

THE CITY OF MISSISSAUGA

FINANCIAL REPORT 2003

FOR THE FISCAL YEAR ENDING DECEMBER 31, 2003

MISSISSAUGA, ONTARIO, CANADA



*Leading today
for tomorrow*

Mayor Hazel McCallion and Members of Council



Hazel McCallion
Mayor



Carmen Corbasson
Councillor - Ward 1



Pat Mullin
Councillor - Ward 2



Maja L.A. Prentice
Councillor - Ward 3



Frank Dale
Councillor - Ward 4



Eve Adams
Councillor - Ward 5
Effective December 1, 2003



George Carlson
Councillor - Ward 6



Nando Iannicca
Councillor - Ward 7



Katie Mahoney
Councillor - Ward 8



Pat Saito
Councillor - Ward 9

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MISSISSAUGA, ONTARIO, CANADA

PRODUCED BY THE FINANCE DIVISION,
CORPORATE SERVICES DEPARTMENT OF THE CITY OF MISSISSAUGA
IN COOPERATION WITH ALL CIVIC DEPARTMENTS, OFFICES AND AGENCIES



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Mayor's Message



Hazel McCallion
Mayor

Mississauga has grown to a population of 653,000, making it the sixth largest city in Canada and the third largest in the Province of Ontario. My colleagues and I are very proud of the City's sound financial management, which has allowed it to grow not just rapidly but successfully, as well.

Mississauga takes pride in providing its citizens with the right services, delivered in a superior way, at a reasonable cost. Increased costs for providing current services must be balanced with the need to provide additional services into

recently developed areas. We will do this, but always with a strong focus on good financial stewardship and providing excellent value for our taxpayers.

As our City's needs grow and change, we need to look at new revenue sources to fund services and ways of providing programs more efficiently. The property tax alone is not sufficient to support the services that residents have come to expect from the City of Mississauga. As part of an internal review of City services, our staff are studying ways to improve efficiencies and deliver better customer service. At the City, we have always strived for continuous improvement and managing our resources in a prudent and fiscally responsible manner.

This year, Council endorsed a 2003 Growth Forecast which confirms the City's transition from a young and fast-growing City to a mature municipality. Mississauga is gradually being built out and facing the challenges of financing the replacement of infrastructure that was installed more than 30 years ago. As we mature into the future, we will continue to emphasize the sound financial management practices and decision making that has made us so successful in the past.

This report reflects on both our successes and some of the challenges our City will face in the next decade as it matures.

Our fiscal track record of responsible financial planning and debt-free status is the envy of other municipalities and a major draw to hundreds of businesses that locate to Mississauga annually. For example, this year the City's Economic Development office released a comprehensive study of the

City's financial services sector. The study, *Mississauga: A Leading Canadian Financial Services Cluster*, details the unprecedented growth of the City's finance, insurance and real estate cluster, known as the FIRE sector, and concludes that Mississauga is home to the third largest FIRE sector in Canada. As a City, we will work hard to ensure that Mississauga continues to benefit from competitive and fair business taxes to make us an attractive place to invest and create jobs.

We take great pride in the fact that Mississauga is a great City in which to live, work and play and the latest figures from the Mississauga Crime Prevention Association confirms it's also the safest. I am proud to say that for the fourth year in a row Mississauga has been named the safest city in Canada. This accomplishment reflects the great work done by Peel Regional Police, organizations like Mississauga Crime Prevention, and the many concerned and committed citizens of Mississauga.

Staff will continue to review city operations to ensure that we are delivering quality municipal programs and services to our citizens which are cost-effective. Council will continue to advocate for change and a new deal for Mississauga. We will maintain our commitment to running the City like a business and to ensure we have the right financial policies and controls that make us accountable to our residents and taxpayers.

My congratulations go to my colleagues on Council and staff who commit to serving the citizens of our fine City. Their contribution and dedication, is to be commended.

A handwritten signature in blue ink, which appears to read "Hazel McCallion". The signature is fluid and cursive.

Hazel McCallion
Mayor

City Manager's Message



David O'Brien
City Manager

The City of Mississauga has experienced significant growth over the past 10 years making it the sixth largest city in Canada and a leader in municipal services. Throughout that time, we have practiced fiscal responsibility. Once again in 2003, we have responded to the needs of our community with the right services at a reasonable cost. We are proud of the City's sound financial management.

Our 2003 Financial Report includes an overview of the City's strategic plan, operating philosophy and fiscal

policy. These policies and our philosophy of running the City like a business are the basis of our financial success. Below are some examples of achievements as they relate to the principles of our operating philosophy:

To earn the respect, appreciation and support of our customers: In 2003, residents' satisfaction with the City of Mississauga and its services continued to be very high. According to an annual Environics poll, 87 per cent of residents said they were satisfied with City municipal government, a higher rating than other municipal governments in the Greater Toronto Area. Seven in 10 (71 per cent) Mississauga residents say Mississauga is striking the right balance between providing programs and services and controlling property taxes.

To consistently set the standard for excellence in public service: The City launched its new and innovative e-City web portal. This portal will position the City of Mississauga to become one of the premier municipal sites not only in Canada but in North America. e-City will take us closer to our goal of offering residents complete online City services 24 hours a day, seven days a week.

To run the City like a business: Meadowvale Four Rinks, which was closed for six months, reopened this year, as part of the Redevelopment Project. The Redevelopment Project includes facility upgrades addressing accessibility, health and safety issues and changing trends in recreation and demographics. Four other major recreation facilities included in the project are scheduled to reopen next year. The City has funded these renovations by setting aside funds without a major impact on taxes.

In 2003, Fire Station 122 opened in Churchill Meadows, Ward 9. The station was designed to blend in with the surrounding community and operates as a practical working building.

To be an employer of choice: For the fourth year running Mississauga was listed as one of the nation's very best places to work. We were named a "Top 100 Employer" when compared to 51,000 companies and organizations across Canada. Our success as an organization is based on our ability to retain and attract high calibre staff. We're very proud of achieving this recognition which proves once again that Mississauga is a great place to live and work.

To engage all employees in the achievement of our goals: In the most recent City staff survey more than 90 per cent of staff said that they felt proud to work for the City and look forward to coming to work. As well, over 90 per cent of employees agree that they have a good relationship with their customers and that services provided are based on what customers want.

These are just a few accomplishments of 2003. The City is a leader in delivering excellent, quality service to its citizens as part of our pay-as-you go fiscal management. Our employees are committed to these principles and it's through their dedication and hard work that Mississauga is a success and the envy of other municipalities.

We look forward to continued successes in 2004 and we will work hard to deliver the superior services our residents have come to expect from the City of Mississauga.

A handwritten signature in blue ink that reads "David O'Brien". The signature is fluid and cursive, with a large initial "D" and "O".

David O'Brien
City Manager

City's Strategic Direction

Strategic management is an ongoing process. It involves the coordination and integration of existing procedures and practices such as the budget process and demographic and development forecasts into a common, corporate strategy.

We will continue to incorporate the 10 vision statements of the Strategic Plan into the design and delivery of City programs and services.

The City of Mississauga has 10 vision statements that comprise the Strategic Plan for the New Millennium. These statements will serve as the guiding principles for the City's corporate decision making processes.



10 Visions Statements of the Strategic Plan:

1. Mississauga will be a distinct major Canadian city.
2. The City Centre will be downtown Mississauga.
3. Mississauga will have distinct and recognizable communities.
4. Mississauga will have a dynamic and diverse economic base.
5. Mississauga will have a transportation system which allows for safe and efficient movement within and beyond the city.
6. Mississauga will provide the right services, delivered in a superior way, at a reasonable cost.
7. Mississauga will be an environmentally responsible community.
8. Mississauga will be governed in an open and responsive manner.
9. Mississauga will achieve excellence in public administration.
10. Mississauga will offer a diversity of cultural opportunities.

City's Operating Philosophy

To earn the respect, appreciation and support of our customers

- We must build effective relationships with our customers, based on trust, respect, honesty and integrity.
- Our customers know what to expect from our services based on established and clearly communicated service delivery standards.
- By listening to our customers, and understanding their needs, we are able to respond with the best service possible.

To consistently set the standard for excellence in public service

- We are accessible to our customers.
- We are open to new ideas and we listen and learn from each other.
- We set progressive goals for ourselves.
- We are champions of the public interest.
- Innovation is essential to deliver the best services at the lowest cost to the taxpayer.

To run the City like a business

- Our business includes the sound management of public resources and the protection of the public interest.
- The application of private sector business principles and practices, where appropriate, is the key to our success.
- The City is committed to measuring and managing performance as well as continuously improving our processes and services.
- We must be purposely aware of the efficiency of our services to ensure they are cost effective and provide value.
- We maintain a strong long-term financial plan and make decisions on sound business plans.
- We anticipate, initiate and manage change effectively.

To be an employer of choice

- We work in a safe and healthy work environment.
- We respect diversity in the work place.
- All employees are highly valued members of the Corporation.
- We are committed to fair and equitable compensation practices.
- We recognize employees' needs and respond in a flexible and appropriate manner.
- Employee growth and development is valued.

To engage all employees in the achievement of our goals

- We want to wake up every day with a passion for our work.
- We will speak out, try new things and challenge conventional wisdom.
- We feel free to use our best judgement and make decisions.
- Free and open sharing of information and ideas is critical for effective two-way communication.
- Recommendations and solutions will emerge from collaboration and team work.
- We will take ownership and responsibility to resolve problems and remove barriers that impede our performance.
- We will take the time to express genuine appreciation for a job well done and openly recognize successes with enthusiasm.

City Profile and Statistics

Mississauga, Canada's sixth largest city, is considered a municipal leader in fiscal responsibility, technology and urban development. Mississauga provides its citizens with state-of-the-art facilities, programs and services, and is recognized as the safest city in Canada to live, work and play.

Since its incorporation in 1974, Mississauga has become a distinct major Canadian city with a population of 653,000. The demographics of the City include an average household income of \$80,442, which is well above the national average. More than 76 percent of the City's population is under the age of 50 and 40 percent of the population is between 20-44 years of age.

Mississauga is strategically located in the centre of Canada's major consumer and industrial market, in the Province of Ontario. It sits on the western edge of the Greater Toronto Area (GTA), only 90 minutes from the U.S. border which puts local companies in touch with a vast market of 164 million Americans, and has direct access to North America's biggest and richest market of more than 400 million people.

Mississauga as a business location is very cost competitive. Property taxes are among the lowest in Ontario and the very active development industry has kept lease rates and land prices competitive. The City's utility rates are among the lowest in the GTA. In addition, Mississauga has one of the most sophisticated telecommunications infrastructures. The City has exceeded \$1 billion in the value of building permits for the last seven years, demonstrating both public and industry confidence in our economy and in our city.

The City offers the business community a rich pool of talent and access to 2.9 million people in the GTA. With an employment force of more than 375,000, Mississauga is an importer of labour from the surrounding region which is the largest labour force market in Canada. As well, 59 percent of our work force has post-secondary education. There are nine universities and 10 colleges within commuting distance, including the University of Toronto at Mississauga.

One of Mississauga's greatest strengths is its dynamic and diverse economic base with more than 20,000 businesses (excluding home-based businesses). These businesses are widely diversified in the information technology, telecommunications, pharmaceutical/biomedical, aerospace, automotive, financial/business services and consumer products sectors. The City is ranked as the third largest Bio centre in Canada with close to 400 Bio companies employing almost 19,000 people. In addition, 52 Fortune 500 corporations have their Canadian head offices here.

Located in Mississauga, L.B. Pearson International Airport (LBPIA) is a major hub, and the busiest airport in the country. In 2002, 25.9 million people travelled through LBPIA. Currently it provides non-stop service to 103 destinations in 35 countries around the world. Mississauga is also served by two national railways and the greatest concentration of major highways in Canada.

Mississauga is the location of choice for families as well as growing businesses. It is a vibrant multi-cultural city. Mississauga is a great place to live with strong communities, a wide selection of quality housing, great schools and shopping. There is an active cultural life with galleries, theatres, art centres, concert halls and museums. There are outstanding sports facilities, golf courses and numerous community centres situated strategically throughout the City. Mississauga boasts three beautiful marinas along the shores of Lake Ontario, over 400 parks and more than 18 major trails.

Mississauga continues to provide residents and businesses with the right services, delivered in a superior way, at a reasonable cost. Services provided by the City include transit, provincial offence administration, recreation facilities and programs, parks maintenance, fire and emergency services, library services, local and arterial roads, storm sewers, tax collection, winter maintenance, building controls and inspections, bridges and watercourses, and municipal planning and zoning services.

City Council

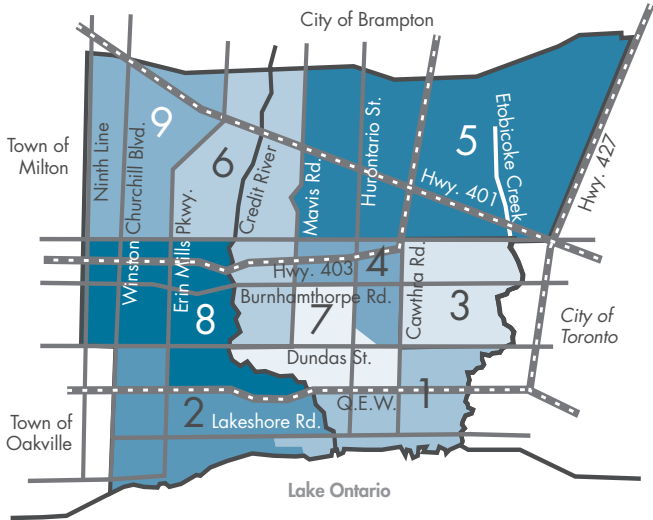
City Council is the legislative body of The Corporation of the City of Mississauga. Council consists of the Mayor, elected at large by voters in the City, and nine Councillors, each elected by voters in their own ward. Council's term of office is three years. The current Council began its term on December 1, 2003 and will sit until November 30, 2006.

For budget purposes, Mayor and Council are organized in two separate programs. The Mayor's salary, vehicle, office expenses and three support staff are included in one program. The nine Councillors' salaries, car allowances, operating expenses and 14 support staff are included in the other program.

Councillors' expenses are governed by By-laws passed and recommendations approved by Council.

This 10 member council also resides on the Regional Municipality of Peel Council (upper tier level of government) along with representatives from the City of Brampton and the Town of Caledon.

Council may exercise its authority through the passage of By-laws and/or Council resolutions.



City of Mississauga Councillors

- | | | |
|--------------------|------------------|------------------|
| 1 Carmen Corbasson | 4 Frank Dale | 7 Nando Iannicca |
| 2 Pat Mullin | 5 Eve Adams | 8 Katie Mahoney |
| 3 Maja Prentice | 6 George Carlson | 9 Pat Saito |

The City Manager supports City Council by directing the daily operations of the City through appointed department heads and administration of City policies. The City Manager also acts as an advisor to the Mayor and Council on all matters of government administration.

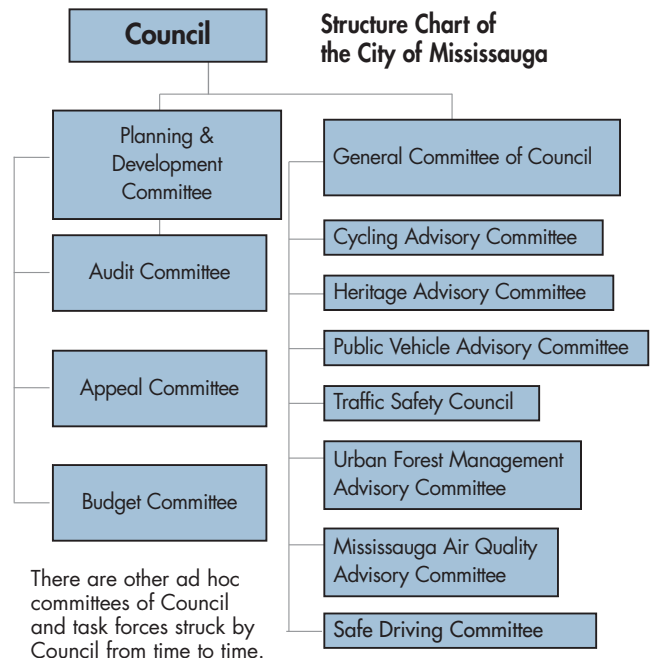
City Committees

Council is assisted in the discharge of its responsibilities through a committee structure. These committees are delegated certain powers and duties to facilitate the administration of their assigned areas.

The General Committee, Planning and Development Committee, Audit Committee, Appeal Committee and Budget Committee are designated as Standing Committees and report directly to Council.

Other committees designed as ad hoc or sub committees report to Council through one of the standing committees. Ad hoc or other Committees of Council and task forces may be struck by Council from time to time.

A committee structure chart of the City of Mississauga has been included to the right:



Year 2003 Awards and Accomplishments

On April 28, staff presented to Council the 2003 Successes Report which outlined the significant corporate successes and accomplishments staff achieved in meeting the goals set out in the City's strategic plan.

During 2003, City staff identified improvements and efficiencies resulting in cost savings of \$1,691,440 and generated additional revenues totalling \$4,816,000 including donations, both cash and in kind. \$1 million of this total was received through the SuperBuild infrastructure funding program.

City staff directly supported the endeavours of various community organizations in securing \$278,786 in donations for community works.

The City experienced a very active construction year in 2003, issuing 5,824 permits with a prescribed construction value of \$1.507 billion for all building permits. This represents the seventh consecutive billion dollar plus year. Of significant note, 2,021 apartment units were issued of which 75 per cent were located in the City Centre, which represents the highest number of apartment permits issued since 1988.

In 2003, a new record was established for transit ridership with over 25 million customer trips carried on Mississauga Transit.

The City completed the construction of a number of new facilities and amenities including Fire Station 122, Animal Services building expansion, Meadowvale Four Rinks redevelopment, new Skateboard Park, widening and reconstruction of Eglinton Avenue (from Highway 403 to Dixie Road) and full restoration of the Dundas Street bridge over the Credit River.

The City of Mississauga staff exceeded the expected contribution to the United Way campaign by raising a total of \$142,786. Of this total, over \$106,000 was raised through employee pledges and the rest through special events. This is the largest amount ever raised by the City's employee campaign. Due to these efforts, the employee campaign team was nominated by the United Way of Peel Region for two awards including the Most Outstanding Joint Union/Management Campaign and the Best Employee Campaign.

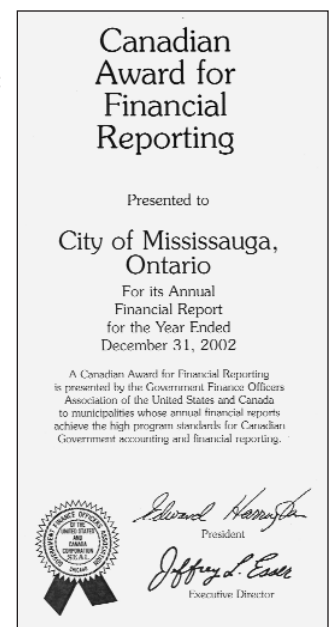
2003 Awards

The City of Mississauga was named one of Canada's Top 100 Employers for the fourth year in a row. This award is based on selection criteria relating to business growth, physical work environment, staff communications, staff performance feedback, employee benefits, vacation programs and whether the employer "goes the extra distance" to attract and retain outstanding employees.

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 annual financial reports. This award program encourages municipal governments throughout Canada to publish high quality financial reports to provide peer recognition and technical guidance for officials preparing these reports. The City was presented this distinguished award for the sixth time.

The Government Finance Officers Association of the United States and Canada also presented the City with the Distinguished Budget Presentation Award for its 2003 budget. The City has won this award for 14 consecutive years. Both awards are the highest forms of recognition that a government entity can receive and are designed to promote the highest quality of financial documents that meet the needs of decision-makers and citizens.

Mayor Hazel McCallion was the recipient of the International Economic Development Association's Leadership Award for Public Service. Mayor McCallion was also appointed to the eight-person Advisory Board Committee of the World Health Organization Centre for Health Development for a period of three years.



Year 2003 Awards and Accomplishments

Mississauga City Solicitor Mary Ellen Bench received the designation of Local Government Fellow from the International Municipal Lawyers Association. She is only one of six legal professionals in the municipal field in Canada to hold this prestigious recognition.

In partnership with Creative Services, the Economic Development Office received:

- an Ontario Economic Development Award under the category of Business Development Publications – Brochure from the Economic Development Council of Ontario for the 2003 Mississauga FACTS brochure
- a GTA Award of Distinction – International Marketing Award from the Greater Toronto Marketing Alliance for the Biotechnology Marketing Campaign

The City of Mississauga won the 2003 Canadian Environment Silver Award for its successful “Turn Your Key – Be Idle Free” anti-idling campaign. The award was won in the Climate Change – Community Award category of the national Canadian Environment Awards program. The project was a great success with survey results showing a 95 per cent public support rate.

Zonta Meadows Accessible Playground received the Regional Honour Award from the Canadian Society of Landscape Architects for its groundbreaking design for accessible play.

Lakeview Golf Course received the Toronto Sun Golfers’ Choice Award.

In September 2003, the Community Services Department was presented with the prestigious Friends of the Credit Conservation Award of Distinction to recognize the significant contributions the Department’s staff have made to the Credit River watershed over many years.

The Fire and Emergency Services, Auto Extrication Team, participated in the Atlantic Canada Extrication competition and placed first in several categories including First Place Limited Evolution, First Place Unlimited Evolution, First Place Overall, Top Medic, Top Incident Commander and Top Team Safety Award. The team was also featured in an Emergency Rescue television series on The Discovery Channel, which received international attention. At the World Auto Extrication Competition, the team ranked seventh and was the only North American team to place in the top 10.

The Aquatics section of Recreation & Parks, Community Services was awarded the Lifesaving Society’s Cochrane Cup for being the affiliate municipality with the largest lifesaving program in Ontario.

Fire and Emergency Services hosted the 95th Annual Canadian Association of Fire Chiefs Conference. Over 250 Fire Chiefs and industry officials from across Canada attended the weeklong event.

A communications operator from Fire and Emergency Services received the 2003 Region of Peel Communicator of the Year Award for exemplary service.

A staff member from Recreation and Parks, Community Services received the Urban Stewardship Award of Excellence from the Ontario Parks Association and a second award from the Toronto Region Conservation Authority for excellence in his efforts toward naturalization within the park system.

A staff member in Recreation & Parks, Community Services received a Special Recognition Award from the Mississauga Heritage Foundation for his continuous service in promoting community heritage.

The Canadians for Safe and Sober Driving Citizen Award was awarded to a staff member from Enforcement, Corporate Services, in recognition for his actions resulting in the arrest of an impaired driver.

A staff member from Recreation & Parks, Community Services chaired a successful Parks and Recreation Ontario – Provincial Aquatics annual conference.

Two City of Mississauga aquatics staff were selected as judges for the Commonwealth Lifesaving Championships, which were held in Durban, South Africa in July 2003.

Staff from the Planning and Building Department organized the 2003 Ontario Plumbing Inspectors Association 73rd Annual Meeting and Educational Seminar – the first time ever in the City of Mississauga.

Message from Commissioner of Corporate Services and Treasurer



Janice M. Baker, CA
Commissioner of
Corporate Services and Treasurer

It is with pleasure that we present the Financial Report for the City of Mississauga (the City) for the fiscal year ending December 31, 2003 in accordance with the Municipal Act and consistent with principles and standards for financial reporting established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

This section of the City's Annual Financial Report presents our discussion and analysis of the financial activities of the City. It features a section-by-section analysis that supplements the financial statements. This background information is intended to

enhance one's understanding of the financial statements.

The City of Mississauga is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. This report provides taxpayers, residents, and clients of the City with an overview of ongoing financial and operational performance, as well as an opportunity to review and reflect on the City's accomplishments and financial successes over the past year. Information has been presented in such a way as to allow all stakeholders a greater ability to assess the financial position and results of operation of the municipality.

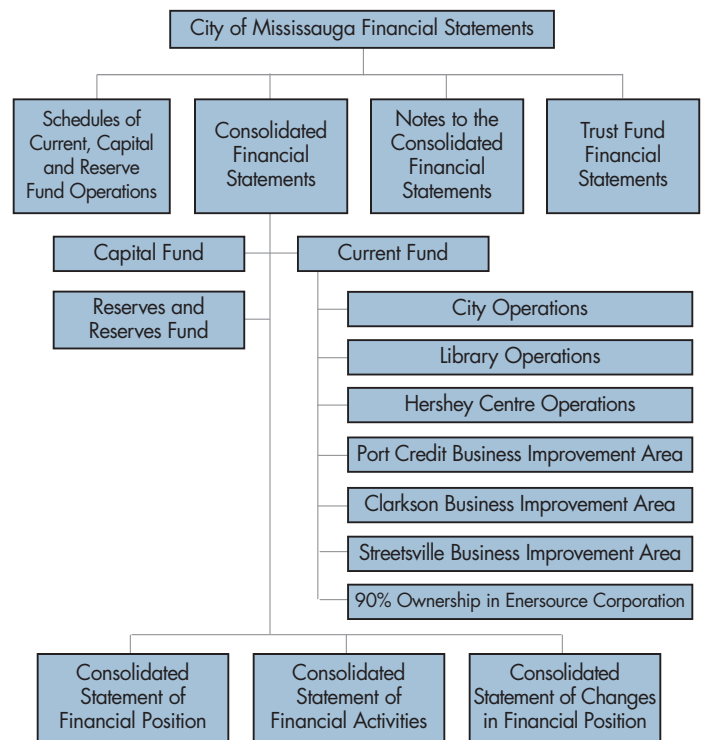
In recognition of the City's ability to present financial information in a clear, concise and informative manner, the City of Mississauga has been awarded the Canadian Award for Financial Reporting for its 2002 Annual Financial Report by the Government Finance Officers Association (GFOA) of the United States and Canada. This annual award encourages innovative financial reporting while maintaining a standard of quality with which peer recognition and technical guidance can be found. The City of Mississauga has received this award six times and we will continue this standard of high quality reporting for submission and evaluation for the 2003 award program.

I. 2003 Financial Statement Discussion and Analysis:

The Financial Statements Discussion and Analysis (FSD&A) accompanies the City of Mississauga's annual financial statements. Responsibility for the integrity and objectivity of the financial statements and associated analysis rests with the City of Mississauga.

The main objective of the FSD&A is to explain and highlight information underlying the financial statements. The intent is to provide useful information that is presented in a clear and concise manner, thus allowing users to make relevant decisions and assessments with regard to the City's resources and finances.

City of Mississauga Financial Statement Composition:



The **Consolidated Statement of Financial Position** (i.e. Balance Sheet) provides information on the financial position of the municipality including Financial Assets, Liabilities, Total Net Assets and Fund Balances.

The **Consolidated Statement of Financial Activities** (i.e. Income Statement) reports the extent to which expenditures are offset by revenues and is highlighted in the Increase/(Decrease) in Net Financial Resources line.

The **Consolidated Statement of Changes in Financial Position** (i.e. Cash Flow) reports the net change in cash resources and how the municipality financed its activities throughout the year.

Message from Commissioner of Corporate Services and Treasurer

II. Enterprise Risk and Uncertainty Mitigation:

The following section includes a summary of areas of significant financial risks and uncertainties faced by the City of Mississauga along with strategies/techniques for managing risk.

External Factors – There are many external factors that can influence the success of City operations or financial results in either a positive or negative way.

- interest rates
- economic uncertainties
- political and legislative changes
- unexpected weather events (i.e. snowstorms)
- development pressures as the City reaches capacity/maturity

Listed below are some of the 2003 events and economic developments that either directly or indirectly impacted the City's financial performance:

- SARS, mad cow disease, the August power blackout, global political tensions, and an unprecedented rise in the Canadian dollar.
- A slowdown in the growth of the Ontario economy to just 1.4 per cent, as compared to 3.6 per cent in 2002. This measure of total value of goods and services produced in Ontario, the Gross Domestic Product (GDP), lagged behind both Canada's (3.1 per cent) and the U.S.'s (4.5 per cent) growth.
- Consumer Price Index (CPI) inflation rate in Ontario of 2.7 per cent, up from 2.0 per cent in 2002. The Canadian CPI inflation rate was 2.8 per cent in 2003, while the U.S. inflation rate was 2.3 per cent.
- A slight decline in the Canadian unemployment rate to 7.0 per cent from 7.1 per cent in 2002. Ontario employment increased by 2.6 per cent or 161,000 jobs, as compared to an increase of 1.8 per cent or 105,000 new jobs in 2002.
- Ontario housing starts hit their highest level in 14 years with 85,180 units, up 1.9 per cent from 2002.

Property and Casualty Risk – The City's Risk Management Section works with City Departments in risk mitigation and education. The Risk Management Section manages the insurance program for all City operations. The program combines a self-funded component with purchased insurance. The self-funded portion applies to claims that are either below the City's deductible, exceed the City's maximum limits of insurance or are not covered by the purchased insurance. A Reserve Fund has been established to cover the claim costs that fall within the self-funded portion of the insurance program.

In the past few years, the insurance market conditions have changed dramatically resulting in increased insurance pricing, fewer insurance sources and more insurance coverage restrictions/exclusions. These changes have necessitated greater reliance on the City's ability to self-fund its insurance needs.

In 2003, the City of Mississauga initiated a process to review and update its disaster recovery plan in order to ensure continuance of key services in the event of a tragedy. The City has completed a business impact analysis and assessed functional requirements as the first phase of this update.

Cash Management – The City of Mississauga strives for the optimum utilization of its cash resources within statutory limitations and the basic need to protect and preserve capital, while maintaining solvency and liquidity to meet on-going financial requirements. City investments relate to Revenue, Reserves, Development Charges and Trusts of the City of Mississauga. The portfolios aim for both diversification and near risk-free investments to ensure security of capital. Emphasis is placed on securities offered by or unconditionally guaranteed by the Government of Canada, a province of Canada, a municipality in Ontario, or the six major Canadian Chartered Banks. The City is not permitted to invest in any security that is expressed or payable in any currency other than Canadian dollars.

Message from Commissioner of Corporate Services and Treasurer

III. Consolidated Statement of Financial Activities Variance Analysis:

The variance analysis highlights significant positive and negative consolidated statement variances along with brief explanations. 2003 Actual Results are compared with:

- i. 2003 Budget; and
- ii. Prior Year Actual Results

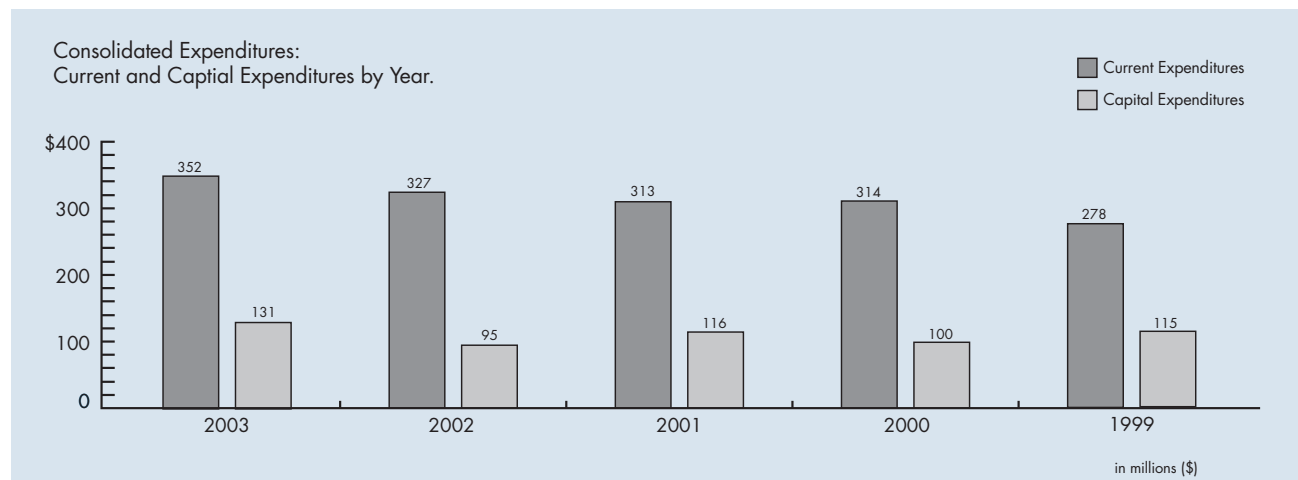
i. Comparison of Actual to Budget:

It is important to compare actual operating results to budget as this communicates how the City performed in comparison to the planned operations, for which the tax rates are levied. The results indicate how well objectives were met.

The table to the right provides a summary of key variances from the Council approved budget:

Category	2003 Budget	2003 Actual	Variance Fav./ (Unfav.)	%	Comments
Revenues	\$434.9	\$459.7	24.8	5.7	Stronger than anticipated Investment earnings of \$7.9; user charges in excess of budget of \$4.0 generated from Transit Revenues, building permits and Provincial Offences/Fines; and Other Income of \$9.0 due to the Provincial Transit Renewal Program and Region of Peel funding for Britannia Golf Course development.
Expenditures*	472.7	483.1	(10.4)	(2.2)	Primarily the result of increased Capital Expenditures. Major Variances from budget are attributed to: <ul style="list-style-type: none"> • Recreation & Cultural Services expenditures related to the community centre redevelopment project • General Government expenditures associated with information technology projects, and • Transportation Services expenditures related to the transit bus purchases
+/- in Net Financial Terms	-37.8	-23.4	14.4	38	Overall, the City improved its financial position due to stronger than anticipated revenues.

* Budgeted expenditures reflect the total estimated cost of capital projects approved for 2003. Spending on these approved projects may extend over several years. Actual 2003 expenditures reflect amounts spent on all capital projects, and thus include spending on projects approved in the current year, last year, or prior years.



Message from Commissioner of Corporate Services and Treasurer

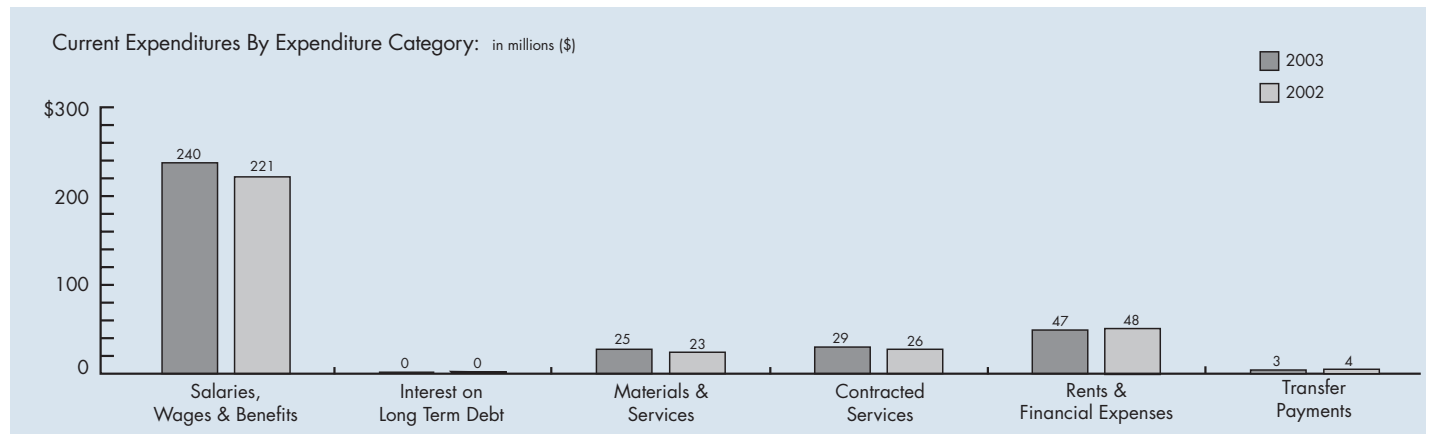
ii. Comparison of Actual to Prior Year:

The following table provides a summary of key variances from 2002 actual financial results:

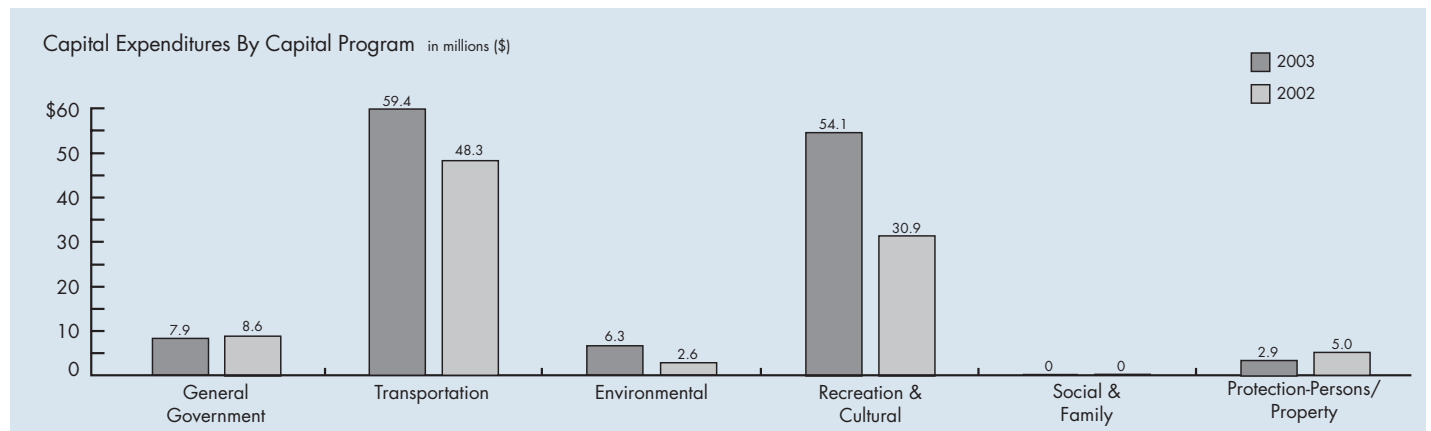
Consolidated Statement of Financial Activities Summary in millions (\$)					
Category	2002	2003	Variance Fav./Unfav.)	%	Variance Fav./Unfav.)
Revenues	\$433.9	\$459.7	\$25.8	5.9	Primarily due to 3.8% property tax rate increase and real assessment growth of 3%.
Expenditures*	422.6	483.1	(60.5)	(14.3)	Primarily due to increased labour costs, and capital expenditures for approved projects including transit bus acquisitions, asphalt refurbishing, road reconstruction and redevelopment of five community centres.
+/- in Net Financial Terms	11.3	-23.4	(34.7)		

* Budgeted expenditures reflect the total estimated cost of capital projects approved for 2003. Spending on these approved projects may extend over several years. Actual 2003 expenditures reflect amounts spent on all capital projects, and thus include spending on projects approved in the current year, last year, or prior years.

The following chart shows a comparison of 2003 and 2002 current expenditures by expenditure category:



The following chart shows a comparison of 2003 and 2002 current expenditures by program area:



Message from Commissioner of Corporate Services and Treasurer

IV. Consolidated Statement of Financial Position Analysis:

The Consolidated Statement of Financial Position provides information on the financial position of the municipality including Financial Assets, Liabilities, Total Net Assets and Fund Balances.

Financial Asset Analysis

The financial asset year end balance for 2003 was \$1.1 billion which is \$13.6 million higher than 2002.

The table to the right highlights the major variances in Millions (\$):

Category	2002	2003	Variance Fav./ (Unfav.)	%	Comments
Cash & Short Term Investments	\$293.4	\$283.2	(10.2)	(3.5)	Reflects portfolio movement from short to longer-term investments.
Taxes Receivable	76.4	91.1	14.7	19.2	\$35.8 million in supplementary taxes billed in 2003 due in 2004 versus \$12.6 in 2002.
Accounts Receivable	22.1	16.8	(5.3)	(24.0)	Reflects the settlement of the 2002 tax levy adjustments with the Region and School Boards.
Investments	542.4	551.1	8.7	1.6	Offsets decrease in Cash and Short Term Investments due to movement from shorter to longer term investing.
Investments in Enersource	173.8	180.7	6.9	4.0	Represents the increase in the City's 90% interest in Enersource

Liability Analysis

Total liabilities reported for 2003 of \$361.8 million were \$37.1 million higher than 2002 with the most significant changes found in the following areas in Millions:

Category	2002	2003	Variance Fav./ (Unfav.)	%	Comments
Accounts Payable & Accrued Liabilities	\$57.0	\$73.3	16.3	28.6	Primarily due to tax levy adjustments payable to the Region and School Boards for increased supplementary tax billings in 2003.
Deferred Revenue-Development Charges & Parkland	155.5	169.2	13.7	8.8	Reflects the reclassification of obligatory reserve funds to deferred revenue, as required by Public Sector Accounting Board (PSAB) standards.
Employee Benefits & Other Liabilities	106.8	114.1	7.3	6.8	Due to increased insurance liability provisions.

Message from Commissioner of Corporate Services and Treasurer

V. Capital Fund Analysis:

The Consolidated Schedule of Capital Fund Operations reports the sources of funding and expenditures incurred in relation to the acquisition, construction and improvement of land, buildings, engineering structures and machinery or equipment used in providing municipal services. Capital expenditures usually confer benefits lasting over a significant period of time. The City prepares a multi-year operating forecast to identify the impact of new facilities and infrastructure. The City's policy has been that unless the City can pay for the new facility without debt, the project would not proceed.

Capital program funding is supported through taxation for existing infrastructure and through development charges for growth related expenditures. The City transferred \$87.0 million to the Capital Reserve Fund during 2003 in order to meet the demands of both existing and growing communities. Mississauga continues its practice of strong financial management coupled with maintaining high service level standards.

VI. Reserve & Reserve Fund Analysis:

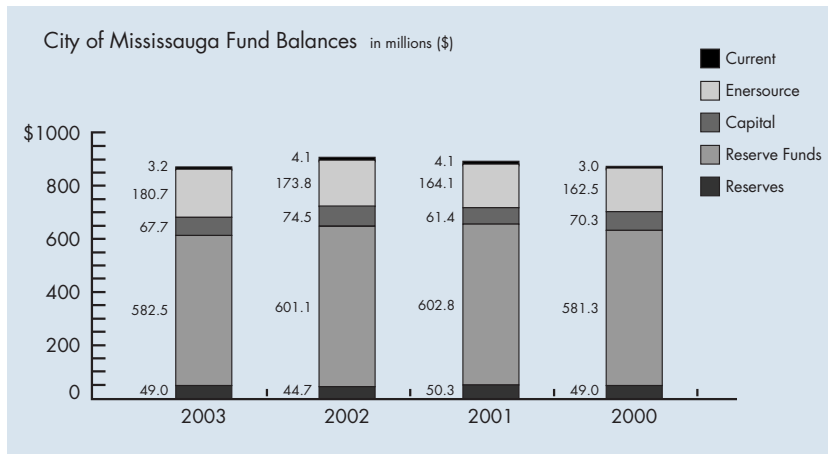
The City maintains reserve and reserve funds to fund specific purpose expenditures as designated by Council to minimize tax rate fluctuations due to unanticipated expenditure and revenue shortfalls, and to fund multiple year projects and programs (ie. insurance and employee benefits). As of December 31, 2003 the City's Reserves and Reserve Fund balances totalled \$631.5 million versus \$645.8 million in 2002, a net decrease of \$14.3 million.

Reserves at the end of 2003 totalled \$48.9 million or \$4.3 million higher than at the end of 2002, mainly due to the creation of a reserve for utilities cost fluctuations.

Reserve Fund balances at the end 2003 totalled \$582.5 million, a decrease of \$18.6 million compared to 2002. The majority of reserve funds, including self-insurance, Workplace Safety and Insurance Board (WSIB), and capital construction and the Enersource Proceeds Reserve Fund were reduced in 2003. These reductions were somewhat offset by an increase to the Vehicle and Equipment replacement fund as a result of increased operating fund transfers to support these costs.

VII. Fund Balances:

The following chart compares the City's fund balances over the last four years:



Message from Commissioner of Corporate Services and Treasurer

VIII. Statement of Changes in Financial Position Analysis:

The Statement of Changes in Financial Position reports the change in cash resources and how the City of Mississauga financed activities in 2003 as compared to 2002. Cash flow information assists in evaluating the liquidity and accountability for the use of cash resources and includes analysis of cash flows from operating activities, cash flows from investing activities and cash flows from financing activities.

The City's closing cash and short-term investment balances of \$283.2 million provide the City with the flexibility and liquidity to manage daily operating requirements while maximizing our investment balances and rates of return.

IX. Future Outlook:

Mississauga's goal is to manage the City in an effective manner so that we can remain competitive and ensure that the residents and businesses in the City are well served in a framework of fiscal responsibility. To this end, we continually review and refine our business planning and annual budget setting practices. Our financial strategies and policies are also reviewed as part of this work in order to ensure that the City can continue to meet the needs and expectations of our residents.

We are committed to remaining an employer of choice, having been voted one of Canada's Top 100 employers in 2003 for the third year in a row. In addition to the City's many formal recognition programs, we have adopted informal day-to-day recognition strategies to demonstrate our appreciation of our staff's continued efforts to provide excellent services to the citizens of Mississauga.

The 2003 launch of the City Services Review is just one example of our efforts to ensure City services are delivered in efficient and cost-effective ways. All of the City's roughly 300 services have been identified and inventoried along with specific data on the clients, basic processes, descriptions of service outputs and service levels, linkages to other services or external organizations, and costs of each service. The next steps in this review include an assessment of these services, service levels and service delivery methods. The City's continued efforts to examine what and how we do things provides us with a good basis from which to manage our future.

X. Closing Comments:

This financial strength will assist us in meeting future challenges associated with slowing growth and an aging infrastructure. We continue to focus on maximizing the value derived from City resources in order to provide quality service at an acceptable cost and we remain committed to fiscal responsibility.



Janice M. Baker, CA
Commissioner of Corporate Services and Treasurer
March 23, 2004

Fiscal Policy

In 1996, Council approved the following fiscal policy, which forms the basic framework for the overall fiscal management of the City of Mississauga. Most of the points represent long-standing principles, traditions and practices which have guided the City in the past and have helped maintain its success and financial stability.

No Debt Financing

The City adheres to a pay-as-you-go philosophy whereby City facilities and infrastructure are not built unless City funds are available for construction. This policy requires the maintenance of a significant capital reserve to set aside funding prior to project inception.

Do Not Raid Reserves

In addition to its capital reserve funds, the City has established reserves to fund large, long term liabilities; eliminate tax rate fluctuations due to unanticipated expenditures and revenue shortfalls; smooth expenditures; and fund multiple year special projects. Use of reserves is planned and is not considered as an alternate funding source in place of good financial practice. Long term liabilities are reviewed on an annual basis. Reserves and reserve funds are established as required and maintained.

One Time Revenues

Major one-time revenues and operating surpluses are transferred to capital and other reserves or reserve funds. Using one time revenues to fund ongoing expenditures results in incurring annual expenditure obligations, which may be unfunded in future years.

Adequate Maintenance and Replacement of Infrastructure

Projects and maintenance are not generally deferred unless the need for the project or maintenance changes. As a result, projects in the 10 year capital forecast advance from year to year in an orderly fashion. Maintenance is not deferred to meet funding constraints since deferred maintenance generally results in increased operating or replacement costs in the future.

New Development

Existing taxpayers should not share in the financing of growth-related infrastructure except to the extent that City-wide facilities are required in response to new services, higher desired service levels, or as a result of service expectations from a city of larger size. Growth-related infrastructure is funded primarily through development charges in accordance with the *Development Charges Act*. Funding for non-growth infrastructure is funded through tax revenues.

Capital Projects

The City prepares a 10-year operating forecast to identify the impact of new facilities and infrastructure. Unless the City has the ability to afford the new facility, the project will not proceed.

Operating like a Business

Core services are identified and funded. Non-core services will be maintained only if they are financially viable, reduce costs elsewhere in the Corporation, or if there is sufficient community use to justify the cost of providing the service. The City will identify which programs are to be funded through general revenues, which are to be self-funded and which programs require a subsidy from general revenues. Emphasis will be placed upon reducing the reliance on funding from general revenues. Methods of service delivery will continually be reviewed to reduce costs.

Financial Processes: The Budget, Financial Statements and Audits

The City aligns values, policies, practices and systems to support high performance and financial stability. The financial strength of the City can be attributed to three separate and distinct processes. First, budgeting and control systems are key components for monitoring and improving performance and planning for the future. Second, the financial statements enable the Management Team to keep a pulse on business while providing information crucial for solid financial management and decision making. Third, Management, External Auditors and the Audit Committee play an important role in the evaluation of internal controls and preparation of these financial statements. Below is a summary of these processes:

The Budget Process:

The budget process involves the participation of the Budget Committee which consists of the Mayor and Members of Council, City Manager, Department Heads and staff. In addition, public input is sought to assist the budget process. This level of participation ensures the most efficient use of the City's financial resources.

Initially, budget priorities are established and funding issues and targets are identified. From this analysis, a corporate approach to determining where limited financial resources could be best spent, along with budget guidelines and specific funding envelopes are developed. From these guidelines, departments form the basis of their budget requests.

The Senior Management Team, consisting of the City Manager and Department Heads, conducts a review of departmental budgets and once satisfied that all funding issues have been addressed, prepare the budget recommendation for Budget Committee and subsequent Council approval.

The City has been successful once again in winning the Distinguished Budget Presentation Award for the Government Finance Officers Association of the United States and Canada. This award demonstrates the City's commitment to ensuring an effective budget process and a quality published budget document, which is used as an operations guide, financial plan, policy statement and communication tool.

The Financial Statements:

Management of the City of Mississauga is responsible for the information contained in the annual financial report, which includes the consolidated financial statements, notes to the financial statements and other financial information. These financial statements and accompanying notes have been prepared by management within the reasonable limits of materiality and within the framework of the accounting principles and disclosure requirements of the Canadian Institute of Chartered Accountants guidelines included in the Public Sector Accounting and Auditing Standards Manual.

In conducting its responsibilities, 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.

Prior to their submission to Council, the Consolidated Financial Statements are reviewed and approved by the Audit Committee. Throughout the year, the Audit Committee meets periodically with management and both the City's internal and external auditors to approve the scope and timing of the audit of specific activities, to review their findings and to satisfy that their responsibilities have been adequately discharged.

Financial Processes: The Budget, Financial Statements and Audits

The External Audit:

Included in the financial statements is a report prepared by our external auditors, KPMG. The role of the external auditor 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. The auditors are responsible for advising management and the Audit Committee of any control or operational issues that may be identified during their audit procedures.

The role of the Audit Committee is to establish a high level of public accountability and to provide assurance to the public that municipal services are administered in an efficient, effective and economical manner. The objectives of the Audit Committee are to assist Council in the provision of effective municipal government by overseeing the administrative systems including financial accounting, reporting, internal controls, safeguarding of corporate assets, compliance with legal, ethical and regulatory requirements and the efficient and effective use of resources. 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 throughout the internal and external audit functions.

The Audit Committee is comprised of three members of Council, who are appointed annually by Council with the Mayor also being a member ex-officio. In fulfilling their mandate, the Committee is responsible for selecting and, if necessary, dismissing the external auditor, reviewing the terms of the engagement, fees and scope of the audit and any non-audit services provided, and evaluating the external auditors' performance. The Audit Committee also reviews any reports and correspondence from the external auditor relating to the City, the Mississauga Public Library Board, Enersource Corporation, the Business Improvement Boards, and any other local boards or agencies which may be created. It is important to note that while the City engages an independent auditor to express an opinion on the financial statements, the City's management is responsible for the preparation of the financial statements, and the integrity and objectivity of the financial information contained in the financial statements.

The Ten Year Forecast



During the previous budgets, the City of Mississauga completed a 10 Year Operating Forecast as part of its financial planning practices. With the significant economic changes occurring this year, a complete re-examination of this forecast will be commenced in 2004. This forecast is part of the plan to integrate the capital and the operating budgets.

The City has experienced significant growth in the past 10 years as evidenced by a 36 percent population increase,

39 percent employment growth, 32 percent road network growth and 19 percent of parkland growth.

As the City matures, non-facility related growth such as parks, roads and trees continue to put pressure on the operating program. Cutting grass, salting and plowing streets, pruning trees and collecting leaves are all part of Mississauga's service standards. As growth begins to decline, there are fewer new taxpayers to absorb these cost increases. This ongoing challenge will need to be reviewed carefully to determine the impact on future budgets.

The next 10 years will be equally challenging. With growth in population and employment projected to be 39,200 and 50,000 respectively the need to provide additional services will continue. Future service expansion planned to accommodate growth includes the following:

- Additional Fire crews or stations to accommodate population growth. The exact locations will be determined through the Station Location Study currently underway;
- Operating costs of 48 new buses;
- Ongoing maintenance costs of over 280 acres (115ha) of parkland; and
- Road and winter maintenance costs for new roads.

Projects and programs are funded on a priority basis, using criteria such as health and safety concerns, risk management, development patterns and asset condition. Departments annually conduct a detailed review of the capital program where projects are carefully scrutinized and prioritized. Funding is adjusted based on recommendations from the Senior Management Team.

Introduction to the Financial Statements

The accompanying 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 contained in this report have been prepared in accordance with the accounting principles and disclosure requirements of the Canadian Institute of Chartered Accountants guidelines contained in the Public Sector Accounting and Auditing Standards Manual.

The Commissioner of Corporate Services and Treasurer is responsible for submitting annually to the Audit Committee and Council audited financial statements. These financial statements include the consolidated results of the City of Mississauga for the fiscal year ending December 31, 2003.

Finance staff are responsible for the co-ordination 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 audited Consolidated Financial Statements for City operations and the audited Trust Fund Financial Statements include:

City Financial Statements:

- Auditor's Report
- Consolidated Statement of Financial Position
- Consolidated Statement of Financial Activities
- Consolidated Statement of Changes in Financial Position
- Notes to the Consolidated Financial Statements
- Consolidated Schedule of Current Fund Operations
- Consolidated Schedule of Capital Fund Operations
- Consolidated Schedule of Reserves and Reserve Funds

Trust Fund Financial Statements:

- Auditor's Report
- Statement of Financial Activities and Changes in Fund Balance
- Statement of Financial Position
- Notes to the Financial Statements

Auditor's Report



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

We have examined the consolidated statement of financial position of The Corporation of the City of Mississauga as at December 31, 2003 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in the schedules is presented for additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

KPMG LLP
Chartered Accountants
Toronto, Ontario
March 12, 2004

Consolidated Statement of Financial Position

as at December 31, 2003 (All dollar amounts are in \$000)

	2003	2002
	\$	Restated Note 2 \$
Assets		
Financial Assets		
Cash and short-term investments	283,219	293,424
Taxes receivable (Note 4)	91,059	76,442
Accounts receivable	16,832	22,120
Investments (Note 5)	551,061	542,430
Loans receivable (Note 6)	2,349	3,364
Investment in Enersource Corporation (Note 7)	180,698	173,834
Total	<u>1,125,218</u>	<u>1,111,614</u>
Liabilities		
Accounts payable and accrued liabilities	73,354	56,994
Deferred revenue - general	5,108	5,516
Deferred revenue - development charges and parkland (Note 8)	169,208	155,470
Employee benefits and other liabilities (Note 9)	114,135	106,754
Net long-term liabilities (Note 10)	-	9
Total	<u>361,805</u>	<u>324,743</u>
Net Financial Resources	<u>763,413</u>	<u>786,871</u>
Other Non-Financial Assets		
Inventory and prepaids	5,492	4,631
Total Net Assets	<u>768,905</u>	<u>791,502</u>
Municipal Position		
Amounts to be recovered		
From reserves and reserve funds on hand	(80,164)	(81,599)
From future revenues (Note 9)	(33,971)	(25,164)
Total	<u>(114,135)</u>	<u>(106,763)</u>
Fund Balances (Note 11)		
Current fund	3,185	4,139
Capital fund	67,675	74,486
Reserves (See Schedule)	48,987	44,658
Reserve funds (See Schedule)	582,495	601,148
Enersource Corporation net equity (Note 7)	180,698	173,834
Total	<u>883,040</u>	<u>898,265</u>
Total Municipal Position	<u>768,905</u>	<u>791,502</u>

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

Consolidated Statement of Financial Activities

as at December 31, 2003 (All dollar amounts are in \$000)

	Budget 2003 Unaudited Note 1(m) \$	Actual 2003 \$	Actual 2002 Restated Note 2 \$
Revenues			
Property taxation	198,725	202,125	176,052
Taxation from other governments	25,207	25,370	25,389
User charges	111,636	115,641	112,843
Government grants	1,637	2,280	1,916
Development contributions applied	40,112	33,744	34,125
Investment income	35,325	43,212	40,612
Penalties and interest on taxes	9,262	8,392	8,578
Other	13,029	22,044	24,743
Equity in Income of Enersource Corporation (Note 7)	-	6,864	9,705
Total Revenues	434,933	459,672	433,963
Expenditures			
Current			
General government	91,335	91,543	88,591
Protection to persons and property	67,374	66,116	61,973
Transportation services	111,357	114,269	100,901
Environmental services	2,047	1,927	1,594
Health services	46	39	38
Social and family services	279	256	232
Recreation and cultural services	69,370	68,073	64,064
Planning and development	10,701	10,213	9,780
Total Current Expenditures	352,509	352,436	327,173
Capital			
General government	15,892	7,947	8,694
Protection to persons and property	1,903	2,912	4,982
Transportation services	64,859	59,417	48,257
Environmental services	5,237	6,256	2,565
Social and family services	24	14	9
Recreation and cultural services	32,270	54,148	30,941
Total Capital Expenditures	120,185	130,694	95,448
Total Expenditures	472,694	483,130	422,621
Increase/(Decrease) in Net Financial Resources	(37,761)	(23,458)	11,342
Increase in amounts to be recovered	7,372	7,372	4,083
Increase in non-financial assets	861	861	98
Increase/(Decrease) in Fund Balances	(29,528)	(15,225)	15,523

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

Consolidated Statement of Changes in Financial Position

as at December 31, 2003 (All dollar amounts are in \$000)

	2003 \$	2002 Restated Note 2 \$
Operations		
Increase/(Decrease) in Net Financial Resources	(23,458)	11,342
Equity in Income of Enersource Corporation which does not involve cash	(6,864)	(9,705)
	<u>(30,322)</u>	<u>1,637</u>
Sources/(Uses):		
Taxes receivable	(14,617)	16,649
Accounts receivable	5,288	20,250
Loans receivable	1,015	1,326
Accounts payable and accrued liabilities	16,360	(15,304)
Deferred revenue - general	(408)	(15)
Deferred revenue - development charges and parkland	13,738	15,051
Employee benefits and other liabilities	7,381	4,272
	<u>28,757</u>	<u>42,229</u>
Total Sources/(Uses)	28,757	42,229
Net change in cash from operations	(1,565)	43,866
Investing		
Increase in investments	(8,631)	(133,046)
	<u>(8,631)</u>	<u>(133,046)</u>
Net change in cash from investing	(8,631)	(133,046)
Financing		
Long-term debt repaid	(9)	(189)
	<u>(9)</u>	<u>(189)</u>
Net change in cash from financing	(9)	(189)
Net change in cash and short-term investments	(10,205)	(89,369)
Opening cash and short-term investments	293,424	382,793
	<u>293,424</u>	<u>382,793</u>
Closing cash and short-term investments	283,219	293,424
	<u>283,219</u>	<u>293,424</u>

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

Notes to the Consolidated Financial Statements

as at December 31, 2003 (All dollar amounts are in \$000)

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 for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances 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. These financial statements include:

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

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

Enersource Corporation is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the City, and inter-organizational transactions and balances are not eliminated.

b) Fund Accounting

Funds within the consolidated financial statements consist of current, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

Trust funds and their related operations administered by the City are not included in these financial statements but are reported on separately on the Trust Funds Financial Statements.

c) Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become measurable; expenditures are the cost of goods and services acquired in the period whether or not payment has been made or invoices received.

d) Capital Assets

Expenditures on capital assets are reported as capital expenditures on the statement of financial activities in the period incurred.

e) Reserves and Reserve Funds

Certain amounts, as approved by City Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

Notes to the Consolidated Financial Statements

as at December 31, 2003 (All dollar amounts are in \$000)

f) Government Transfers

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

g) Deferred Revenue - Other

The City defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

h) Deferred Revenue - Development Charges and Parkland

The City receives development charge contributions and payments in lieu of parkland under the authority of provincial legislation and City by-laws. These funds by their nature are restricted in their use and until applied to applicable capital works are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

i) Taxation and related revenues

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established annually by City Council, incorporating amounts to be raised for local services, the requisition made by the Region of Peel in respect of Regional services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. The legislation limits assessment-related increases in property tax bills to 5 per cent annually for commercial, industrial and multi-residential classes of property until the affected properties are taxed at a level equivalent to the tax otherwise calculated based on their current value assessment. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known.

The City is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

j) Investments

Investments are reported at the lesser of cost or market value. Any premium or discount at purchase of an investment is amortized over the life of the investment.

k) Investment Income

Investment income earned on surplus current funds, capital funds, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on development charges and parkland obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

l) Pensions and Employee Benefits

The City accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined benefit plan. Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the City's employ. Other post-employment benefits are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments.

m) Budget Figures

Mississauga City Council reviews and approves its capital and operating budgets each year. Both budgets are reflected in the Consolidated Statement of Financial Activities.

Notes to the Consolidated Financial Statements

as at December 31, 2003 (All dollar amounts are in \$000)

The operating budget is based on projected operating expenditures to be incurred during the current year.

The capital budget is established in a different format from the operating budget. The capital budget is based on an approved project basis (i.e. commitment) rather than an annualized capital cash flow basis. Therefore, actual capital expenditures in any given year are for projects approved this year, last year and perhaps prior years.

The reserve and reserve fund budget is not formally prepared and approved by Council. To comply with financial reporting requirements for consolidation purposes, a budget is based on reserve fund continuity projections for current year spending and receipts.

n) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates.

2. Restatement

During the year, the City adjusted the accounting for development charge funds and the timing of their transfer and recognition in relation to qualifying capital projects. Contributions from developers are recognized during the period the qualifying capital expenditure is made. The 2002 revenues, deferred revenues in respect of development charges, and capital fund balance have been restated as a result.

3. Operations of School Boards and the Region of Peel

During 2003, the City has made property tax transfers to the Region of Peel and School Boards. The amounts collected and remitted are summarized below:

	School Boards \$	Region \$
Property taxes	461,660	356,201
Taxation from other governments	184	7,799
Amounts transferred	461,844	364,000

4. Taxes Receivable

Taxes receivable of \$91,059 (2002 \$76,442) reported on the Consolidated Statement of Financial Position includes \$35,794 (2002 \$12,633) of supplementary taxes recorded in 2003 but not collectable until 2004.

5. Investments

The investments have a market value of \$585,111 (2002 \$574,322) at the end of the year.

6. Loans Receivable

Loans receivable includes an operating loan of \$2,141 (2002 \$3,070) owing by the Living Arts Centre (LAC), a non-profit community organization located in the City. Interest on the operating loan is calculated at the lower of the rate equivalent to that paid on bankers' acceptances of a specific chartered bank or the rate charged by that bank to its best customers. The operating loan is repayable no later than March 31, 2005.

Notes to the Consolidated Financial Statements

as at December 31, 2003 (All dollar amounts are in \$000)

7. Investment in Enersource Corporation

The City has a 90 per cent interest in Enersource Corporation. The following table provides condensed financial information in respect of Enersource Corporation for its 2003 fiscal year together with comparative figures for year 2002.

Financial Position:	2003	2002
	\$	Restated \$
Current assets	142,642	131,836
Capital assets	419,430	416,911
Deferred charges and other assets	50,102	55,268
Total assets	612,174	604,015
Current liabilities	93,654	93,393
Long-term liabilities	317,422	316,761
Total liabilities	411,076	410,154
Non-controlling interest	322	712
Shareholders' Equity	200,776	193,149
City share of net assets (90% ownership)	180,698	173,834
Results of operations:		
Revenues	631,325	659,033
Operating expenses	616,593	645,014
Income before the undernoted	14,732	14,019
Amounts in lieu of income taxes	7,596	1,862
Income (loss) from discontinued operations	491	(1,374)
Net income	7,627	10,783
City share of net income (90% ownership)	6,864	9,705

The Board of Directors of Enersource Corporation approved their financial statements March 23, 2004. The City has an option it may exercise no earlier than July 1, 2004 to sell its interest to the minority shareholder.

8. Deferred Revenue - Development Charges and Parkland

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the City are summarized below:

	2003	2002
	\$	Restated Note 2 \$
Development charges	122,664	112,429
Parkland	46,544	43,041
Total	169,208	155,470

Notes to the Consolidated Financial Statements

as at December 31, 2003 (All dollar amounts are in \$000)

9. Employee Benefits and Other Liabilities

The City provides certain employee benefits and other liabilities which will require funding in future periods. Please refer to the summary below:

	2003	2002
	\$	\$
Future payments required to WSIB	7,696	7,872
Accumulated Sick Leave Benefit Plan entitlements	8,764	8,447
Early retirement benefits	20,809	19,150
Vacation pay	11,929	11,091
Developer Contribution Credits	36,468	40,116
Other liabilities	28,469	20,078
Total Employee Benefits and Other Liabilities	114,135	106,754
Plus: Net long-term liabilities outstanding (Note 10)	-	9
Less: Recoverable from Reserves and Reserve Funds on hand	80,164	81,599
Amount to be funded from future revenues	33,971	25,164

- (i) WSIB: The City has elected to be a Schedule 2 employer under the provisions of the Workplace Safety and Insurance Board Act, and as such remits payments to the WSIB only as required to fund disability payments. The last full actuarial study of this obligation was completed in February 2002.
- (ii) 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 estimated by an actuarial valuation completed in April 2003.
- (iii) 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 estimated by an actuarial valuation completed in April 2003.

Information about liabilities for defined benefit plans is as follows:

				2003	2002
	WSIB	Sick Leave	Early Retirement	Total	Total
	\$	\$	\$	\$	\$
Accrued benefit liability, beginning of year	7,872	8,447	19,150	35,469	33,726
Service cost	851	517	1,013	2,381	2,269
Interest cost	383	474	1,096	1,953	1,856
Benefit Payments	(1,410)	(674)	(450)	(2,534)	(2,382)
Accrued benefit liability, end of year	7,696	8,764	20,809	37,269	35,469

Notes to the Consolidated Financial Statements

as at December 31, 2003 (All dollar amounts are in \$000)

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

	WSIB	Sick Leave	Early Retirement
Expected inflation rate	2.25%	2.20%	2.20%
Expected level of salary increases	N/A	3.50%	3.50%
Interest discount rate	5.25%	5.50%	5.50%

- (iv) Developer charge credits are liabilities and obligations that arise through the Development Charges Act. The year 2003 developer charge credit liability is \$36,468 (2002 \$40,116).

10. Net Long-Term Liabilities

Principal repayments totalling \$9 in 2003 retired the City's outstanding long-term liabilities.

11. Municipal Fund Balances at the End of the Year

The City's fund balances are comprised of the following:

	2003 \$	2002 Restated Note 2 \$
For general reduction of taxation:		
City	3,029	3,777
Library Board	96	327
Sub-total	3,125	4,104
For specific reduction of taxation:		
Business Improvement Areas	60	35
Total	3,185	4,139
Other Fund balances:		
Capital Fund	67,675	74,486
Reserves	48,987	44,658
Reserve Funds	582,495	601,148
Enersource Corporation net equity	180,698	173,834
Total	883,040	898,265

Notes to the Consolidated Financial Statements

as at December 31, 2003 (All dollar amounts are in \$000)

12. Expenditures by Object

The following is a summary of the current and capital expenditures reported on the Consolidated Statement of Financial Activities by object:

	Budget 2003 Unaudited \$	Actual 2003 \$	Actual 2002 \$
Current expenditures consist of:			
Salaries, wages and fringe benefits	252,460	248,049	223,619
Interest on long term debt	137	-	97
Materials and services	21,720	25,866	22,660
Contracted services	25,381	28,033	26,456
Rents and financial expenses	50,249	47,114	50,192
Transfer payments	2,562	3,374	4,149
Total Current Expenditures	352,509	352,436	327,173
Capital expenditures consist of:			
Salaries, wages and fringe benefits	-	1,967	2,114
Materials and services	22,404	13,024	13,301
Contracted services	69,696	82,337	61,878
Rents and financial expenses	28,085	33,050	18,155
Transfer payments	-	316	-
Total Capital Expenditures	120,185	130,694	95,448

13. Pension Agreements

The City makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. 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. OMERS had declared a temporary contribution holiday for all active employees and participating employers due to legislative requirements.

As a result of this contribution holiday, no contributions were required on account of current service in 2002; contributions were phased in 2003 at one third the full rate with a return to full contribution rates effective January, 2004. In 2003, contributions totalled \$4,000.

Notes to the Consolidated Financial Statements

as at December 31, 2003 (All dollar amounts are in \$000)

14. Trust Funds

Trust funds administered by the City amounting to \$368 (2002 \$380) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's financial position or financial activities.

15. Provincial Offences Administration

The Ministry of the Attorney General requires all municipal partners administering Provincial Offences Administration to disclose in the year-end audited financial statements a note on the gross and net provincial offence revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding (MOU) for its 2003 fiscal year with comparative figures for the year 2002:

	2003	2002
	\$	\$
Revenues		
Gross Revenues	6,610	5,886
Less refunds	59	38
	<u>6,551</u>	<u>5,848</u>
Net Revenues		
Expenditures		
Provincial Charges	498	441
City Operating Expenses	2,591	2,387
	<u>3,089</u>	<u>2,828</u>
Total Expenditures		
Net Revenue	<u><u>3,462</u></u>	<u><u>3,020</u></u>

Consolidated Schedule of Current Fund Operations

as at December 31, 2003 (All dollar amounts are in \$000)

	2003 Budget Unaudited \$	2003 Actual \$	2002 Actual \$
Revenues			
Property taxation	198,725	202,125	176,052
Taxation from other governments	25,207	25,370	25,389
User charges	111,636	115,641	112,843
Government grants	1,637	2,280	1,916
Investment income	6,326	6,916	5,775
Penalties and interest on taxes	9,262	8,392	8,578
Other	3,293	4,045	4,686
Total Revenues	<u>356,086</u>	<u>364,769</u>	<u>335,239</u>
Expenditures			
General government	83,963	84,171	84,508
Protection to persons and property	67,374	66,116	61,973
Transportation services	110,496	113,408	100,803
Environmental services	2,047	1,927	1,594
Health services	46	39	38
Social and family services	279	256	232
Recreation and cultural services	69,370	68,073	64,064
Planning and development	10,701	10,213	9,780
Total Expenditures	<u>344,276</u>	<u>344,203</u>	<u>322,992</u>
Net Revenue	11,810	20,566	12,247
Financing and Transfers			
Transfers to reserves and reserve funds	(15,810)	(21,520)	(12,257)
Change in Current Fund Balance	(4,000)	(954)	(10)
Opening Current Fund Balance	<u>4,000</u>	<u>4,139</u>	<u>4,149</u>
Closing Current Fund Balance	<u><u>-</u></u>	<u><u>3,185</u></u>	<u><u>4,139</u></u>

Consolidated Schedule of Capital Fund Operations

as at December 31, 2003 (All dollar amounts are in \$000)

	2003 Budget Unaudited \$	2003 Actual \$	2002 Actual Restated Note 2 \$
Revenues			
Development contributions applied	40,112	33,744	34,125
Other	9,736	3,112	8,954
Total Revenues	<u>49,848</u>	<u>36,856</u>	<u>43,079</u>
Expenditures			
General government	15,892	7,947	8,694
Protection to persons and property	1,903	2,912	4,982
Transportation services	64,859	59,417	48,257
Environmental services	5,237	6,256	2,565
Social and family services	24	14	9
Recreation and cultural services	32,270	54,148	30,941
Total Expenditures	<u>120,185</u>	<u>130,694</u>	<u>95,448</u>
Net Revenues/(Expenditures)	(70,337)	(93,838)	(52,369)
Financing and Transfers			
Transfers from reserve funds	70,337	87,027	65,495
Change in Capital Fund Balance	0	(6,811)	13,126
Opening Capital Fund Balance	74,486	74,486	61,360
Closing Capital Fund Balance	<u>74,486</u>	<u>67,675</u>	<u>74,486</u>

Consolidated Schedule of Reserves and Reserve Funds

as at December 31, 2003 (All dollar amounts are in \$000)

	2003 Budget Unaudited \$	2003 Actual \$	2002 Actual \$
Revenues			
Investment income	28,999	36,296	34,837
Other	-	14,887	11,103
Total Revenues	<u>28,999</u>	<u>51,183</u>	<u>45,940</u>
Net Transfers from/(to) other funds			
Transfers from current fund	15,810	21,520	12,257
Transfers to capital fund	(70,337)	(87,027)	(65,495)
Total Net Transfers	<u>(54,527)</u>	<u>(65,507)</u>	<u>(53,238)</u>
Change in Reserves and Reserve Fund Balances	(25,528)	(14,324)	(7,298)
Opening Balance	<u>645,806</u>	<u>645,806</u>	<u>653,104</u>
Ending Balance	<u>620,278</u>	<u>631,482</u>	<u>645,806</u>
Analyzed as follows:			
Reserves set aside for specific purposes:			
Development revenue		7,623	8,311
Assessment appeals		4,037	5,078
Vacation pay		5,820	5,820
Contingencies		3,024	2,946
Labour settlements		11,593	8,546
Planning process update		2,284	2,335
Transit revenue stabilization		2,141	2,468
Legal settlements		2,345	2,345
Winter maintenance		5,488	4,488
Elections		514	799
Commitments		93	294
Early retirement benefits		500	500
Boulevard maintenance		-	469
OMERS Type 7		-	234
Other		25	25
Utilities		3,500	-
Total Reserves		<u>48,987</u>	<u>44,658</u>

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Consolidated Schedule of Reserves and Reserve Funds (continued)

as at December 31, 2003 (All dollar amounts are in \$000)

	2003 Actual \$	2002 Actual \$
Reserve Funds set aside for specific purposes by Council:		
Hydro	341,246	353,493
Lot levies	47,130	49,397
Contributions from Developers for Specific Works	33,666	35,235
Vehicle and equipment replacement	39,737	33,214
Capital construction	79,809	85,432
Self insurance	18,572	21,640
Workplace Safety and Insurance Board (WSIB)	13,055	13,653
Sick-leave benefits	9,280	9,084
	<hr/>	<hr/>
Total Reserve funds	582,495	601,148
	<hr/>	<hr/>
Total Reserves and Reserve Funds	631,482	645,806
	<hr/> <hr/>	<hr/> <hr/>

Auditor's Report



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

We have audited the statement of financial position of the trust funds of The Corporation of the City of Mississauga as at December 31, 2003 and the statement of financial activities and changes in fund balances for the year then ended. These financial statements are the responsibility of the Corporation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of the City as at December 31, 2003 and the continuity of trust funds for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

KPMG LLP
Chartered Accountants
Toronto, Ontario
March 12, 2004

Trust Funds - Statement of Financial Activities and Changes in Fund Balances

as at December 31, 2003 (All dollar amounts are in \$000)

				2003	2002
	O.H.R.P.	Perpetual	Election	Total	Total
	\$	Care	Surplus	\$	\$
		\$	\$		
Revenue					
Interest	-	16	2	18	16
Perpetual Care Receipts	-	26	-	26	21
Surplus election proceeds	-	-	-	-	-
Total Revenues	--	42	2	44	37
Expenditure					
Repayment to Province	1	-	-	1	2
Cemetery maintenance	-	16	-	16	14
Repayments to candidates	-	-	39	39	-
Total Expenditures	1	16	39	56	16
Increase/(Decrease) in Financial Assets	(1)	26	(37)	(12)	21
Opening Fund Balance	2	287	91	380	359
Closing Fund Balance	1	313	54	368	380

Statement of Financial Position

as at December 31, 2003 (All dollar amounts are in \$000)

				2003	2002
	O.H.R.P.	Perpetual	Election	Total	Total
	\$	Care	Surplus	\$	\$
		\$	\$		
Financial Assets					
Cash	1	31	54	86	117
Investments (Note 2)	-	282	-	282	262
Loans Receivable	-	-	-	-	1
Fund Balance	1	313	54	368	380

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

Trust Funds - Notes to the Financial Statements

as at December 31, 2003 (All dollar amounts are in \$000)

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. Investments

The total investments by the trust funds of \$282 (2002 \$262) reported on the Statement of Financial Position at cost, have a market value of \$290 (2002 \$274) at the end of the year.

3. Ontario Home Renewal Program Fund (O.H.R.P.)

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7.5 of which the maximum forgivable portion is \$4.

Ontario Home Renewal Program loans receivable at December 31 are repayable by the owner occupant. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the loan immediately become due and payable.

The OHRP program was discontinued by the Ontario Ministry of Housing in July 1993. At that time the Ministry requested from the City the repayment of all trust funds on hand as repayment is received.

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 Fund are undertaken by the City in accordance with the regulations of the Cemeteries Act.

5. Election Surplus Fund

The Election Surplus Fund holds surplus election funds of registered candidates from past municipal elections. \$39 of the funds were paid over to eligible candidates during the election year in accordance with provisions of the Municipal Elections Act.

Five-Year Financial Review

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

Fiscal Year	Unaudited				
	2003	2002	2001	2000	1999
Municipality Statistics					
Population	653,000	633,500	612,000	606,000	588,500
Area in acres	70,500	70,500	70,500	70,500	70,500
Households	209,000	203,100	199,880	189,995	186,332
Employees:					
Full time	3,294	3,295	3,141	3,010	2,834
Per 1000 people	5.0	5.2	5.1	4.9	4.8
Part time	2,767	2,684	2,298	2,397	2,164
Construction Activity	\$1,506,898	\$1,542,121	\$1,767,000	\$1,423,875	\$1,880,000
Tax Assessment Information					
Assessment Valuation Year	2001	1999	1999	1996	1996
Taxable Assessment upon which the year's rates of taxation were set:					
Residential, farm, multi-residential	\$44,264,794	\$38,048,664	\$37,068,810	\$31,015,895	\$30,212,610
Commercial, industrial and other	15,804,946	13,342,207	12,744,620	10,655,999	10,456,044
Total Taxable Assessment	\$60,069,740	\$51,390,871	\$49,813,430	\$41,671,894	\$40,668,654
Commercial, industrial, and other as a percentage of taxable assessment	26.3%	25.9%	25.6%	25.6%	25.7%
Tax Rate Information: (per \$ of assessed value)					
Residential and farm					
for City purposes	0.287885%	0.291641%	0.286766%	0.330813%	0.330825%
for Region purposes	0.510987%	0.577685%	0.565885%	0.655602%	0.653592%
for School purposes	0.335000%	0.373000%	0.373000%	0.414000%	0.414000%
Total Tax Rate - Residential and farm	1.133872%	1.242326%	1.225651%	1.400415%	1.398417%
Commercial					
for City purposes	0.373416%	0.378287%	0.371964%	0.438615%	0.437203%
for Region purposes	0.662801%	0.749316%	0.734010%	0.869213%	0.863756%
for School purposes	1.825042%	2.075397%	2.075397%	2.467433%	2.467433%
Total Tax Rate - Commercial	2.861259%	3.203000%	3.181371%	3.775261%	3.768392%
Industrial					
for City purposes	0.423191%	0.466217%	0.458424%	0.557353%	0.560469%
for Region purposes	0.751151%	0.923488%	0.904624%	1.104735%	1.107285%
for School purposes	2.151155%	2.668928%	2.678392%	3.112465%	3.112465%
Total Tax Rate - Industrial	3.325497%	4.058633%	4.041440%	4.774553%	4.780219%

Five-Year Financial Review

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

Fiscal Year	Unaudited				
	2003	2002	2001	2000	1999
Tax Levies:					
City portion	\$202,125	\$176,052	\$168,424	\$164,589	\$156,516
Region portion	356,201	344,473	328,254	322,034	313,302
School Board portion	461,660	438,403	429,210	421,052	393,571
Total Tax Levies	\$1,019,986	\$958,928	\$925,888	\$907,675	\$863,389
Taxes collected:					
City collection	\$172,050	\$174,378	\$168,668	\$122,913	\$130,266
Taxes Transferred to the Region	356,201	344,473	328,254	322,034	313,302
Taxes Transferred to the School Boards	461,660	438,403	429,210	421,052	393,571
Total Taxes collected	\$989,911	\$957,254	\$926,132	\$865,999	\$837,139
Tax arrears:					
Taxes Receivable	\$91,059	\$76,442	\$93,091	\$93,394	\$120,399
Taxes Receivable per capita percentage of current levy	\$139 8.9%	\$121 8.0%	\$152 10.0%	\$154 10.3%	\$205 14.1%
Consolidated Revenues:					
Property Taxation	\$202,125	\$176,052	\$168,424	\$164,589	\$156,516
Taxation from other governments	25,370	25,389	24,468	25,552	27,691
User charges	115,641	112,843	112,489	104,021	100,847
Government grants	2,280	1,916	1,682	1,253	1,992
Development contributions applied	33,744	34,125	51,513	41,700	9,681
Investment Income	43,212	40,612	45,204	40,447	23,292
Penalties and interest on taxes	8,392	8,578	8,900	8,064	13,143
Other	22,044	24,743	20,026	11,381	25,010
Equity in Income of Enersource Corporation	6,864	9,705	1,677	3,763	14,105
Total Revenues	\$459,672	\$433,963	\$434,383	\$400,770	\$372,277
Revenue per capita	\$704	\$685	\$710	\$661	\$633

Five-Year Financial Review

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

Fiscal Year	Unaudited				
	2003	2002	2001	2000	1999
Consolidated Expenditures by Function: (refer to note 12)					
Current:					
General government	\$91,543	\$88,591	\$86,462	\$78,069	\$80,976
Protection to persons and property	66,116	61,973	60,116	55,638	47,417
Transportation and services	114,269	100,901	96,186	92,475	85,430
Environmental services	1,927	1,594	1,722	2,239	2,247
Health services	39	38	43	50	27
Social and family services	256	232	264	262	239
Recreation and cultural services	68,073	64,064	59,025	75,758	53,706
Planning and development	10,213	9,780	9,310	9,251	7,845
Total Expenditures	<u>\$352,436</u>	<u>\$327,173</u>	<u>\$313,128</u>	<u>\$313,742</u>	<u>\$277,887</u>
Capital:					
General Government	\$7,947	\$8,694	\$5,895	\$8,578	\$11,034
Protection to persons and property	2,912	4,982	5,267	1,500	3,849
Transportation services	59,417	48,257	65,499	52,447	68,651
Environmental services	6,256	2,565	8,584	5,597	2,792
Social and family services	14	9	45	9	76
Recreation and cultural services	54,148	30,941	30,258	31,588	28,176
Total Expenditures	<u>\$130,694</u>	<u>\$95,448</u>	<u>\$115,548</u>	<u>\$99,719</u>	<u>\$114,578</u>
Capital Fund Information:					
Capital Financing					
Contributions from developers	\$33,744	\$34,125	\$51,513	\$41,700	\$9,681
Government grants	0	0	0	0	526
Other	3,112	8,954	2,914	8,255	16,231
Total Capital Financing	<u>\$36,856</u>	<u>\$43,079</u>	<u>\$54,427</u>	<u>\$49,955</u>	<u>\$26,438</u>
Capital Fund Expenditures	<u>130,694</u>	<u>95,448</u>	<u>115,548</u>	<u>99,719</u>	<u>114,578</u>
Net Capital Financing/(Expenditures)	(\$93,838)	(\$52,369)	(\$61,121)	(\$49,764)	(\$88,140)
Transfers from Reserve Funds	87,027	65,495	52,124	60,266	86,226
Previous Year Unexpended Capital Financing	<u>74,486</u>	<u>61,360</u>	<u>70,357</u>	<u>59,855</u>	<u>61,769</u>
Current Year Unexpended Capital Financing	\$67,675	\$74,486	\$61,360	\$70,357	\$59,855

Continued on page 46

Five-Year Financial Review

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

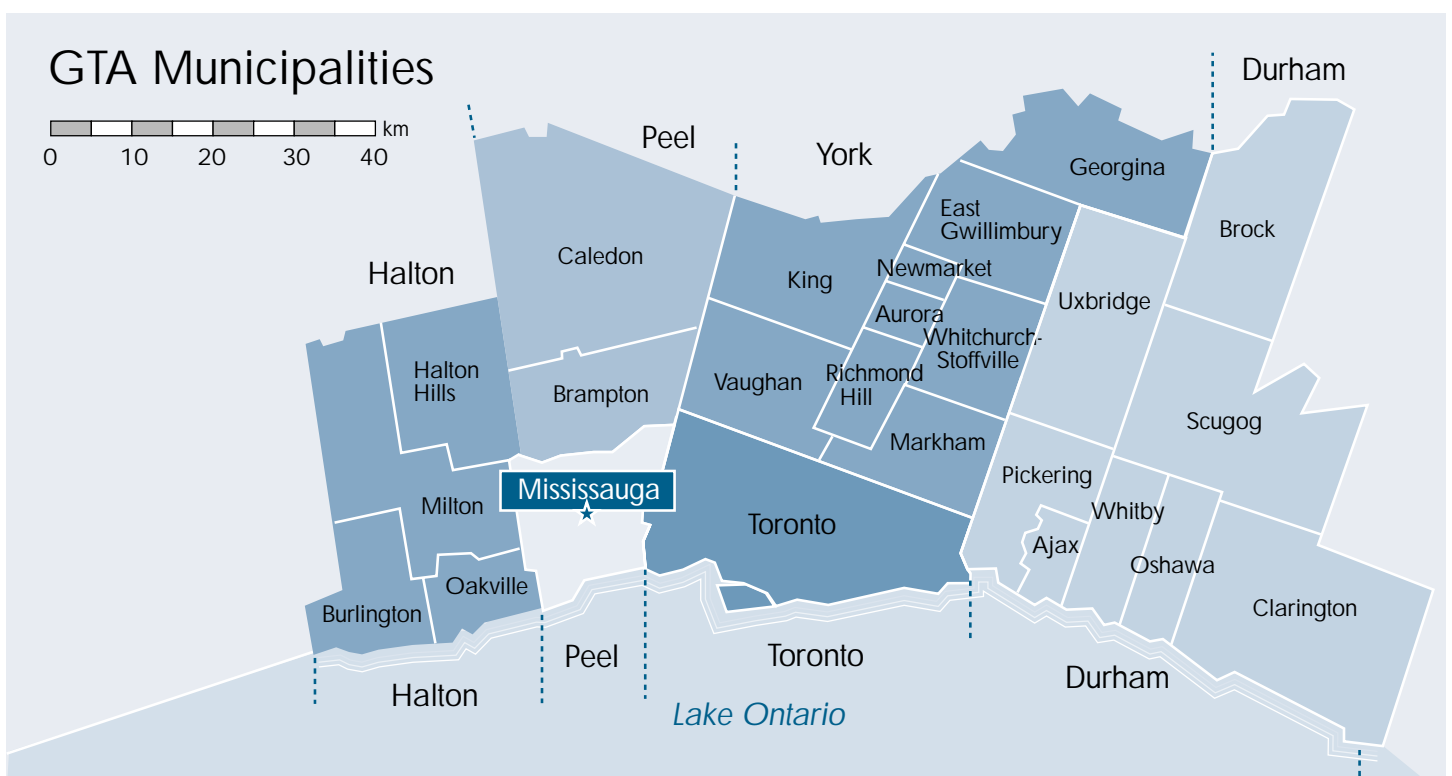
Fiscal Year	Unaudited				
	2003	2002	2001	2000	1999
Expenditures by Object (refer to page 36)					
Current Fund Expenditures					
Salary, wages and fringe benefits	\$240,677	\$221,047	\$205,036	\$185,777	\$169,842
Net long term debt charges (interest)	-	97	140	140	142
Net long term debt charges (principal)	9	121	121	122	138
Materials and supplies	25,005	22,562	22,395	24,013	15,983
Contracted Services	28,952	27,357	27,769	29,055	25,965
Rents and financial expenses	46,644	48,104	44,322	39,474	36,165
Transfer payments	2,916	3,704	2,321	2,285	3,123
Total Current Expenditures	\$344,203	\$322,992	\$302,104	\$280,866	\$251,358
Capital Expenditures (refer to page 37)					
Salary, wages and fringe benefits	\$1,967	\$2,114	\$1,958	\$1,744	\$1,761
Materials and supplies	13,024	13,301	18,220	19,784	18,144
Contracted Services	82,337	61,878	76,242	64,618	79,559
Rents and financial expenses	33,050	18,155	19,128	13,573	15,114
Transfer Payments	316	-	-	-	-
Total Capital Expenditures	\$130,694	\$95,448	\$115,548	\$99,719	\$114,578
Municipal Debt Information:					
Long-Term Liabilities					
General municipal activities	-	\$9	\$198	\$410	\$613
Per capita	-	0.0	0.3	0.7	1.0
Charges for Long-Term Liabilities					
General municipal activities	-	\$218	\$261	\$262	\$280
Per capita	-	0.3	0.4	0.4	0.5
Debt Repayment Limit	\$81,808	\$83,713	\$78,389	\$71,964	\$64,895
(as determined by the Province of Ontario)					
Fund Balances:					
Operating Fund	\$3,185	\$4,139	\$4,149	\$2,978	\$2,833
Reserves	48,987	44,658	50,317	48,930	94,463
Reserve Funds	582,495	601,148	602,787	581,294	205,936
Capital Fund	67,675	74,486	61,360	70,357	59,855
Trust Funds	368	380	359	296	311
Investment in Enersource Corporation	180,698	173,834	164,129	162,452	498,689
Sinking Funds	-	-	13	20	23

2003 Public Sector Salary Disclosure

Employees Paid \$100,000 or more in 2003 CITY OF MISSISSAUGA

Name	Job Title	Taxable Benefits	Salary
O'Brien, David S	City Manager	\$8,490.56	\$230,733.74
Mitcham, Paul Arthur	Commissioner, Community Services	6,831.23	158,501.34
Mokrzycki, Thomas S	Commissioner, Planning and Building	5,425.16	155,500.76
Baker, Janice	Commissioner, Corporate Services and Treasurer	5,868.46	153,487.70
Bench, Mary Ellen	City Solicitor	880.62	146,490.90
Powell ,C-Martin M	Commissioner, Transportation and Works	6,314.88	135,360.75
Morden, Garry W	Fire Chief	1,951.04	134,557.77
McDougall, John A	Deputy Fire Chief	2,212.13	125,224.20
Zipay, John	Director, Development and Design - Planning and Building	762.84	124,569.60
Cunningham, William	Director, Transit	762.84	124,479.97
Robeznieks, Agris	Director, Building and Chief Building Official	761.28	124,273.97
Pitushka, Joseph J	Director, Engineering and Works	761.28	124,260.92
Jackson, Jeffrey	Director, Finance	757.38	122,514.83
Mills, Donald M	Director, Library Services	6,164.14	122,170.92
Draycott, Eric H	Director, Human Resources	759.72	121,584.51
Lohuis, John	Director, Recreation and Parks	759.72	121,584.51
Gibson, Bonnie L	Manager, Assessment Review	645.06	120,334.05
Calvert, John D	Director, Policy and Planning-Planning and Building	743.34	118,703.73
Breault, Brenda R	Director, Materiel Management and Administration	733.98	117,426.11
Carr, J. Bruce	Director, Planning and Administration - Community Services	733.98	117,426.11
Lawrence, Jack	Director, Information Technology	727.74	116,353.18
Alexander, Wendy A	Director, Administration - Transportation and Works	730.86	115,488.66
Reynolds, Heather	Director, Administration and Technology - Planning and Building	721.50	115,212.44
McCallion, Hazel M	Mayor	2,667.61	113,927.59
Mulligan, Thomas	Director, Transportation and Engineering Planning	719.16	113,291.13
Owen, Kenneth	Director, Facility and Property Management	703.56	112,572.05
Minkowski, Michal	Senior Legal Counsel	688.74	112,252.53
Amring, Susan M	Manager, Business Attractions	695.76	111,321.63
McLean, Marcell L	Communications Operator, Fire	359.84	110,973.90
Greer, Crystal	City Clerk	691.08	110,297.81
Rydzewski, John B	Director, Hershey Centre	686.40	109,518.18
Fudge, Joseph	Legal Counsel	680.16	108,813.60
Kelly, Karen	Legal Counsel	680.16	108,813.60
Buckstein, Elaine	Director, Enforcement	703.56	108,120.33
Tudino, Domenic	Legal Counsel	671.58	107,561.54
Bradshaw, Garrick	Manager, Facility Maintenance and Energy Management	641.94	106,314.96
Laing, Ian	Assistant Deputy Chief, Fire	632.58	105,566.87
Duffy, Kevin J	Assistant Deputy Chief, Fire	632.58	105,466.87
Robinson, Gail P	Controller	645.06	105,107.63
Mesih, Connie D	Manager, Revenues	630.24	100,776.84
Terminesi, Ozzie P	Manager, Development Engineering	604.50	100,435.78

Prepared under the Public Sector Salary Disclosure Act, 1996



THE CITY OF MISSISSAUGA

FINANCIAL REPORT 2003

FOR THE FISCAL YEAR ENDING DECEMBER 31, 2003

MISSISSAUGA, ONTARIO, CANADA

PRODUCED BY THE FINANCE DIVISION,
CORPORATE SERVICES DEPARTMENT OF THE CITY OF MISSISSAUGA
IN COOPERATION WITH ALL CIVIC DEPARTMENTS, OFFICES AND AGENCIES

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