under construction	24,525	53,461
<b>Net Change in Cash and Short-term Investments from Capital Activities</b>	<b>(197,262)</b>	<b>(160,519)</b>
<b>INVESTING ACTIVITIES</b>		
Increase in investments	(128,421)	(18,692)
Mortgage receivable	(2,209)	-
Dividends from Enersource Corporation	10,872	12,283
Decrease in loans receivable	3	33
<b>Net Change in Cash and Short-term Investments from Investing Activities</b>	<b>(119,755)</b>	<b>(6,376)</b>
<b>FINANCING ACTIVITIES</b>		
Issuance of long-term municipal debt	50,000	-
<b>Net Change in Cash and Short-term Investments from Financing Activities</b>	<b>50,000</b>	<b>-</b>
<b>Net Change in Cash and Short-term Investments</b>	<b>(67,717)</b>	<b>(32,340)</b>
Cash and short-term investments, beginning of year	320,411	352,751
<b>Cash and Short-term Investments, End of Year</b>	<b>252,694</b>	<b>320,411</b>

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





## City of Mississauga Notes to Consolidated Financial Statements

for the year ended December 31, 2013.  
(All dollar amounts are in \$000s.)

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

### 1. Significant Accounting Policies

The consolidated financial statements of The Corporation of the City of Mississauga (the City) are prepared by management in accordance with generally accepted accounting principles (GAAP) for local governments as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants of Canada (CPA Canada). Significant aspects of the accounting policies adopted by the City are as follows:

#### a) Basis of consolidation

##### (i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the

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

##### These entities and organizations include:

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

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

##### (ii) Investment in a Government Business Enterprise

The City's investment in Enersource Corporation is accounted for on a modified equity basis, consistent with GAAP as recommended by

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

##### (iii) Accounting for Region and School Board transactions

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

##### (iv) Trust funds

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

## **b) Basis of accounting**

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

## **c) Government grants**

Government grants are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

## **d) Deferred revenue**

Deferred revenues represent licenses, permits and other fees which have been collected, but for which the related services or inspections have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

## **e) Investment income**

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

## **f) Cash and short-term investments**

Cash and short-term investments include highly liquid investments with a term to maturity of one year or less at acquisition.

## **g) Land held for resale**

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

## **h) Investments**

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss of value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

## **i) Future employee benefits**

(i) The City provides certain employee benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board (WSIB) Act, and life insurance, extended health and dental benefits for early retirees.

The costs of sick leave, benefits under the WSIB Act and life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discounted rates.

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

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

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

## j) Non-financial assets

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

### (i) Tangible capital assets

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

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

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

### (ii) Contributions of tangible capital assets

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

### (iii) Works of art and cultural and historic assets

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

### (iv) Interest capitalization

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

### (v) Leased tangible capital assets

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

### (vi) Inventories of supplies

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

## k) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statement, and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions include carrying value of tangible capital assets, provisions for accrued liabilities and obligations related to employee future benefits.

Actual results could differ from these estimates.

## l) Adoption of budgets

The 2013 operating and capital budgets, as approved by Council, were adopted by the City at the December 12, 2012 meeting.

## m) Adopted and future accounting pronouncements

### (i) Newly adopted accounting standard

PSAB has issued Section PS3410, Government Transfers, that establishes the recognition, measurement and disclosure requirements for government transfers. It provides specific revenue recognition criteria for both the transferring government and the recipient government. The City adopted this standard on January 1, 2013. The adoption of this standard did not have a material effect on the 2013 consolidated financial statements.

## (ii) Future accounting pronouncements

These standards and amendments were not effective in the year ended December 31, 2013, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

The PSAB has issued Section PS3260, Liability for Contaminated Sites, that establishes the recognition, measurement, and disclosure requirements for contaminated sites when the government is responsible for, or accepts the responsibility for, the contamination, and the contamination exceeds existing environmental standards. This standard is effective for years beginning on or after January 1, 2014, and early adoption is encouraged.

Section PS3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments for public sector entities. The standard requires fair value measurement of derivatives and portfolio investments that are equity instruments quoted in an active market. All other non-derivative financial instruments will be measured at cost or amortized cost. A government can elect to record other financial assets or liabilities on a fair value basis, if they manage and evaluate the asset and liability groups on that basis. Unrealized gains and losses are presented in the new statement of re-measurement gains and losses. New requirements clarify when financial liabilities can be de-recognized. Disclosure of the nature and extent of risks arising from holding financial instruments is also required. This section is effective for fiscal years beginning on or after April 1, 2015. Early adoption is permitted.

Section PS2601, Foreign Currency Translation, was issued in June 2011 and replaces the existing Section PS2600. This standard has been revised to ensure consistency with the financial instruments standard. The standard requires that non-monetary items denominated in a foreign currency that are included in the fair value category are adjusted to reflect the exchange rate at the financial statement date. Unrealized exchange gains and losses are presented in the new statement of re-measurement gains and losses. This section is effective for fiscal years beginning on or after April 1, 2015. Early adoption is permitted.

Section PS1201, Financial Statement Presentation, was issued in June 2011. This standard requires entities to present a new statement of re-measurement gains and losses separate from the statement of operations. This new

statement includes unrealized gains and losses arising from re-measurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This section is effective for fiscal years beginning on or after April 1, 2015 and applies when PS2601 and PS3450 are adopted.

## 2. Recast of prior year comparative figures

The 2012 Tangible Capital Asset inventories, presented in the 2013 Consolidated Financial Statements, have been adjusted to reflect an immaterial correction of an understatement of land in prior years.

The amount previously reported as tangible capital assets as at December 31, 2012 has been increased by \$69,383.

The impacts of these changes have been recorded retrospectively and prior periods have been recast as follows:

<b>ACCUMULATED SURPLUS AT JANUARY 1, 2012:</b>		<b>\$</b>
Accumulated surplus, as previously reported	8,161,724	
Tangible capital assets not previously recorded	69,383	
<b>Accumulated Surplus, as Recast</b>	<b>8,231,107</b>	
<b>ACCUMULATED SURPLUS AT DECEMBER 31, 2012:</b>		<b>\$</b>
Accumulated surplus, as previously reported	8,156,028	
Tangible capital assets not previously recorded	69,383	
<b>Accumulated Surplus, as Recast</b>	<b>8,225,411</b>	
<b>TANGIBLE CAPITAL ASSETS AT DECEMBER 31, 2012:</b>		<b>\$</b>
Tangible capital assets, as previously reported	7,620,065	
Net book value of tangible capital assets not previously recorded	69,383	
<b>Tangible Capital Assets, as Recast</b>	<b>7,689,448</b>	

### 3. Taxes Receivable and Accounts Receivable

Taxes receivable are reported net of valuation allowances of \$9,120 (2012 \$0).  
Accounts receivable are reported net of a valuation allowance of \$315 (2012 \$245).

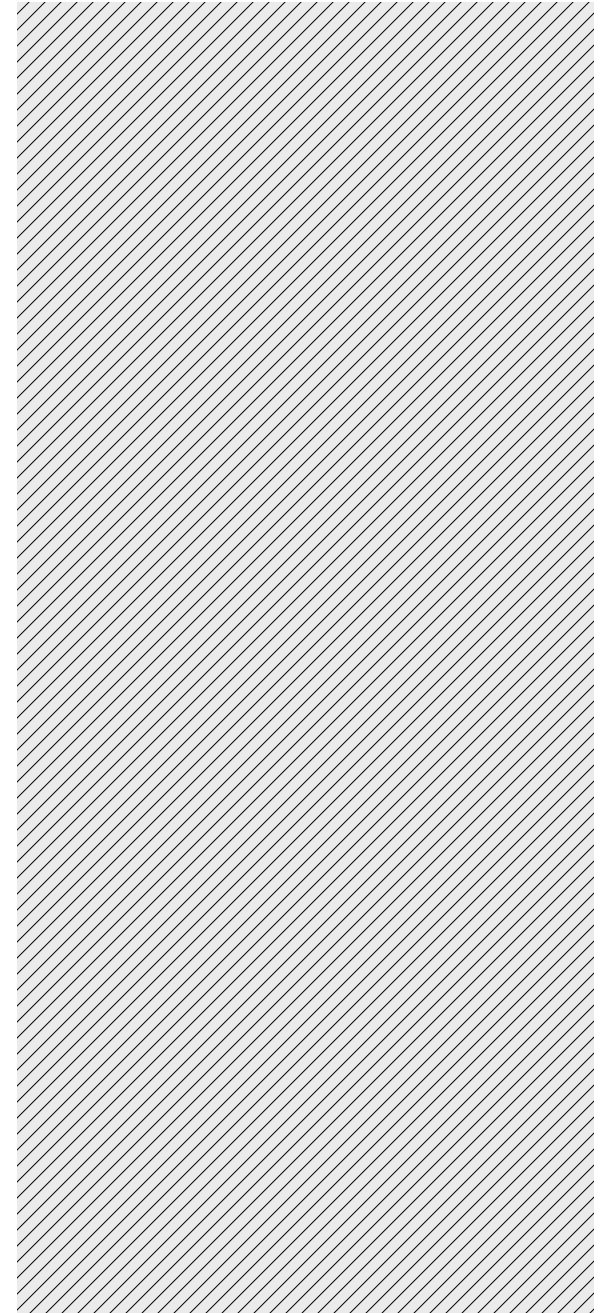
### 4. Mortgage Receivable

In December 2013, Heart House Hospice entered into a five-year lease agreement with the City in exchange for two acres of City parkland for the construction of a new hospice facility. The loan principal for this agreement is \$2,209 and the term of the lease is December 16, 2013 to December 1, 2018. Repayment of the loan will be in quarterly installments commencing March 1, 2014 in the amount of \$133, which includes an annual interest rate of 2.50 per cent.

### 5. Investments

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

	2013		2012	
	COST \$	MARKET VALUE \$	COST \$	MARKET VALUE \$
Short-term notes and deposits	43,519	45,152	88,771	99,673
Government and government guaranteed bonds	503,305	501,790	329,313	354,377
Municipal bonds	122,052	124,167	122,371	129,714
Guaranteed investment certificates	31	31	31	31
<b>Total</b>	<b>668,907</b>	<b>671,140</b>	<b>540,486</b>	<b>583,795</b>





## 6. Investment in Enersource Corporation

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

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

The following table provides condensed financial information for Enersource Corporation for its 2013 fiscal year, together with comparative figures for 2012.

### FINANCIAL POSITION

2013  
\$

2012  
\$

#### ASSETS

Current	220,945	230,220
Capital	526,557	505,231
Other	30,723	32,657
<b>Total Assets</b>	<b>778,225</b>	<b>768,108</b>

#### LIABILITIES

Current	138,839	143,382
Long-term debt	335,361	330,312
<b>Total Liabilities</b>	<b>474,200</b>	<b>473,694</b>

#### SHAREHOLDERS' EQUITY

Share capital	175,691	175,691
Accumulated other comprehensive income	916	(926)
Retained earnings	127,418	119,649
<b>Total Shareholders' Equity</b>	<b>304,025</b>	<b>294,414</b>

#### Total Liabilities and Shareholders' Equity

**778,225**      **768,108**

### RESULTS OF OPERATIONS AND NON-OPERATIONS

Revenues	923,633	832,662
Expenses (including income tax provision)	901,942	822,008
<b>Net Income</b>	<b>21,691</b>	<b>10,654</b>
<b>City Share of Net Income</b>	<b>19,522</b>	<b>9,588</b>



During the year, the City received a dividend of \$10,872 (2012 \$12,283) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in this table for its 2013 fiscal year together with comparative figures for 2012.

	2013 \$	2012 \$
<b>INVESTMENT IN ENERSOURCE CORPORATION</b>		
<b>Opening Balance, Beginning of Year</b>	<b>264,972</b>	<b>267,667</b>
City's share of net income	19,522	9,588
City's share of dividend	(10,872)	(12,283)
<b>Closing Balance, End of Year</b>	<b>273,622</b>	<b>264,972</b>

## 7. Deferred Revenue – Obligatory Reserve Funds

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

	2013 \$	2012 \$
Development charges	176,631	168,566
Parkland	56,403	56,926
<b>Subtotal</b>	<b>233,034</b>	<b>225,492</b>
Provincial public transit funds	98,832	94,570
Federal public transit funds	21,182	20,302
Provincial gasoline tax	14,899	18,166
Federal gasoline tax	49,683	20,382
<b>Subtotal</b>	<b>184,596</b>	<b>153,420</b>
<b>Total Deferred Revenue – Obligatory Reserve Funds</b>	<b>417,630</b>	<b>378,912</b>

## Deferred Revenue – Obligatory Reserve Funds Continuity Schedule

SOURCE	OPENING BALANCE	RECEIVED	RECOGNIZED AS REVENUE	OTHER	CLOSING BALANCE
Development charges	168,566	34,067	33,624	(7,622)	176,631
Parkland	56,926	14,277	-	14,800	56,403
<b>Subtotal</b>	<b>225,492</b>	<b>48,344</b>	<b>33,624</b>	<b>7,178</b>	<b>233,034</b>
Provincial public transit funds	94,570	4,262	-	-	98,832
Federal public transit funds	20,302	879	-	(1)	21,182
Provincial gasoline tax	18,166	16,601	14,226	5,642	14,899
Federal gasoline tax	20,382	38,846	-	9,545	49,683
<b>Subtotal</b>	<b>153,420</b>	<b>60,588</b>	<b>14,226</b>	<b>15,186</b>	<b>184,596</b>
<b>Total</b>	<b>378,912</b>	<b>108,932</b>	<b>47,850</b>	<b>22,364</b>	<b>417,630</b>



## 8. Employee Benefits and Other Liabilities

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

	2013 \$	2012 \$
Future payments required to WSIB	16,809	16,691
Accumulated sick leave benefit plan entitlements	10,844	10,361
Early retirement benefits	36,325	35,553
Post-employment benefits	7,843	7,299
Vacation pay	20,516	20,003
Developer charges credits	45,717	47,029
Other liabilities	51,837	49,621
<b>Total</b>	<b>189,891</b>	<b>186,557</b>

The City has established reserve funds of \$128,385 (2012 \$129,433) to mitigate the future impact of these obligations.

**a)** WSIB: The City has elected to be a Schedule 2 employer under the provisions of WSIB, and as such remits payments to the WSIB only as required to fund disability payments. A full actuarial study of this obligation was completed in December 2013 in accordance with the financial reporting guidelines established by PSAB.

**b)** Accumulated sick leave benefits accrue to certain employees of the City and are paid out either on approved retirement, or upon termination or death. The accrued benefit obligation and the net periodic benefit cost were determined by an actuarial valuation completed in December 2013, in accordance with the financial reporting guidelines established by PSAB.

**c)** Early retirement benefits are representative of the City's share of the cost to provide certain employees with extended benefits upon early retirement. The accrued benefit obligation and the net periodic benefit cost were determined by an actuarial valuation completed in December 2013, in accordance with the financial reporting guidelines established by PSAB.

d) Post-employment benefits are paid on behalf of any employee on long-term disability. The accrued benefit obligation and the net periodic cost were determined by an actuarial valuation completed in December 2013 in accordance with the financial reporting guidelines established by PSAB. Information about liabilities for defined benefit plans is as follows:

	2013					2012
	WSIB \$	SICK LEAVE \$	EARLY RETIREMENT \$	POST EMPLOYMENT \$	TOTAL \$	TOTAL \$
<b>Accrued Benefit Obligation, Beginning of Year</b>	<b>16,691</b>	<b>10,361</b>	<b>35,553</b>	<b>7,299</b>	<b>69,904</b>	<b>68,331</b>
Service cost	1,681	1,073	1,425	1,246	5,425	5,142
Interest cost	773	667	1,499	287	3,226	3,151
Amortization of actuarial (gain)/loss	(70)	420	(351)	11	10	11
Benefit payments	(2,266)	(1,677)	(1,801)	(1,000)	(6,744)	(6,731)
<b>Accrued Benefit Liability, End of Year</b>	<b>16,809</b>	<b>10,844</b>	<b>36,325</b>	<b>7,843</b>	<b>71,821</b>	<b>69,904</b>
Unamortized actuarial (gain)/loss	2,204	5,714	(7,114)	(1,087)	(283)	86
Actuarial valuation update, end of year	19,013	16,558	29,211	6,756	71,538	69,990
Expected average remaining service life	12 yrs	13 yrs	13 yrs	8 yrs	n/a	n/a

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

	WSIB	SICK LEAVE	POST EMPLOYMENT	EARLY RETIREMENT
Expected inflation rate	2.00%	2.00%	2.00%	2.00%
Expected level of salary increases	n/a	3.00%	3.00%	3.00%
Interest discount rate	4.75%	4.75%	3.85%	4.75%
Expected health care increases	-1.25%	6.33%	6.33%	6.33%

e) Developer charge credits are liabilities and obligations that arise through the Development Charges Act. For the year ended December 31, 2013, the developer charge credit liability is \$45,717 (2012 \$47,029).

#### f) Other pension plans

The City makes contributions to OMERS, a multi-employer plan, on behalf of 4,567 employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions for employees with a normal retirement age of 65 are being made at a rate of 9.0 per cent for earnings up to the annual maximum pensionable earnings of \$51.1 and at a rate of 14.6 per cent for earnings greater than the annual maximum pensionable earnings. Contributions for employees with a normal retirement age of 60 (firefighters) are being made at a rate of 9.3 per cent up to the annual maximum pensionable earnings of \$52.5 at a rate of 15.9 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2013 was \$32,732 (2012 \$29,102) for current service. It is included as an expense on the consolidated statement of operations. Employees' contributions to OMERS in 2013 totalled \$32,816 (2012 \$29,143).

The City is current with all payments to OMERS; therefore, there is neither a surplus nor deficit with the pension plan contributions. However, at OMERS, the pension plan's funding deficit in 2013 dropped to \$8.6 billion (2012 \$10 billion). OMERS expects that investment returns as well as benefit reductions should return the plan to surplus by 2025.

OMERS has held contributions for both employees and employers at the 2013 rates for 2014. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, additional increases in contributions may be required.

## 9. Long-term debt

The long-term debt reported on the consolidated statement of financial position of \$50,000 was issued by the Regional Municipality of Peel in 2013.

Debenture debt has been approved by by-law. The annual principal and interest payments required to service this liability are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing. Interest rates range from 1.3 to 3.3 per cent.

Principal payments in the amount of \$50,000 are repayable on June 20 annually as follows:

(All dollar amounts in \$000s.)

Year	\$
2014	5,800
2015	5,700
2016	5,600
2017	5,500
2018	5,000
Thereafter	22,400
<b>Total</b>	<b>50,000</b>

An interest expense of \$604 is reported in the consolidated statement of operations.

## 10. Tangible Capital Assets

### a) Assets under construction

Assets under construction having a value of \$222,915 (2012 \$161,298) have not been amortized. Amortization of these assets will commence when the asset is put into service.

### b) Contributed tangible capital assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$24,038 (2012 \$30,873) comprised of infrastructure in the amount of \$1,625 (2012 \$0) and land in the amount of \$22,413 (2012 \$30,873).

### c) Works of art and historical treasures

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

### d) Write-down of tangible capital assets

The write-down of tangible capital assets during the year was \$0 (2012 \$0).

### e) Disposal of tangible capital assets

The costs of assets under construction are excluded in calculating the loss on disposal of tangible capital assets. The purchase cost of \$8,974 (land \$2,616; buildings \$58; and vehicles \$6,300), less the accumulated amortization of \$6,285, results in a loss on disposal of \$2,689 (2012 \$6,908).

## 2013 Tangible Capital Assets

Notes to Consolidated Financial Statements (All dollar amounts are in \$000s.)

	December 31, 2012	Additions	Disposals	December 31, 2013
COST	\$	\$	\$	\$
Land	5,002,392	37,368	2,616	5,037,144
Land improvements	138,671	7,765	-	146,436
Buildings	894,715	18,209	58	912,866
Equipment	196,318	18,863	-	215,181
Linear – storm drainage	761,054	6,739	-	767,793
Linear – transportation	1,743,546	55,399	-	1,798,945
Vehicles	268,377	15,340	6,300	277,417
Assets under construction	161,298	86,142	24,525	222,915
<b>Total</b>	<b>9,166,371</b>	<b>245,825</b>	<b>33,499</b>	<b>9,378,697</b>

### ACCUMULATED AMORTIZATION

Land	-	-	-	-
Land improvements	72,253	5,616	-	77,869
Buildings	253,333	23,742	66	277,009
Equipment	117,038	15,249	-	132,287
Linear – storm drainage	186,582	9,525	-	196,107
Linear – transportation	709,288	43,650	-	752,938
Vehicles	138,429	21,854	6,219	154,064
Assets under construction	-	-	-	-
<b>Total</b>	<b>1,476,923</b>	<b>119,636</b>	<b>6,285</b>	<b>1,590,274</b>

### NET BOOK VALUE

Land	5,002,392	-	-	5,037,144
Land improvements	66,418	-	-	68,567
Buildings	641,382	-	-	635,857
Equipment	79,280	-	-	82,894
Linear – storm drainage	574,472	-	-	571,686
Linear – transportation	1,034,258	-	-	1,046,007
Vehicles	129,948	-	-	123,353
Assets under construction	161,298	-	-	222,915
<b>Total</b>	<b>7,689,448</b>	<b>-</b>	<b>-</b>	<b>7,788,423</b>

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

## 11. Accumulated surplus

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

	2013 \$	2012 \$
<b>SURPLUS</b>		
Invested in tangible capital assets	7,788,423	7,689,448
Operating surplus	2,900	-
Unexpended capital	116,709	134,451
Long-term debt	(50,000)	-
Enersource Corporation	273,622	264,972
Business improvement associations/areas	-	47
Unfunded employee benefits	(189,891)	(186,557)
<b>Total Surplus</b>	<b>7,941,763</b>	<b>7,902,361</b>

Recast Note 2

### RESERVES SET ASIDE BY COUNCIL

Development revenue	2,730	2,730
Assessment appeals	5,195	5,195
Vacation pay	5,820	5,820
Contingencies	6,607	7,247
Labour settlements	5,266	6,620
Planning process update	927	2,227
Building permit revenue stabilization	49	49
Legal settlements	1,841	1,836
Winter maintenance	8,313	8,313
Elections	2,679	2,179
Commitments	858	324
Early retirement benefits	500	500
Arts	1,405	1,630
Bus shelter advertising	1,817	967
Other	210	22
Utilities	5,046	5,028
<b>Total Reserves</b>	<b>49,263</b>	<b>50,687</b>

### RESERVE FUNDS SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL

	2013 \$	2012 \$
Lot levies	58,910	58,090
Contributions from developers for specific works	69,825	65,561
Vehicle and equipment replacement	2,817	3,370
Capital construction	61,501	77,163
Self-insurance	34,350	35,332
Group benefits	5,209	4,993
WSIB	18,457	18,585
Sick leave benefits	8,508	9,269
<b>Total Reserve Funds</b>	<b>259,577</b>	<b>272,363</b>
<b>Total Accumulated Surplus</b>	<b>8,250,603</b>	<b>8,225,411</b>



## 12. Taxation

Taxation revenue, reported on the consolidated statement of operations, is made up of the following:

	2013 \$	2012 \$
Municipal and school property taxes	1,446,090	1,400,140
Payments in lieu of property taxes	35,482	34,769
<b>Net Property Taxes</b>	<b>1,481,572</b>	<b>1,434,909</b>
Payments to region and school boards	1,078,201	1,060,605
<b>Net Property Taxes and Payments in Lieu Available for Municipal Purposes</b>	<b>403,371</b>	<b>374,304</b>

## 13. Trust funds

Trust funds administered by the City amounting to \$534 (2012 \$507) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

## 14. Contingent liabilities

As at December 31, 2013, the City has been named as defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed the likelihood of exposure as being more likely than not and is able to reasonably assess the exposure, an amount is provided for in these financial statements.

## 15. Letter of Comfort

In 1998, the City provided the Canadian Imperial Bank of Commerce (CIBC) with a Letter of Comfort for a line of credit of \$500 on behalf of the Living Arts Centre in Mississauga. The Letter of Comfort is a credit facility which serves as security for repayment to CIBC. Thirty days prior written notice must be given to the CIBC if the City wishes to withdraw the support expressed in the Letter of Comfort. The Letter of Comfort continues to be honoured by the City.

## 16. Segmented information

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

### a) General Government Services

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

### b) Protection Services

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

### c) Transportation Services

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

### d) Environmental Services

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

### e) Health Services

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

### f) Social and Family Services

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

### g) Recreation and Cultural Services

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

### h) Planning and Development Services

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

The segmented information was provided in accordance with the financial reporting guidelines established by the PSAB (section PS2700). For additional information see the Consolidated Schedule of Segment Disclosure.

Certain allocation methodologies are employed in the preparation of segmented financial information. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.



## 16. Segmented Information

Notes to Consolidated Financial Statements: (All dollar amounts are in \$000s.)

### 2013

	General Government Services \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Recreation and Cultural Services \$	Planning and Development Services \$	Other \$	2013 Total \$	2012 Total \$
<b>REVENUES</b>											
Taxation	403,371	-	-	-	-	-	-	-	-	<b>403,371</b>	<b>374,304</b>
User charges	4,660	25,830	92,703	114	-	190	47,234	4,835	293	<b>175,859</b>	<b>171,957</b>
Recovery charges	-	-	1,683	10	-	-	-	-	24,863	<b>26,556</b>	<b>38,724</b>
Funding transfers from other governments	-	-	-	-	-	28	1,526	120	708	<b>2,382</b>	<b>5,305</b>
Investment income	14,466	-	-	-	-	-	49	-	20,807	<b>35,322</b>	<b>44,061</b>
Penalties and interest on taxes	8,025	-	-	-	-	-	-	-	-	<b>8,025</b>	<b>9,012</b>
Development and other contributions applied	-	-	-	-	-	-	-	-	59,816	<b>59,816</b>	<b>14,579</b>
Contributed assets	-	-	21,898	1,240	-	-	900	-	-	<b>24,038</b>	<b>30,873</b>
Other	4,985	150	62	-	-	40	983	297	698	<b>7,215</b>	<b>3,919</b>
Equity in income of Enersource Corporation	-	-	-	-	-	-	-	-	19,522	<b>19,522</b>	<b>9,588</b>
<b>Total Revenues</b>	<b>435,507</b>	<b>25,980</b>	<b>116,346</b>	<b>1,364</b>	<b>-</b>	<b>258</b>	<b>50,692</b>	<b>5,252</b>	<b>126,707</b>	<b>762,106</b>	<b>702,322</b>
<b>EXPENSES</b>											
Salary, wages and fringe benefits	83,475	103,633	143,344	773	-	295	80,049	14,256	-	<b>425,825</b>	<b>407,029</b>
Operating expenses	55,431	6,854	79,288	3,585	-	88	40,230	3,288	-	<b>188,764</b>	<b>177,489</b>
Amortization	13,436	3,848	65,765	9,525	-	82	26,855	125	-	<b>119,636</b>	<b>116,592</b>
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	2,689	<b>2,689</b>	<b>6,908</b>
<b>Total Expenses</b>	<b>152,342</b>	<b>114,335</b>	<b>288,397</b>	<b>13,883</b>	<b>-</b>	<b>465</b>	<b>147,134</b>	<b>17,669</b>	<b>2,689</b>	<b>736,914</b>	<b>708,018</b>
<b>Annual Surplus/(Deficit)</b>	<b>283,165</b>	<b>(88,355)</b>	<b>(172,051)</b>	<b>(12,519)</b>	<b>-</b>	<b>(207)</b>	<b>(96,442)</b>	<b>(12,417)</b>	<b>124,018</b>	<b>25,192</b>	<b>(5,696)</b>

## 17. Expenses by Object

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

	Budget 2013 \$	Actual 2013 \$	Actual 2012 \$
Salary, wages and fringe benefits	431,361	425,825	407,029
Debt interest	-	624	-
Materials and supplies	51,103	53,080	53,098
Contracted services	47,992	65,376	61,464
Rents and financial expenses	60,863	65,430	58,989
External transfers to others	4,271	4,254	3,938
Loss on disposal of tangible capital assets	-	2,689	6,908
Debt principal	3,954	-	-
Amortization	122,830	119,636	116,592
<b>Total</b>	<b>722,374</b>	<b>736,914</b>	<b>708,018</b>

## 18. Provincial Offences Administration

The Ministry of the Attorney General of the Province of Ontario requires all Provincial Offences Administration municipal partners to disclose the year-end audited financial statements of the gross and net provincial offence revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding for the City's 2013 fiscal year with comparative figures for 2012:

	2013 \$	2012 \$
<b>REVENUES</b>		
Gross revenues	10,014	8,632
Less refunds	79	86
<b>Net Revenues</b>	<b>9,935</b>	<b>8,546</b>
<b>EXPENSES</b>		
Provincial charges	743	698
City operating expenses	3,580	3,349
<b>Total Expenses</b>	<b>4,323</b>	<b>4,047</b>
<b>Net Revenue</b>	<b>5,612</b>	<b>4,499</b>
<b>Net Contribution</b>	<b>5,612</b>	<b>4,499</b>



## 19. Budget Data

The budget data presented in these consolidated financial statements are based on the 2013 operating and capital budgets as approved by Council and adopted by the City on December 12, 2012. Adjustments to budgeted values were required to provide comparative budget values based on the full accrual basis of accounting. The chart below reconciles the approved budget with the budget figures as presented in these consolidated statements.

REVENUE	Budget Amount \$
<b>Approved Operating Budget</b>	<b>639,395</b>
<b>ADJUSTMENTS</b>	
Contributions from reserve funds	(28,318)
Enersource dividend	(10,300)
<b>Adjusted Operating Budget</b>	<b>600,777</b>
<b>Approved Capital Budget</b>	<b>138,006</b>
Adjustments for transfers from reserve funds	(135,598)
<b>Adjusted Capital Budget</b>	<b>2,408</b>
Reserve fund contributions	30,507
Reserve funds interest budget	8,923
<b>Total Revenue</b>	<b>642,615</b>
<b>EXPENSES</b>	
<b>Approved Operating Budget</b>	<b>598,825</b>
<b>ADJUSTMENTS</b>	
Business improvement associations/areas	719
Amortization	122,830
<b>Adjusted Operating Budget</b>	<b>722,374</b>
<b>Approved Capital Budget</b>	<b>138,006</b>
<b>ADJUSTMENTS</b>	
Eliminate capital expense budget	(138,006)
<b>Adjusted Capital Budget</b>	<b>-</b>
<b>Total Expenses</b>	<b>722,374</b>
<b>Annual Deficit</b>	<b>79,759</b>

## 20. Funding Transfers from Other Governments

	2013 \$	2012 \$
<b>REVENUES</b>		
General government services	54	70
Protection services	-	-
Transportation services	-	-
Environmental services	-	-
Health services	-	-
Social and family services	28	55
Recreation and cultural services	2,180	5,062
Planning and development services	120	118
<b>Total Funding</b>	<b>2,382</b>	<b>5,305</b>

## 21. Commitments

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

2014	\$3,335
2015	2,811
2016	2,569
2017	2,182
2018	766
<b>Total</b>	<b>\$11,663</b>

## 22. Comparative figures

Certain 2012 figures have been reclassified to conform to the financial statement presentation adopted in 2013.

# Independent Auditors' Report



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

We have audited the accompanying financial statements of the **trust funds** of The Corporation of the City of Mississauga, which comprise the statement of financial position as at December 31, 2013, the statement of operations for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control

relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the City of Mississauga as at December 31, 2013, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants,  
Licensed Public Accountants  
April 14, 2014  
Toronto, Canada

# City of Mississauga

## Trust Funds Statement of Operations

as at December 31, 2013 with comparatives for 2012. (All dollar amounts are in \$000s.)

	2013			2012
	PERPETUAL CARE	ELECTION SURPLUS	TOTAL	TOTAL
	\$	\$	\$	\$
<b>Revenues</b>				
Interest	15	-	15	15
Perpetual care receipts	30	-	30	52
Surplus election proceeds (Note 5)	-	-	-	3
<b>Total Revenues</b>	<b>45</b>	<b>-</b>	<b>45</b>	<b>70</b>
<b>Expenses</b>				
Surplus forfeited to City	-	3	3	2
Cemetery maintenance	15	-	15	15
<b>Total Expenses</b>	<b>15</b>	<b>3</b>	<b>18</b>	<b>17</b>
<b>Annual Surplus/(Deficit)</b>	<b>30</b>	<b>(3)</b>	<b>27</b>	<b>53</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>504</b>	<b>3</b>	<b>507</b>	<b>454</b>
<b>Accumulated Surplus, End of Year</b>	<b>534</b>	<b>0</b>	<b>534</b>	<b>507</b>

## Trust Funds Statement of Financial Position

as at December 31, 2013 with comparatives for 2012. (All dollar amounts are in \$000s.)

	2013			2012
	PERPETUAL CARE	ELECTION SURPLUS	TOTAL	TOTAL
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash	75	-	75	22
Due from City of Mississauga (Note 2)	30	-	30	52
Investments (Note 3)	429	-	429	433
<b>Net Financial Assets</b>	<b>534</b>	<b>-</b>	<b>534</b>	<b>507</b>
<b>Accumulated Surplus</b>	<b>534</b>	<b>-</b>	<b>534</b>	<b>507</b>

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



## Trust Funds

### Notes to Consolidated Financial Statements

for the year ended December 31, 2013 with comparatives for 2012.  
(All dollar amounts are in \$000s.)

#### 1. Significant Accounting Policies

##### Basis of Accounting

Perpetual care receipts are reported on the cash basis of accounting and interest income is reported on the accrual basis of accounting.

Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

#### 2. Due from the City of Mississauga

There are no specific terms of repayment and the amounts do not bear any interest due to/from the City.

#### 3. Investments

The total investments by the Trust Funds of \$429 (2012 \$433) reported on the Statement of Financial Position at cost, had a market value of \$431 (2012 \$453) at the end of the year.

#### 4. Perpetual Care Fund

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

#### 5. Election Trust Fund

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



# 2013 Statistics

City of Mississauga



# City of Mississauga Five-Year Financial Review

## Municipal Statistics

(All dollar amounts in \$000s.)

FISCAL YEAR	2013	2012	2011	2010	2009
Population	754,000	743,000	741,000	736,000	731,000
Area in acres	72,200	72,200	72,200	72,200	70,500
Households	243,000	235,000	235,000	232,500	231,000

### EMPLOYEES

Full time	4,185	4,109	4,065	4,187	4,104
Per 1000 people	5.5	5.5	5.5	5.7	5.6
Part time	3,446	3,343	3,178	3,203	2,904
Construction activity	\$942,335	\$856,857	\$806,127	\$451,806	\$640,508

## Tax Assessment Information

FISCAL YEAR	2013	2012	2011	2010	2009
Assessment Valuation Year	2012	2008	2008	2008	2008

### TAXABLE ASSESSMENT UPON WHICH THE YEAR'S RATES OF TAXATION WERE SET

Residential, farm, multi-residential	\$84,095,484	\$74,664,351	\$74,483,486	\$70,484,292	\$66,204,948
Commercial, industrial and other	28,629,494	28,208,837	26,247,111	24,071,666	20,037,794
<b>Total Taxable Assessment</b>	<b>\$112,724,978</b>	<b>\$106,873,188</b>	<b>\$100,730,597</b>	<b>\$94,555,958</b>	<b>\$86,242,742</b>
Commercial, industrial, and business as a percentage of taxable assessment	25.4%	26.4%	26.0%	25.4%	23.2%

## Tax Rate Information

(per \$ of assessed value)

	2013	2012	2011	2010	2009
<b>RESIDENTIAL AND FARM</b>					
for City purposes	0.290425%	0.284851%	0.278907%	0.277387%	0.286190%
for Regional purposes	0.424223%	0.437847%	0.452704%	0.463728%	0.479403%
for School purposes	0.212000%	0.221000%	0.231000%	0.241000%	0.252000%
<b>Total Tax Rate - Residential and Farm</b>	<b>0.926648%</b>	<b>0.943698%</b>	<b>0.962611%</b>	<b>0.982115%</b>	<b>1.017593%</b>
<b>COMMERCIAL</b>					
for City purposes	0.409446%	0.401587%	0.393207%	0.391065%	0.403475%
for Regional purposes	0.598076%	0.617284%	0.638230%	0.653772%	0.675870%
for School purposes	1.147477%	1.177386%	1.253034%	1.339544%	1.439162%
<b>Total Tax Rate - Commercial</b>	<b>2.154999%</b>	<b>2.196257%</b>	<b>2.284471%</b>	<b>2.384381%</b>	<b>2.518507%</b>
<b>INDUSTRIAL</b>					
for City purposes	0.456189%	0.447433%	0.438096%	0.435709%	0.449536%
for Regional purposes	0.666353%	0.687753%	0.711091%	0.728407%	0.753028%
for School purposes	1.399256%	1.421817%	1.499357%	1.585675%	1.681288%
<b>Total Tax Rate - Industrial</b>	<b>2.521798%</b>	<b>2.557003%</b>	<b>2.648544%</b>	<b>2.749791%</b>	<b>2.883852%</b>

## Tax Levies

(per \$ of assessed value)

FISCAL YEAR	2013 \$	2012 \$	2011 \$	2010 \$	2009 \$
<b>PROPERTY TAX LEVIES</b>					
City portion	378,605	350,728	330,232	306,504	291,911
Regional portion	547,640	534,788	531,508	507,616	484,054
School Board portion	519,845	516,000	525,857	510,884	491,580
<b>Total Tax Levies</b>	<b>1,446,090</b>	<b>1,401,516</b>	<b>1,387,597</b>	<b>1,325,004</b>	<b>1,267,545</b>
<b>PROPERTY TAXES COLLECTED</b>					
City collection	386,947	362,502	322,545	285,894	283,652
Taxes transferred to the Region	547,640	534,788	531,508	507,616	484,054
Taxes transferred to the School Boards	519,845	516,000	525,857	510,884	491,580
<b>Total Taxes Collected</b>	<b>1,454,432</b>	<b>1,413,290</b>	<b>1,379,910</b>	<b>1,304,394</b>	<b>1,259,286</b>
<b>PROPERTY TAX ARREARS</b>					
Taxes receivable	37,694	46,036	50,863	66,552	59,472
Taxes receivable per capita	50	63	69	90	81
Percentage of current levy	2.6%	3.3%	3.8%	5.0%	4.7%
<b>CONSOLIDATED REVENUES</b>					
Property taxation	378,605	350,728	330,232	306,504	291,911
Taxation from other governments	24,766	23,576	23,427	22,508	21,882
User charges	175,859	171,957	155,238	146,477	141,537
Recovery charges	26,556	38,724	28,098	3,138	2,089
Government grants	2,382	5,305	51,171	48,687	6,787
Development contributions applied	59,816	14,579	81,036	148,194	131,274
Investment income	35,322	44,061	49,614	52,262	73,651
Penalties and interest on taxes	8,025	9,012	9,268	9,983	10,376
Contributed assets	24,038	30,873	32,019	13,779	22,103
Other	7,215	3,919	5,036	18,306	20,931
Equity in income of Enersource Corporation	19,522	9,588	25,091	15,933	15,808
Pick-up in Enersource's accounting policy change	-	-	-	-	582
<b>Total Revenues</b>	<b>\$762,106</b>	<b>\$702,322</b>	<b>\$790,230</b>	<b>\$785,771</b>	<b>\$738,931</b>
<b>Revenue Per Capita</b>	<b>\$1,011</b>	<b>\$945</b>	<b>\$1,066</b>	<b>\$1,068</b>	<b>\$1,011</b>

## Consolidated Expenses By Function

	2013 \$	2012 \$	2011 \$	2010 \$	2009 \$
General government services	152,342	143,701	159,976	137,553	143,779
Protection services	114,335	108,309	103,162	101,819	98,073
Transportation services	288,397	274,632	267,489	250,980	233,948
Environmental services	13,883	12,108	11,775	11,775	11,469
Health services	-	72	93	68	68
Social and family services	465	524	627	610	587
Recreation and cultural services	147,134	145,202	139,425	126,843	126,167
Planning and development services	17,669	16,562	14,777	15,774	14,467
Loss on disposal of tangible capital assets	2,689	6,908	3,068	1,048	2,437
<b>Total Consolidated Expenses by Function</b>	<b>736,914</b>	<b>708,018</b>	<b>700,392</b>	<b>649,470</b>	<b>630,995</b>
<b>Annual Surplus/(Deficit)</b>	<b>25,192</b>	<b>(\$5,696)</b>	<b>\$89,838</b>	<b>136,301</b>	<b>107,354</b>
<b>Net Financial Assets</b>	<b>452,796</b>	<b>526,144</b>	<b>600,109</b>	<b>630,274</b>	<b>682,217</b>

## Capital Fund Information: Capital Financing

Development contributions applied	59,816	14,579	81,036	148,194	131,274
Government grants	707	3,679	49,229	47,115	5,482
Other	25,596	39,742	26,628	23,097	18,276
<b>Total Capital Financing</b>	<b>86,119</b>	<b>58,000</b>	<b>156,893</b>	<b>218,406</b>	<b>155,032</b>
<b>Current Year Unexpended Capital Financing</b>	<b>116,709</b>	<b>134,451</b>	<b>199,488</b>	<b>215,660</b>	<b>208,115</b>

## Expenses by Object: Consolidated Statement of Operations

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

FISCAL YEAR	2013 \$	2012 \$	2011 \$	2010 \$	2009 \$
Salary, wages and fringe benefits	425,825	407,029	404,876	379,183	379,326
Debt interest	624	-	-	-	-
Materials and supplies	53,080	53,098	52,219	44,778	41,675
Contracted services	65,376	61,464	70,295	66,677	57,841
Rents and financial expenses	65,430	58,989	56,606	53,380	52,159
External transfers to others	4,254	3,938	3,558	4,066	1,876
Amortization	119,636	116,592	109,770	100,338	95,681
Loss on disposal of assets	2,689	6,908	3,068	1,048	2,437
<b>Total Consolidated Expenses</b>	<b>736,914</b>	<b>708,018</b>	<b>700,392</b>	<b>649,470</b>	<b>630,995</b>

## Municipal Debt Information: Long-Term Liabilities

General municipal activities	50,000	-	-	-	-
Per capita	66	-	-	-	-

## Charges for Long-Term Liabilities

General municipal activities	308	-	-	-	-
Per capita	<1	-	-	-	-
<b>Debt Repayment Limit</b> (as determined by the Province of Ontario)	<b>147,700</b>	<b>137,000</b>	<b>142,265</b>	<b>122,653</b>	<b>115,020</b>

## Tangible Capital Assets

Net book value	7,788,423	7,689,448	7,552,173	7,394,263	7,205,095
Amortization	119,636	116,592	109,770	100,338	95,681
<b>Operating Fund Transfers to Capital Reserve Fund</b>	<b>42,340</b>	<b>42,985</b>	<b>26,296</b>	<b>21,129</b>	<b>18,720</b>

<b>ACCUMULATED SURPLUS</b>	<b>2013 \$</b>	<b>2012 \$</b>	<b>2011 \$</b>	<b>2010 \$</b>	<b>2009 \$</b>
Invested in tangible capital assets	7,788,423	7,689,448	7,552,173	7,394,263	7,205,095
Operating surplus	2,900	-	-	-	-
Unexpended capital	116,709	134,451	199,488	215,660	208,114
**Enersource Corporation	273,622	264,972	267,667	213,525	207,076
Long-term debt	(50,000)	-	-	-	-
Business improvement associations	-	47	76	150	118
Unfunded employee benefits	(189,891)	(186,557)	(184,700)	(169,812)	(168,785)
Reserves	49,263	50,687	47,307	48,012	50,293
Reserve funds	259,577	272,363	279,713	331,477	395,063
<b>Total Accumulated Surplus</b>	<b>8,250,603</b>	<b>8,225,411</b>	<b>8,161,724</b>	<b>8,033,275</b>	<b>7,896,974</b>
<b>Trust Funds Surplus</b>	<b>534</b>	<b>507</b>	<b>454</b>	<b>447</b>	<b>576</b>

The statistics from 2009 onward are presented in accordance with Public Sector Accounting Board (PSAB) sections 1200, Financial Statement Presentation, and 3150, Tangible Capital Assets.

The 2012 Tangible Capital Asset inventories, presented in the 2013 Consolidated Financial Statements, have been adjusted to reflect an immaterial correction of an understatement of land in prior years. The amount previously reported as tangible capital assets as at December 31, 2012 has been increased by \$69,383.

**\*\*Enersource Corporation:** The statistics from 2008 onward are presented in accordance with Public Sector Accounting Board (PSAB) sections 1200, Financial Statement Presentation, and 3150, Tangible Capital Assets. The City has a 90 per cent interest in Enersource Corporation. This is accounted for on a modified equity basis. Enersource Corporation prepared its consolidated financial statements for the year ended December 31, 2012 in accordance with International Financial Reporting Standards (IFRS) and comparatives for the year ended December 31, 2011 were restated to conform.

## City of Mississauga

### 10 Largest Corporate Property Taxpayers

OWNER		ASSESSMENT VALUE \$
1	OMERS Realty Management	779,549,251
2	The Erin Mills Town Centre	283,070,500
3	3536785 Complex Portfolio	194,797,001
4	Mississauga Complex Portfolio	136,282,750
5	HOOPP Realty Inc.	125,950,501
6	Ivanhoe Cambridge I Inc.	115,273,751
7	Select Properties Limited	112,041,251
8	Metrus Central Properties	102,041,251
9	First Capital (Meadowvale) Corp.	96,668,023
10	PCM Sheridan Inc.	96,775,613
<b>Top Ten Assessment Total</b>		<b>\$2,042,449,892</b>
<b>% of Total Industrial and Commercial Assessment</b>		<b>7.2%</b>
<b>% of Total Taxable Assessment</b>		<b>1.8%</b>
<b>Total Residential Assessment</b>		<b>\$84,225,126,092</b>
<b>Total Industrial and Commercial Assessment</b>		<b>\$28,499,852,432</b>
<b>Total Taxable Assessment</b>		<b>\$112,724,978,524</b>



### Contact Information

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E-mail:  
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If you need this information in an alternate  
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# **2013 Financial Report**

