



The City of Mississauga
financialreport2005

for the fiscal year ending December 31, 2005



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



George Carlson
Councillor, Ward 6



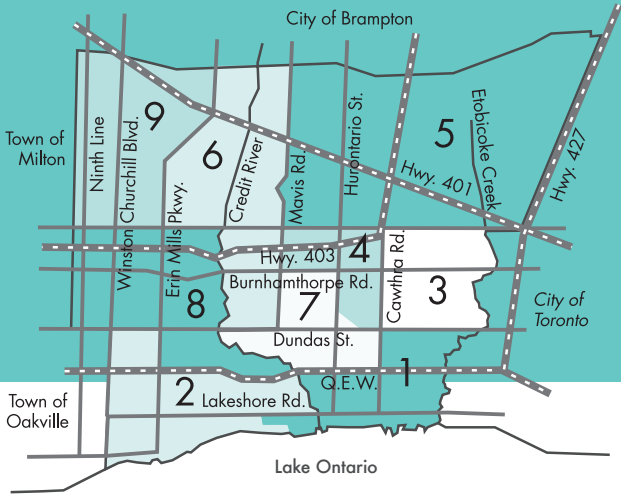
Nando Iannicca
Councillor, Ward 7



Katie Mahoney
Councillor, Ward 8



Pat Saito
Councillor, Ward 9



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 |

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financialreport2005

for the fiscal year ending December 31, 2005
Mississauga, Ontario, Canada

GFOA Award Canadian Award for Financial Reporting

In recognition of the City's ability to present financial information in a clear, concise and informative manner, the City of Mississauga was awarded the Canadian Award for Financial Reporting for its 2004 Annual Financial Report by the Government Finance Officers Association of the United States and Canada for the eighth year. This award program encourages innovative financial reporting and maintains a high quality standard that is recognized amongst peers. The City of Mississauga is continuing this standard of high quality reporting for the submission and evaluation for the 2005 award program.

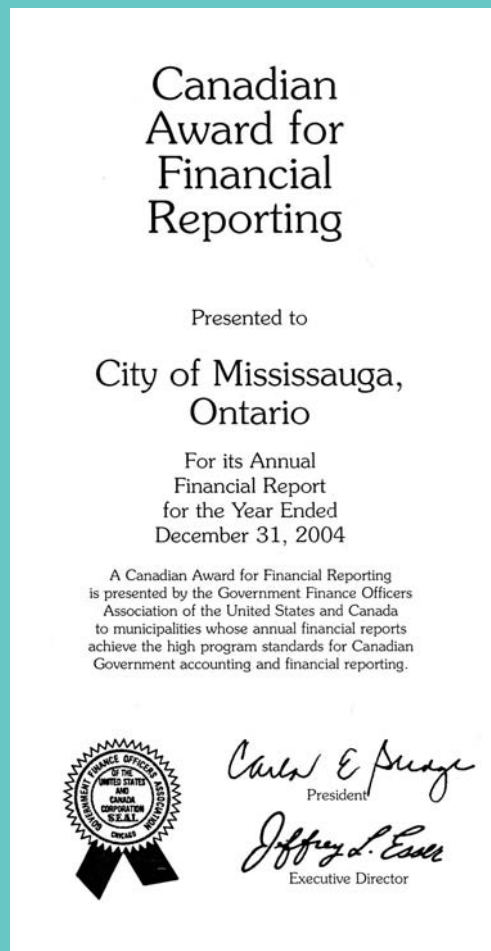


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2005 Successes Report	Insert
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Mayor's Message

Mississauga – A great place to live, work and play



Hazel McCallion
Mayor
City of Mississauga

I have worked with my colleagues on City Council to make Mississauga a great place to live, work and play. We are committed to providing residents with a high quality of life and continue to offer quality services they have come to expect.

Mississauga has something for everyone. Residents enjoy access to our City parks, green corridors, trail systems, our waterfront, community centres and libraries. Mississauga is the location of choice for families, and for companies starting and growing their businesses.

Our proximity to the greatest concentration of major highways in the country and to Lester B. Pearson International Airport positions us to serve local, national and international markets. We're home to more than 52,000 businesses and a major employment centre within the GTA. Fifty-seven of Canada's Fortune 500 offices are located in Mississauga, enabling residents to work and live in our community.

I'm proud of the excellent services we offer. Our natural local settings, great community amenities and efficient transportation links are second to none. It's no wonder 700,000 residents call Mississauga home.

A handwritten signature in white ink on a dark background. The signature is cursive and reads "Hazel McCallion".

Hazel McCallion
Mayor
City of Mississauga



About Mississauga Quick Facts:

Location

- Located within the Greater Toronto Area
- Adjoining City of Toronto on the west side and on the north shores of Lake Ontario
- Area: 111 square miles (288 km²); 71,040 acres (28,750 ha)

Population

- 700,000; Canada's 6th largest city
- Projected Population: 788,100

Employment

- Employees in Mississauga: 425,000
- Employees in GTA: 3.1 million

Transportation

Airport

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

Highways

- The only city in the GTA serviced by seven major highways
- Excellent highway connections, less than two hours from the U.S.A. border

Railways

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

Public Transit

- Fourth-largest transit system in Ontario servicing approximately 28 million riders annually
- 81 routes throughout the City connect with the Toronto Transit Commission, Brampton Transit, Oakville Transit and all GO Transit stations
- GO Transit operates three train lines and several GO Bus routes through Mississauga providing frequent service throughout the day with connections to Toronto and surrounding areas

Higher Education

In Mississauga

- The University of Toronto at Mississauga and the Richard Ivey School of Business

Within Commuting Distance

- 10 major universities and 11 technical colleges

Businesses

- More than 52,000 in total
- Top employers include AECL/Atomic Energy of Canada Limited, Air Canada, AstraZeneca Canada Inc., Bell Canada, Bell Mobility Inc., CFM Vermont Castings Majestics Products, Cara Operations, Federal Express, Glaxo-SmithKline, Group 4 Falck, Honeywell, Loblaw Companies East, NexInnovations, Pratt & Whitney Canada Inc., Purolator Courier, RBC Financial Group, RBC Insurance Services, Servisair/Globe Ground North America, Symcor, TD Bank Financial Group, Unisen and Wal-Mart Canada
- Major Head Offices: 40 of Canada's top 500 companies and 57 Fortune 500 corporations

Tax Rates (2005)

- Industrial: 3.164470%
- Commercial: 2.804516%
- Residential: 1.053507%
- Multi Residential: 1.532389%

Weather

- January temperature: -6.7C (20F)
- Average July temperature: 20.5C (69F)
- Average annual rainfall: 55.39 cm (21.8")
- Average snowfall (November - March) 115.6 cm (45.5")
- Average annual sunshine: 2,038.3 hours

City Manager's Message

Mississauga – A great place to call home



Janice M. Baker
CA
City Manager and
Chief Administrative Officer

Over 700,000 residents call Mississauga home. Mississauga is Canada's sixth largest city and for the sixth year in a row, Mississauga has been named the safest city in Canada.

According to a report released by the Mississauga Crime Prevention Association (MCPA), Mississauga has the lowest crime rate compared with major Canadian cities. We are committed to ensuring that our communities and neighbourhoods are safe havens for families.

Residents have told us time and again that they value the services the City provides. The quality of our road network, our transit service, the state of repair and cleanliness of our community facilities, the maintenance of our neighbourhood parks, our recreation programs and emergency services are important to Mississauga citizens.

We're blessed with over 500 parks and woodlands and over 170 kilometres of trails. Our extensive parks system and excellent recreation facilities offer residents walking, biking, jogging, cycling, swimming and skating opportunities to get active.

This year we opened our new BraeBen public golf course. BraeBen was developed in partnership between the Region of Peel and the City of Mississauga.

This past summer we revamped our Recreation and Parks guide, renaming it "*Active Mississauga*". We updated the look and design to highlight our new spirit of healthy, active living. *Active Mississauga* is an excellent guide to City recreation programs and services, community activities and events.

We enjoy a wealth of sports, arts, entertainment, shopping and recreation activities right here in our City. I encourage you to get out and discover Mississauga.

A handwritten signature in white ink that reads "Janice M. Baker". The signature is fluid and cursive, with a large loop at the end of the name.

Janice M. Baker, CA
City Manager and Chief Administrative Officer

Structure, Vision and the Strategic Plan



Janice M. Baker
CA
City Manager and
Chief Administrative Officer



Paul A. Mitcham
P. Eng., MBA
Commissioner
Community Services



Brenda R. Breault
CMA, MBA
Commissioner
Corporate Services and
Treasurer



Edward R. Sajecki
P. Eng., M.C.I.P.
Commissioner
Planning and Building



Martin Powell
P. Eng.
Commissioner
Transportation and Works

10 Vision 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 diversity of cultural opportunities.

Message from Commissioner of Corporate Services and Treasurer



Brenda R. Breault
CMA, MBA
Commissioner
Corporate Services and
Treasurer

The long-standing tradition of fiscal responsibility and excellence in public administration defines the financial management of the City of Mississauga and is reflected in this year's Financial Report for the fiscal year ending December 31, 2005. The Financial Report is prepared 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.

With prudent financial planning and careful management of our finances, Mississauga was able to record an operating surplus of \$8.3 million, of which \$2.5 million will be used to help fund the 2006 operating program and the remaining \$5.8 million will be used to support future capital improvements and projects. Controlling costs and expanding/maintaining services is always a challenge. Our residents and businesses expect quality services at a reasonable cost and, in 2005, the City delivered again. The City of Mississauga is proud to be debt-free and to continue to hold a coveted "AAA" credit rating.

In an effort to minimize the impact of tax increases and to better manage its overall financial position, the City, following an in-depth review of City services in 2004, implemented a new Business Planning process and a new Capital Financing Strategy in 2005. Business Planning is a detailed and cyclical process that links strategic planning decisions with related action plans. The objectives of Business Planning include: better alignment of services/departments to corporate goals, enhanced performance measures, and sustainable financial plans that meet the expectations of Council. Business Planning will also engage our employees, revitalize the budget process and ready us for a 10-year capital plan/budget.

The Capital Financing Strategy will help Mississauga plan major asset and infrastructure maintenance and replacement. The City has an existing inventory of approximately \$5.8 billion in infrastructure assets. Overall, this asset base is in good condition but will eventually require repair and replacement. Development charges paid for the initial purchase of many of these assets; however, future amounts for repair and replacement must come from the property tax base and other sources of funding. The City is reviewing a number of funding options that will assist in moderating the property tax increases of our residents and businesses while continuing to keep our assets functioning at maximum efficiency.

To maintain quality services to residents at a reasonable cost and to address the need for infrastructure improvements, Council approved a 5.8 per cent increase in property taxes to fund the 2005 budget. In arriving at this increase, the Budget Committee of Council and staff reviewed all programs to find cost savings and to keep increases at a minimum without compromising service levels. Ontario municipalities are finding it increasingly difficult to balance their budgets. Mississauga is no different. As revenue growth slows down and the City matures, the City cannot increasingly rely on the property tax as its only form of taxation from which to fund local public services.

The New Deal, signed with the federal and provincial governments in 2005, was the first step that the senior levels of government took to address some of the capital funding shortfalls that occurred because of the deficit cutting exercises of the late 1990s. In the first full year of the New Deal with municipalities, Mississauga received \$6.0 million from the federal government and \$5.5 million from the provincial government in gas tax funding. A portion of these amounts was used to fund the purchase of 35 transit buses and to expand transit service and routes in various areas of the City. The balance has been set aside in designated reserve funds for future initiatives. For Mississauga, federal funding must be used for “environmentally sustainable municipal infrastructure” such as public transit, water/sewer systems and community energy systems, while provincial funding seeks to improve overall transit ridership through capital infrastructure expansion, increased levels of service and the expansion of support programs. While municipalities appreciate these initial steps toward a New Deal, much more must be done in the future. Specifically, senior governments must reduce their reliance on property taxes to fund education, health and social services.

Over the years, Mississauga has been faced with a major decrease in provincial grant funding. Most grant programs have been replaced with one-time project funding. These one-time approvals are difficult to plan for and predict and fluctuate significantly from year to year and are conditional on some specific project proceeding. We have noted that the reduction in grants corresponds almost directly to the increase in tax rates. Other future challenges include pressures from slower growth, higher costs for fuel, electricity and labour settlements and measures to address traffic congestion through an expanded and integrated transit system.

Fiscal responsibility is, and will continue to be, one of Mississauga’s many strengths. Business Planning and a Capital Financing Strategy are two of the tools we implemented to assist us in anticipating future growth and planning, aging infrastructure needs and maintaining/improving our services. Citizen surveys have confirmed that residents value and have a high degree of satisfaction with the quality of services being provided by the City.

We will manage the challenges ahead to ensure the City maintains its financial health and prosperity, now and well into the future.



Brenda R. Breault, CMA, MBA
Commissioner of Corporate Services and Treasurer
March 10, 2006

Year 2005

financial year in review

- Financial Statements Discussion and Analysis
- Financial Statements

**Consolidated Statement of
Financial Activities
Actual to Prior-Year Comparison**

A comparison of actual financial results to prior year gives an indication of how the City's operational performance changed in the current year. Municipalities account for revenues and expenditures by Fund. Three funds make up the City's consolidated financial statements: Current Fund, Capital Fund and Reserve Fund. The results of these funds have been consolidated to report the financial activities of the City.

In 2005, the City's Net Financial Resources balance (i.e. financial assets minus liabilities) decreased by \$36.4 million. This decrease does not mean that the City incurred a deficit in 2005; rather, it reflects the spending patterns and changes in fund balances. Despite this decrease, the City's financial position continues to remain very strong with healthy reserve and fund balances.

- The Current Fund (i.e. the City's operating requirements) recorded a modest surplus of \$2.6 million, after related reserve transfers. This surplus will be used to help offset some of the 2006 budget pressures.
- The Capital Fund (i.e. unexpended capital funding) was drawn down from \$94.8 million in 2004 to \$71.8 million in 2005, representing a \$23 million decrease. This decrease reflects the additional approved spending on capital projects which occurred during 2005. All capital projects have been pre-approved with project funding set aside in the Capital Fund. Due to the size and scope of capital projects, the timing and rate of capital expenditures can vary over multiple years. As a result, Capital Fund balances may fluctuate from year to year.
- The Reserve Fund (i.e. funds set aside to help offset future obligations, pressures and costs) was drawn down from \$609.2 million in 2004 to \$595.3 million in 2005, representing a \$13.9 million decrease. Although the Reserve Fund remains high and very strong, operating and capital pressures required draws from these Reserve Funds to finance our growing infrastructure requirements.

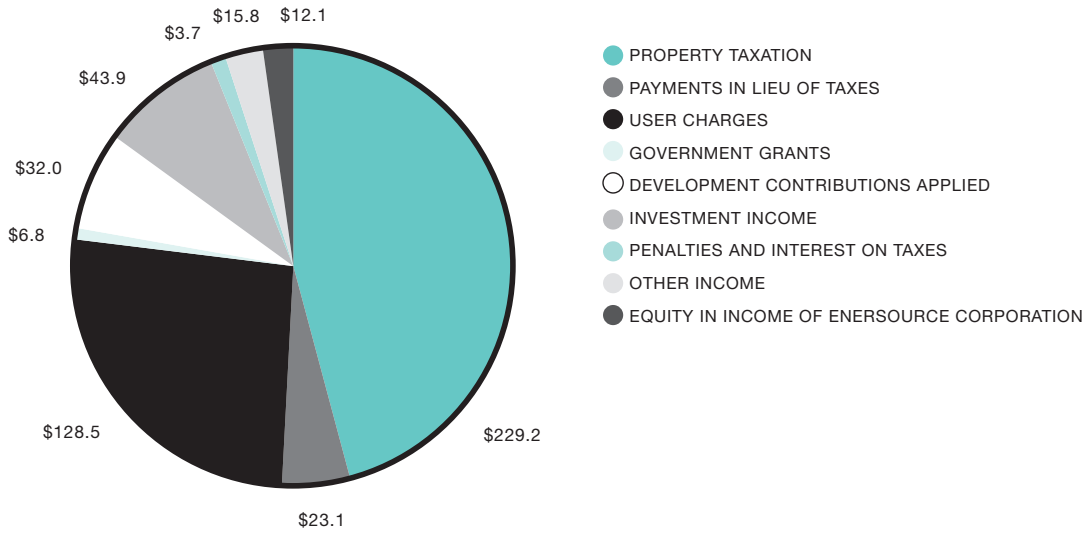
A detailed five-year financial summary has been included, at the back of this report, in the Statistical Section on page 50.

**Consolidated Statement of
Financial Activities
Actual to Prior-Year Comparison
Revenue Summary**

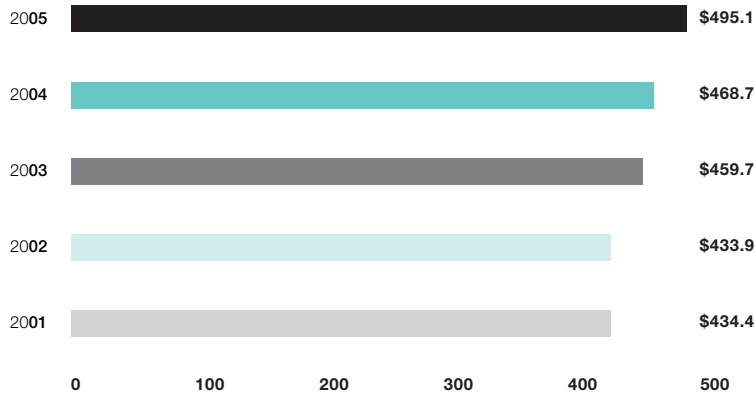
CATEGORY (IN \$MILLIONS)	2005 ACTUAL	2004 ACTUAL	INC/(DEC) VERSUS PRIOR YEAR	%
Revenues	\$495.1	\$468.7	\$26.4	5.6

- Property tax revenue increased by \$17.4 million over 2004. Assessment growth of 2.3 per cent and a 5.8 per cent property tax increase were the main contributors to this increase.
- Taxation from other governments decreased by \$1.0 million. This decrease relates to a reduction of approximately \$972,000 in the amount of “payment in lieu of taxes” paid by the Greater Toronto Airport Authority.
- User charges increased \$4.6 million over 2004. Transit fare revenues accounted for \$2.9 million of this increase. Fares increased in March, 2005 along with a modest increase in ridership. Golf revenues also increased by \$1.2 million in golf green fees with the opening of BraeBen Golf Course in June, 2005.
- Government grants decreased \$3.8 million from the prior year. There were two reasons for this decrease:
 - In 2004, the City received \$6.2 million in provincial funding from the SuperBuild program for redevelopment of community centres. In 2005, the City received \$4.1 million as final payments for this program.
 - In 2004, provincial gas tax funds of \$1.8 million were classified as revenue and applied against related transit expenditures. In 2005, all provincial gas tax funding was transferred to deferred income to be applied against future transit expenditures.
- Development contributions applied increased \$7.6 million over 2004. In 2005, increased expenditures on approved development-related projects resulted in additional funding requirements.
- Investment income rose by \$1.6 million over 2004 due to Bank of Canada interest rate increases and an increase in the daily average invested funds.
- Penalties and interest on taxes decreased by \$4.5 million compared to 2004. This decrease can be directly attributed to the decrease in taxes receivable as heightened collection efforts have led to fewer delinquencies and therefore, a reduction in revenue from penalties and interest on taxes. This decrease also reflects the clean-up and processing of property assessment adjustments which were approved in prior years but could not be processed until tax system modifications were completed.
- Other revenues increased \$2.8 million over 2004. This increase primarily reflects a refund of surplus employee benefit premiums held by the City’s benefit insurance provider.
- The City of Mississauga has a 90 per cent stake in Enersource Corporation. The City’s share of Enersource’s 2005 income was \$12.1 million versus \$10.5 million in 2004, representing a \$1.6 million increase.

Consolidated Revenues by Type
(\$495.1 MILLION)



Five Year Trend Total Revenues
(IN \$MILLIONS)



**Consolidated Statement of
Financial Activities
Actual to Prior-Year Comparison
Expenditure Summary**

CATEGORY (IN \$MILLIONS)	2005 ACTUAL	2004	INC/(DEC) VERSUS PRIOR YEAR	%
Expenditures	\$531.5	\$471.6	\$59.9	12.7

Expenditures consist of two components:

Current Fund (i.e. day-to-day operating spending) and **Capital Fund** (i.e. capital infrastructure spending).

Current Fund Expenditures	\$394.8	\$378.0	\$16.8
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Current Fund or operating expenditures totalled \$394.8 million in 2005 versus \$378.0 million in 2004; an increase of \$16.8 million.

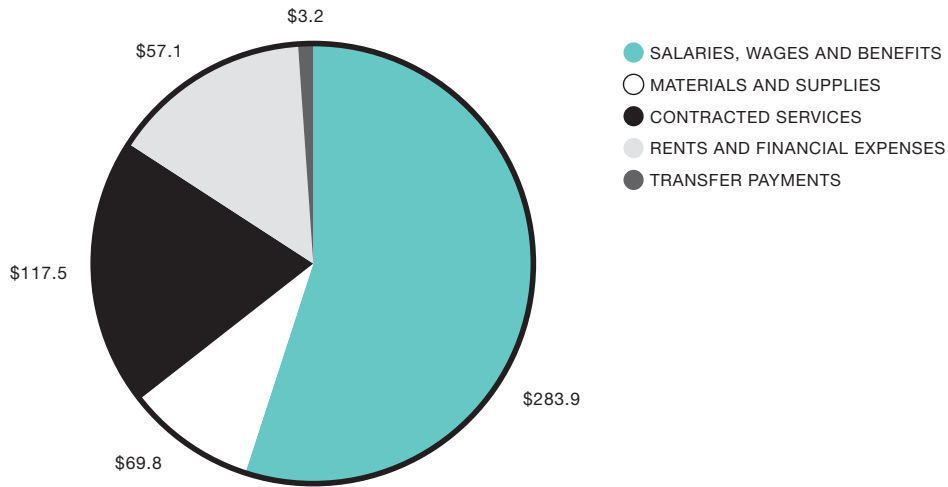
- Salaries, wages and benefits increased by \$15.5 million over 2004. Performance increases, labour contract settlements and increased benefit costs accounted for this increase.
- Materials and supplies increased by \$3.3 million in 2005. Fuel increases resulted in additional expenditures of \$2.3 million over 2004.
- Contracted services increased by \$1.9 million over 2004. Winter maintenance contractor costs accounted for most of this increase.
- Rent and financial expenses decreased by \$4.0 million in 2005. Property tax write-offs and adjustments (i.e. ARB decisions) decreased by \$2.1 million in 2005. The Allowance for Doubtful Taxes account was also reduced by \$2.1 million to properly reflect the outstanding property tax account receivables.

Capital Fund Expenditures	\$136.7	\$93.6	\$43.1
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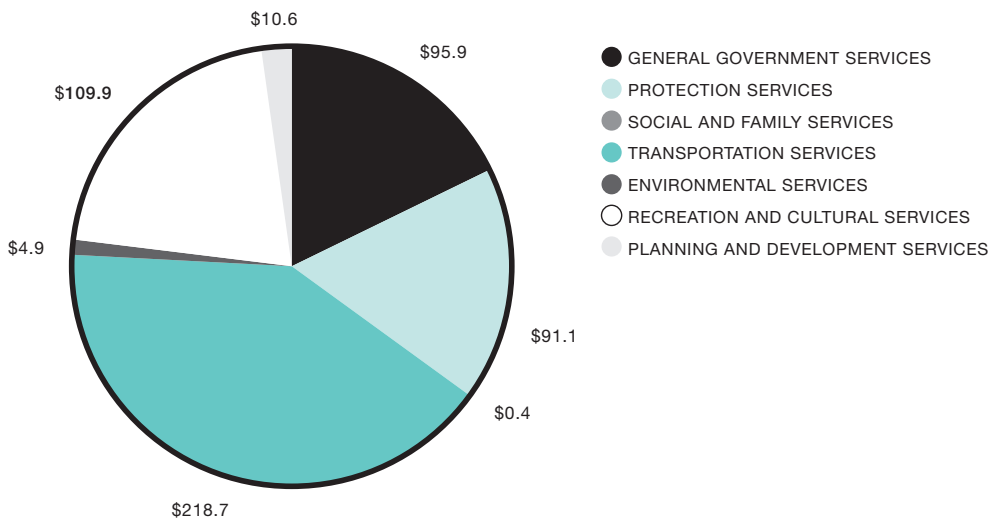
Capital Fund expenditures totalled \$136.7 million in 2005 versus \$93.6 million in 2004; a \$43.1 million increase in spending. The increase in expenditures primarily relate to the timing of spending and stages of construction or development for certain capital projects. Major capital expenditures in 2005 included:

- bus acquisition (\$27.6 million for 35 new 40-foot buses in 2005 versus \$1.1 million in 2004)
- asphalt reclamation (\$9.5 million in 2005 versus \$0 in 2004)
- 950 Burnhamthorpe Rd. courthouse renovations (\$10.3 million in 2005 versus \$0.8 million in 2004)
- Mississauga Garden Park development (\$4.3 million in 2005 versus \$.04 million in 2004)

Consolidated Expenditures by Type
(\$531.5 MILLION)



Consolidated Expenditures by Service
(\$531.5 MILLION)



**Consolidated Statement of
Financial Position
Actual to Prior Year Comparison
Financial Assets Summary**

The Consolidated Statement of Financial Position provides information on the financial position of the municipality including Financial Assets, Liabilities, Net Financial Resources, Total Net Assets and Fund Balances. Capital Assets (such as roads, buildings, other infrastructure) owned by the City are not included in these financial statements.

Net Financial Resources:

The Consolidated Statement of Financial Position accounts for and presents the difference between financial assets and liabilities which is summarized on the Net Financial Resources line. The Net Financial Resources position impacts a government's ability to finance its activities and meet its liabilities and commitments in the future.

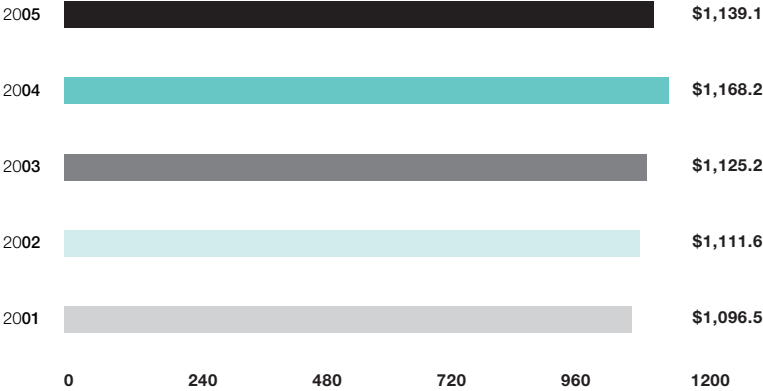
In 2005, the City's Net Financial Resources totalled \$724.2 million; \$36.4 million lower than in 2004. This decrease was mostly due to the increase in capital spending in 2005. For example, capital projects delayed in 2004 (i.e. bus acquisitions), resulted in increased spending in 2005. Despite the decline from the previous year, the City's financial position remains very strong. With no debt and a AAA credit rating, the City is well-positioned and financially stable for the future.

The chart below highlights key changes in the City's 2005 financial position.

Consolidated Statement of Financial Position

CATEGORY (IN \$MILLIONS)	2005	2004	INC/(DEC) VERSUS PRIOR YEAR
Financial Assets			
Cash & Short-Term Investments	\$421.2	\$401.4	\$19.8
	Reflects portfolio movement from long to short-term investments.		
Taxes Receivable	\$51.0	\$60.2	(\$9.2)
	Reflects improved collections and processing of backlog appeal adjustments.		
Accounts Receivable	\$27.0	\$27.0	\$0.0
	No change from prior year.		
Investments	\$458.4	\$501.2	(\$42.8)
	Reflects the switch from long-term investments to short-term to accommodate increased capital expenditures forecasted for 2006 and lower long-term interest rates.		
Loans Receivable	\$0.4	\$1.4	(\$1.0)
	No significant change from prior year.		
Investment in Enersource	\$181.1	\$177.0	\$4.1
	Reflects the City's share of the net income for Enersource of \$12.1 million which included an \$8 million dividend paid out to the City.		
Total Financial Assets	\$1,139.1	\$1,168.2	(\$29.1)

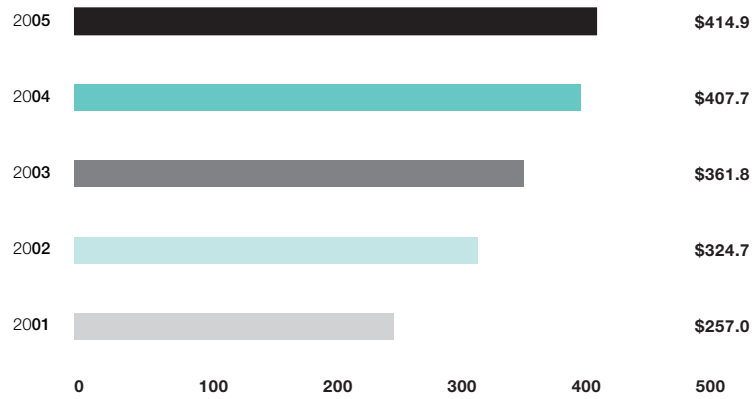
**Financial Assets
Summary**
(IN \$MILLIONS)



**Consolidated Statement of
Financial Position
Actual to Prior Year Comparison
Liabilities Summary**

CATEGORY (IN \$MILLIONS)	2005	2004	INC/(DEC) VERSUS PRIOR YEAR
Financial Liabilities:			
Accounts Payable & Accrued Liabilities	\$70.5	\$85.1	(\$14.6)
	Reflects the timing of cash disbursements at year-end for both payroll and accounts payable.		
Deferred Revenue-General	\$5.7	\$5.3	\$0.4
	No significant financial change from prior year.		
Deferred Revenue-Development Charges & Parkland	\$209.0	\$199.4	\$9.6
	Reflects the reclassification of obligatory reserve funds (i.e. development charges and parkland contributions) to deferred revenue. These funds will be recognized as revenue when related capital expenditures are incurred. An increase in parkland contributions (\$8 million) accounted for most of this increase.		
Deferred Revenue-Gasoline Tax	\$8.3	–	\$8.3
	Reflects the reclassification of obligatory reserve funds to deferred revenue. These funds will be recognized as revenue when related operational or capital expenditures are incurred. The provincial gas tax deferred balance of \$2.4 million is restricted to expand transit systems and increase ridership. The federal gas tax deferred balance of \$5.9 million is restricted for new/higher capital investments in public transit, wastewater systems or energy conservation projects.		
Employee Benefits & Other Liabilities	\$121.4	\$117.9	\$3.5
	The City completed an actuarial evaluation update for both WSIB and employee benefit liabilities (i.e. post employment, retirement). Increased WSIB and benefit costs contributed to this increased liability.		
Total Liabilities	\$414.9	\$407.7	\$7.2

**Financial Liabilities
Summary**
(IN \$MILLIONS)

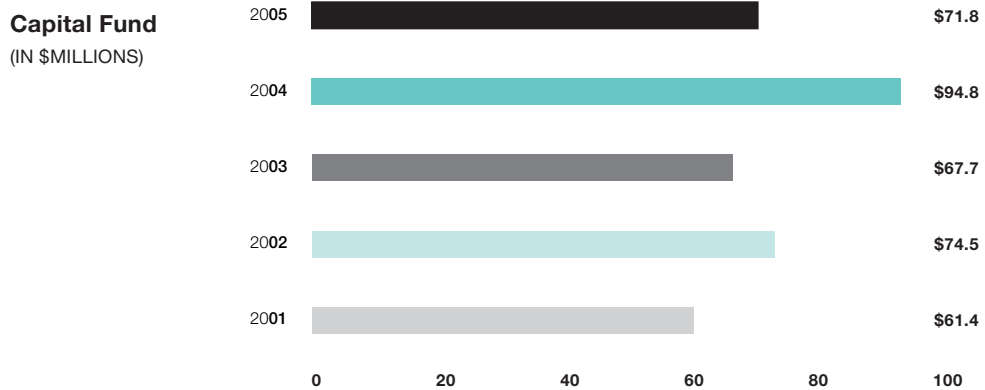
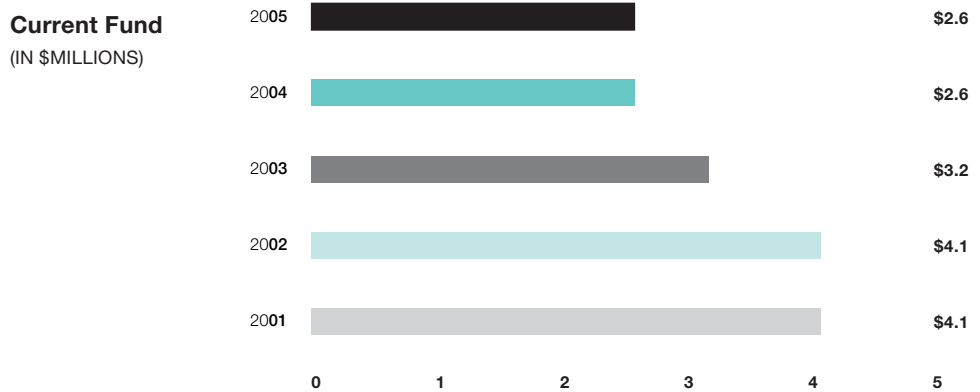


Financial Statement Analysis
Fund
Balances

The chart below highlights the City’s Fund balances over the last five years. Overall, these balances remained fairly stable and healthy. Funds for capital purposes declined somewhat due to higher/increasing capital project needs and expenditures.

What these fund balances mean to our taxpayers:

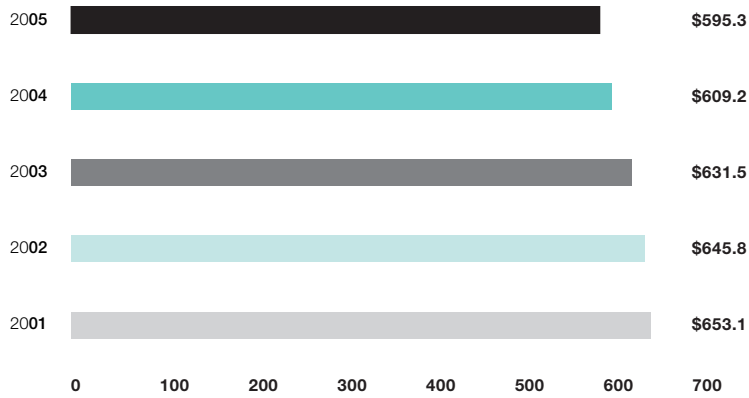
- Current Fund** Reflects the surplus in current year operations. This surplus is carried over to the new year to help offset the operational pressures.
- Capital Fund** Reflects the unspent value of approved capital projects. The City’s capital budget is established on a total project basis rather than an annual cash flow basis. The timing of payments for these projects may extend over multiple years.
- Trust Fund** Reflects amounts held in trust and administered by the City for the benefit of others.
- Reserve and Reserve Funds** Certain amounts, as approved by Council, are set aside in reserves and reserve funds for future operating and capital purposes.



**Financial Statement Analysis
Fund
Balances**

Reserves and Reserve Fund

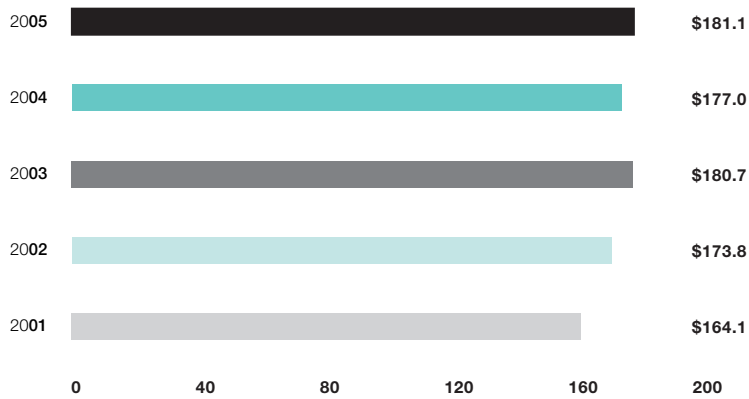
(IN \$MILLIONS)



**Investment in
Enersource Corporation**

(IN \$MILLIONS)

The City has a 90 per cent interest in Enersource Corporation. Although the City must consolidate and report this value in the financial statements, the City does not have access to these financial assets and resources as Enersource operates independently from the City. From time to time, Enersource may declare and pay a dividend to the City for its stake in ownership. In 2005, the City received a dividend payment of \$8 million.



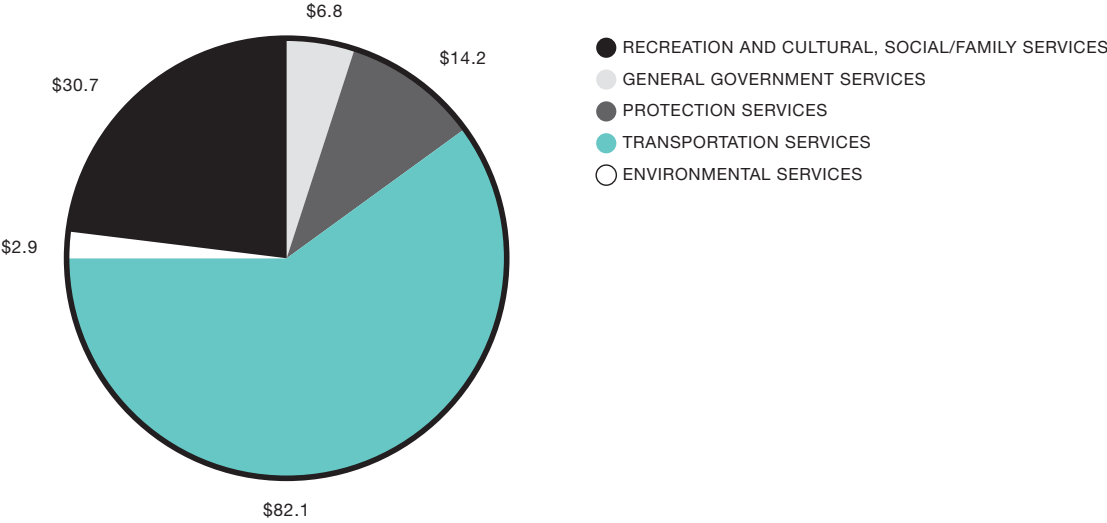
Financial Statement Analysis
Capital
Fund

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, roads, bridges, sewers, 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 10-year forecast to identify required capital facilities and expenditures related to new growth and infrastructure rehabilitation. The City's policy has been "to pay as you go", building new facilities and other capital infrastructure without resorting to debt financing.

Capital program funding is provided through taxation for expenditures related to existing infrastructure and through development charges for growth related expenditures. In 2005, the City transferred \$72.6 million from Reserve and Reserve Funds to the capital program, 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.

CATEGORY (IN \$MILLIONS)	2005	2004	INC/(DEC) VERSUS PRIOR YEAR
General Government Services	\$6.8	\$16.5	(\$9.7)
	Reflects the 2004 purchase of a new facility for City service operations with no comparable purchases in 2005.		
Protection Services	\$14.2	\$1.2	\$13.0
	Reflects renovation costs to accommodate a new courthouse facility in 2005. \$10.3 million was spent on this facility in 2005 versus \$0.8 million in 2004. Includes purchase of fire vehicles and equipment of \$2.1 million versus \$0.5 million in 2004.		
Transportation Services	\$82.1	\$36.6	\$45.5
	Reflects the 2005 expenditure of \$27.6 million for 35 new transit buses versus an expenditure of \$1.1 million in 2004. Includes traffic and road work of \$43.7 million versus \$25.8 million spent in 2004.		
Environmental Services	\$2.9	\$1.7	\$1.2
	Reflects spending of \$1.3 million to retrofit the Storm Water Retention Pond located near Hwy. 410 in 2005.		
Recreation and Cultural, Social/Family Services	\$30.7	\$37.6	(\$6.9)
	Renovation costs to five community centres and Courtnepark Library decreased from \$19.5 million in 2004 to \$6.6 million in 2005, as major projects were completed. The decrease in capital spending for specific capital projects was offset by increased park construction costs in 2005. For example, park construction costs increased from \$17.1 million in 2004 to \$23.6 million in 2005.		
Total Capital Fund Expenditures	\$136.7	\$93.6	\$43.1

Financial Statement Analysis
Capital Fund Expenditures
by Service Program
(\$136.7 MILLION)



**Financial Statement Analysis
Reserves**

The City maintains Reserve and Reserve Funds to finance specific expenditures as designated by Council, to minimize tax rate fluctuations due to unanticipated shortfalls and to fund multiple-year projects and programs.

Reserve and Reserve Funds have been set aside and prudently managed over the last 30 years. The City's Reserve and Reserve Fund balances (\$595.3 million) are considered healthy and adequately positioned to deal with the projected demands of the future.

The following chart highlights some of the more significant changes from 2004 in the City's Reserve and Reserve Fund balances. Total Reserve and Reserve Fund balances decreased by \$13.9 million in 2005.

	(IN \$MILLIONS)	2005	2004
Reserves		\$47.9M	\$46.5M

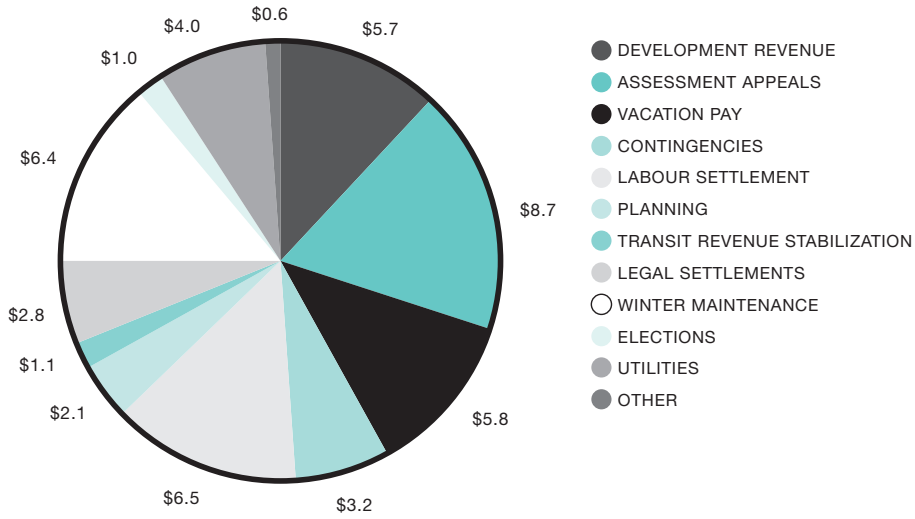
Reserve balances increased by \$1.4 million in 2005.

Major Variances:

- Development Revenue Reserve decreased by \$0.8 million. Some departmental staff who assisted in processing development-related work were funded through this reserve.
- Assessment Appeals Reserve increased by \$1.6 million. This increase primarily reflects additional provisions set aside to fund appeals relating to current value assessment adjustments.
- Labour Settlement Reserve decreased by \$0.7 million. Funds were transferred to offset current labour-related pressures.
- Transit Revenue Stabilization Reserve declined by \$0.5 million. This amount was transferred to fund a shortfall in transit advertising.
- Legal Settlements Reserve increased by \$0.3 million. The proceeds received from a legal settlement were used to increase this reserve account.
- Winter Maintenance Reserve increased by \$0.7 million. An adjustment was made to keep this reserve account at approximately 50 per cent of the winter maintenance budget.
- Elections Reserve increased by \$0.5 million as funding was set aside for the municipal election to be held November 13, 2006.
- Utilities Reserve increased by \$0.5 million. A rebate for 2005 utility rates was transferred to the reserve to help moderate future rate increases.

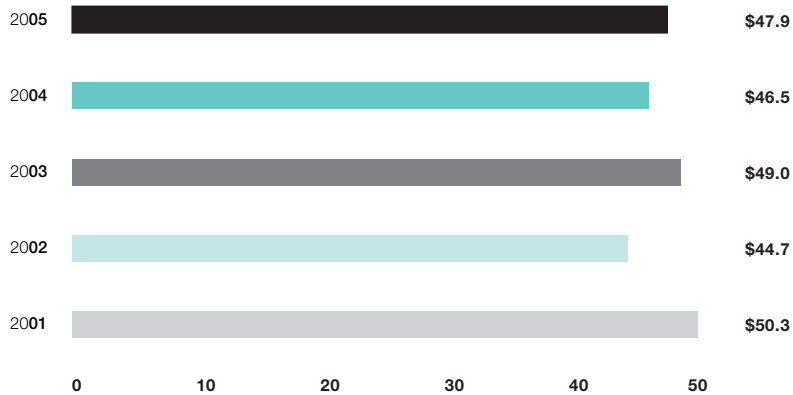
**Financial Statement Analysis
Reserves**

(\$47.9 MILLION)



**Five Year Trend
Reserves**

(IN \$MILLIONS)



**Financial Statement Analysis
Reserve Funds**

	(IN \$MILLIONS)	2005	2004
Reserve Funds		\$547.4M	\$562.7M

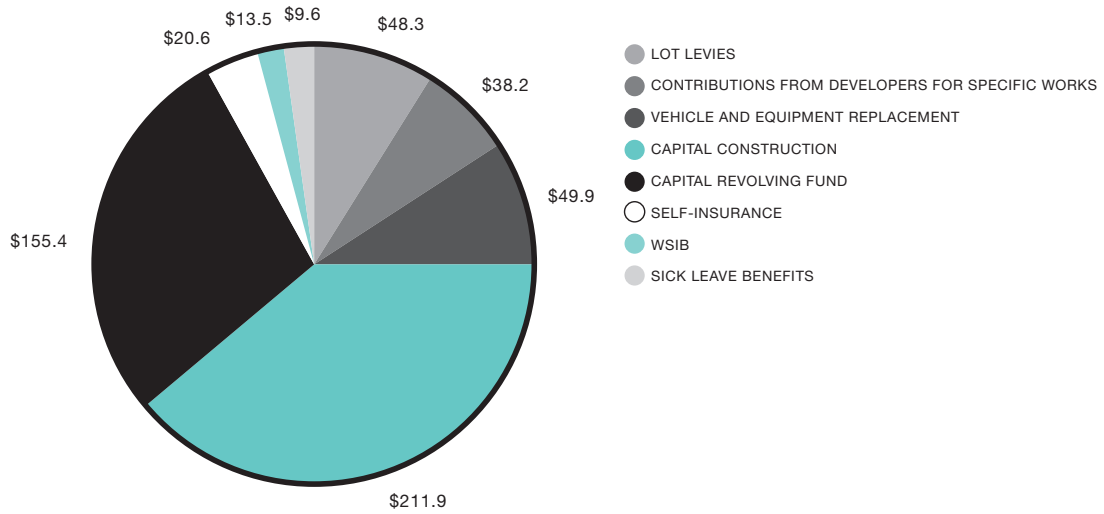
Reserve Fund balances decreased by \$15.3 million in 2005.

Major Variances:

- The former Hydro Reserve Fund was closed in 2005 and the funds were reallocated to various capital reserve funds:
 - \$158.3 million to the Capital Construction Fund (roads, facilities renovations/repairs)
 - \$144.4 million to the Capital Revolving Fund (finance future infrastructure projects)
 - \$3.3 million to the Transit Vehicle and Equipment Reserve Fund
 - \$1.4 million to the Information Technology Capital Reserve Fund
 - \$1.0 million to the Fire Vehicle and Equipment Replacement Reserve Fund
 - \$25 million to the current-year Operating Fund (help fund operating pressures)
- Contributions from Developers for Specific Works Reserve Fund increased by \$3.2 million. This increase reflects the full repayment of the loan made from this fund for LED traffic signals and an increase in the amount of interest earned by this fund.
- Vehicle and Equipment Replacement Reserve Fund increased by \$6.7 million. This fund is used to finance maintenance, repair and replacement of the City's fleet for transit, fire and other City services.
- Capital Construction Reserve Fund increased by \$142.2 million. A transfer of \$158.3 million from the former Hydro Reserve Fund accounted for most of this increase. This transfer was made to help support future capital projects. In 2005, \$18.2 million was drawn from this fund to pay for approved budgeted capital projects.
- The Capital Revolving Reserve Fund was set up in 2005 as an internal borrowing mechanism to assist in the financing of future infrastructure projects. This new Fund included a transfer of \$144.4 million from the former Hydro Reserve Fund and a \$5.8 million transfer from operations.
- Self-insurance Reserve Fund increased \$2.3 million. This reserve fund provides funding for insurance claim costs related to areas such as vehicles, municipality liability, property damage, errors and omissions.

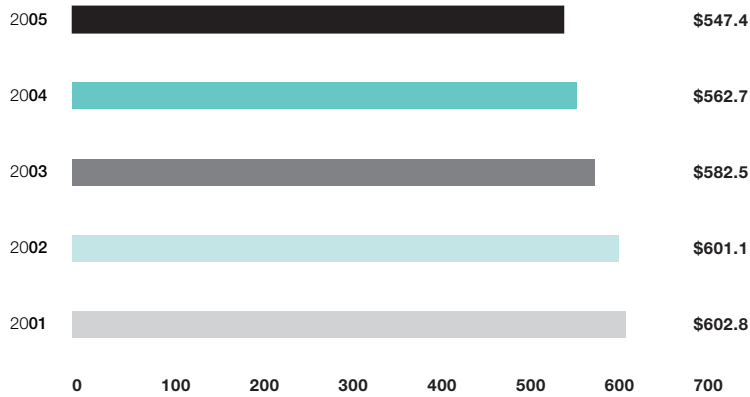
**Financial Statement Analysis
Reserve Funds**

(\$547.4 MILLION)



**Five Year Trend
Reserve Funds**

(IN \$MILLIONS)



Our City at a Glance

Balanced Budget and Property Taxes

City Council, in conjunction with staff, worked very hard to minimize the impact of pressures on taxpayers. However, it is becoming increasingly difficult to balance the City's budget with property taxes as the main source of funding.

By introducing various efficiencies and new revenue sources, as well as undertaking a detailed review of cost pressures, the City was able to hold its property tax rate increase to 5.8 per cent in 2005 (versus 3.8 per cent in 2004).

Cost Pressures

2005 cost pressures included rising workforce expenses such as wages, benefits, pensions, increased diesel fuel and utility costs and higher contract costs, such as road repair and winter maintenance.

Service Level Standards

Our residents have come to expect a high standard of service from our City and they value the services provided. The quality of our road networks, the cleanliness of our community and facilities, the maintenance standards of our parks, our recreation programs and emergency services are important service level indicators for both our residents and businesses. However, the ability to maintain these service levels without significant tax increases is becoming more difficult.

The City provides solid value and quality services for the tax dollars collected, through prudent fiscal management and business planning. Our City will continue to explore new opportunities and efficiencies that will help address the challenges of managing future property tax rate increases, managing growth in a maturing municipality, and providing quality services to the residents in a cost-effective manner.

Development and Capital Infrastructure

As the rate of development slows in Mississauga, cost pressures will continue to escalate. We will be faced with the costs of repairing, rehabilitating and replacing aging assets such as roads, buses, fire equipment and buildings, which were originally funded by development.

The City must turn its focus towards defining and addressing its long-term infrastructure needs. Mississauga has the benefit of a healthy and strong financial base, as well as the time to plan for eventual replacement of its infrastructure. Healthy reserve balances, no debt, and a AAA credit rating are some of the financial and resource tools that are available to help Mississauga address its future infrastructure needs as well.

Government Grants and Transfers

Government grants to municipalities decreased significantly over the past few years. The grant programs that are available have many restrictions. For example, the federal and provincial governments implemented programs to share a portion of their gas tax. However, this funding comes with many conditions and restrictions. Municipalities need more unconditional, sustainable sources of funding.

Sustainable Funding and Financing Health and Social Services

Senior levels of government are beginning to realize the financial pressures municipalities face. Today, the property tax bill includes many provincial responsibilities, such as education, health and social service costs. With these additional costs being funded through the property tax base, there is not enough money left for municipalities to adequately fund the services and infrastructure for which they are responsible.

Capital Financing Strategy

During 2004 and 2005, the City underwent an extensive review to determine the ongoing capital expenditure requirements needed to maintain existing infrastructure in a state of good repair. The capital financing strategy is designed to help plan major asset and infrastructure maintenance and replacement. The City eliminated the Hydro Reserve Fund and transferred funds to various capital reserves. This new financing strategy also identifies the potential need for debt financing in future years, in order to address the City's infrastructure replacement pressures.

Business Planning

Business planning aligns available resources, including financial resources, with the City's service priorities. The process weaves together departmental and divisional planning processes and aligns with the City's strategic and budget priorities. The goal is to better integrate Mississauga's business planning process into strategic priorities and the budget setting process for improved decision making.

eCity

The City of Mississauga's award-winning website provides City information and a growing number of on-line services for businesses and city residents on a 24 hour/7 day a week basis.

On-line services currently available include:

- Click n' Ride (transit information)
- eRecruit (online job information/ applications), and
- electronic payment of parking and provincial offence tickets.

On-line services currently in development include:

- eMaps (City mapping system)
- Library workstation booking
- on-line forms (for internal/external use), and
- eTax (managing tax accounts/information online).

Energy Efficiency

The City used three million fewer kilowatt hours of electricity in 2005 than 2004. This translated into a cost savings of \$300,000 and a reduction of 2,400 tons of CO2 emissions.

Financial Management Processes

Corporate Business Planning:

To address the significant budget, economic and political pressures in recent years, the City of Mississauga has introduced a new, corporate-wide, business planning process which builds on the lessons learned through the City Services Review project. The end result will be better integration of Mississauga's strategic priorities and programs, service levels and budgets.

Financial Statement Preparation:

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

Internal Control Management:

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

External Audit:

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

Audit Committee:

The Audit Committee is comprised of three members of Council, who are appointed annually by Council with the Mayor also being an ex-officio member. The Audit Committee provides a focal point for communications between Council, the external auditor, the internal auditor and management, and facilitates an impartial, objective and independent review of management practices throughout the internal and external audit functions.

User Pay Philosophy:

With the City's only major funding source being property taxation, Mississauga has to rely more heavily on its "User Pay" philosophy as it moves into the future. Development is slowing down – less reliance can be placed on development charges as this is a dwindling source. Increases in fees paid by those who use certain services are needed to help sustain our facilities and services.

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, 2005.

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

The Consolidated Financial Statements of the City of Mississauga provide important information about the overall financial condition of the City. The purpose of the Consolidated Financial Statements is to present the effects of transactions of the City taking into consideration the accounting for all City Funds and associated City business enterprises.

The 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, 2005 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, 2005 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 10, 2006



Consolidated Statement of Financial Position

AS AT DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

	2005 \$	2004 \$
Assets		
Financial Assets		
Cash and short-term investments	421,185	401,350
Taxes receivable (Note 3)	51,036	60,191
Accounts receivable	27,023	27,025
Investments (Note 4)	458,336	501,233
Loans receivable (Note 5)	421	1,351
Investment in Enersource Corporation (Note 6)	181,084	177,016
Total	1,139,085	1,168,166
Liabilities		
Accounts payable and accrued liabilities	70,499	85,099
Deferred revenue - general	5,706	5,263
Deferred revenue - development charges and parkland (Note 7)	208,981	199,388
Deferred revenue - gasoline tax (Note 8)	8,341	-
Employee benefits and other liabilities (Note 9)	121,350	117,862
Total	414,877	407,612
Net Financial Resources	724,208	760,554
Other Non-Financial Assets		
Inventory and prepaids	5,254	5,194
Total Net Assets	729,462	765,748
Municipal Position		
Amounts to be recovered (Note 9)		
From reserves and reserve funds on hand	(86,315)	(85,608)
From future revenues	(35,035)	(32,254)
Total	(121,350)	(117,862)
Fund Balances (Note 10)		
Current fund (See Schedule)	2,579	2,621
Capital fund (See Schedule)	71,826	94,754
Reserves (See Schedule)	47,933	46,470
Reserve funds (See Schedule)	547,390	562,749
Enersource Corporation net equity (Note 6)	181,084	177,016
Total	850,812	883,610
Total Municipal Position	729,462	765,748

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

Consolidated Statement of Financial Activities

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

	BUDGET 2005 UNAUDITED NOTE 1 (M) \$	ACTUAL 2005 \$	ACTUAL 2004 \$
Revenues			
Property taxation	227,352	229,195	211,760
Taxation from other governments	22,919	23,068	24,097
User charges	128,718	128,569	124,002
Government grants	6,771	6,795	10,561
Development contributions applied	24,123	31,979	24,345
Investment income	39,326	43,875	42,229
Penalties and interest on taxes	7,290	3,701	8,169
Other	16,639	15,856	13,087
Equity in income of Enersource Corporation (Note 6)	-	12,078	10,486
Total Revenues	473,138	495,116	468,736
Expenditures			
General government services	103,165	95,902	107,827
Protection services	96,557	91,055	74,096
Transportation services	197,376	218,667	163,379
Environmental services	5,922	4,932	3,958
Health services	40	38	53
Social and family services	319	350	323
Recreation and cultural services	110,881	109,915	111,064
Planning and development services	11,581	10,603	10,895
Total Expenditures	525,841	531,462	471,595
Decrease in Net Financial Resources	(52,703)	(36,346)	(2,859)
Increase in amounts to be recovered	3,488	3,488	3,727
Increase/(decrease) in non-financial resources	60	60	(298)
Increase/(Decrease) in Fund Balances	(41,155)	(32,798)	570

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

**Consolidated Statement of
Changes in Financial Position**

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

	2005 \$	2004 \$
Operations		
Decrease in Net Financial Resources	(36,346)	(2,859)
Equity in income of Enersource Corporation which does not involve cash	(12,078)	(10,486)
	(48,424)	(13,345)
Sources/(Uses):		
Taxes receivable	9,155	30,868
Accounts receivable	2	(10,193)
Loans receivable	930	998
Accounts payable and accrued liabilities	(14,600)	11,745
Deferred revenue – general	443	155
Deferred revenue – development charges and parkland	9,593	30,180
Deferred revenue – gasoline tax	8,341	–
Employee benefits and other liabilities	3,488	3,727
Total Sources/(Uses)	17,352	67,480
Net change in cash from operations	(31,072)	54,135
Investing		
Increase in investments	42,897	49,828
Dividends received from Enersource Corporation	8,010	14,168
Net change in cash from investing	50,907	63,996
Net change in cash and short-term investments	19,835	118,131
Opening cash and short-term investments	401,350	283,219
Closing cash and short-term investments	421,185	401,350

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

**Notes
to the Consolidated Financial Statements**

FOR THE YEAR ENDED DECEMBER 31, 2005
(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 (CICA). 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

Inter-departmental 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 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.

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

**Notes
to the Consolidated Financial Statements**

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

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 deferred revenue.

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 five 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 the 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 and compensated absences 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. Actuarial valuations, where necessary for accounting purposes, are performed triennially. 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. Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to the Workplace Safety and Insurance Board (WSIB) are amortized over the average expected period during which the benefits will be paid.

**Notes
to the Consolidated Financial Statements**

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

Costs related to prior period employee services arising out of plan amendments are recognized in the period in which the plan is amended.

Where applicable, the City has set aside Reserve Funds intended to fund these obligations, either in full or in part. These Reserve Funds were created under municipal by-law and do not meet the definition of a plan asset under CICA PS 3250 Retirement Benefits. Therefore, for the purposes of these financial statements, the plans are considered unfunded.

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.

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 annualized capital cash flow.

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 an annualized reserve cash flow.

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. Operations of the Region of Peel and School Boards

During 2005, 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	471,702	392,090
Taxation from other governments	122	7,491
Amounts transferred	471,824	399,581

3. Taxes Receivable

Taxes receivable of \$51,036 (2004 \$60,191) reported on the Consolidated Statement of Financial Position includes \$12,890 (2004 \$9,759) of supplementary taxes recorded in 2005 but not collectable until 2006.

4. Investments

The investments have a market value of \$498,528 (2004 \$541,468) at the end of the year.

5. Loans Receivable

Loans receivable includes an operating loan of \$270 (2004 \$1,171) 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.

6. 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 2005 fiscal year, together with comparative figures for year 2004.

**Notes
to the Consolidated Financial Statements**

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

	2005 \$	2004 \$
Financial Position		
Current assets	190,617	133,881
Capital assets	394,072	417,853
Assets held for sale	22,560	–
Deferred charges and other assets	45,680	55,231
Total assets	652,929	606,965
Current liabilities	137,037	89,903
Long-term liabilities	314,494	320,169
Total liabilities	451,531	410,072
Non-controlling interest	193	208
Shareholders' Equity	201,205	196,685
<i>City share of net assets (90 per cent ownership)</i>	<i>181,084</i>	<i>177,016</i>
Results of Operations		
Revenues	794,998	637,421
Operating expenses	773,286	622,527
Income before the undernoted	21,712	14,894
Amounts in lieu of income taxes	9,018	5,118
Income from discontinued operations	726	1,875
Net income	13,420	11,651
<i>City share of net income (90 per cent ownership)</i>	<i>12,078</i>	<i>10,486</i>

During the year, the City of Mississauga received a dividend of \$8,010 issued by Ener-source Corporation. The Board of Directors of Ener-source Corporation approved their financial statements April 4, 2006. The City has an option it may exercise no earlier than December 31, 2008 to sell its interest to the minority shareholder.

The City's investment in Enersource Corporation is reflected in the following table for its 2005 fiscal year together with comparative figures for 2004.

	2005 \$	2004 \$
Investment in Enersource Corporation:		
Opening balance, beginning of year	177,016	180,698
City's share of net income	12,078	10,486
City's share of dividend issued	(8,010)	(14,168)
Closing balance, end of year	181,084	177,016
7. Deferred Revenue – Development Charges and Parkland		
A requirement of the public sector accounting principles of the CICA 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:		
	2005 \$	2004 \$
Development charges	151,901	150,293
Parkland	57,080	49,095
Total	208,981	199,388

**Notes
to the Consolidated Financial Statements**

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

8. Deferred Revenue – Gasoline Tax

A requirement of the public sector accounting principles of the CICA is that obligatory reserve funds be reported as deferred revenue. The provincial gasoline tax is restricted for use to expand transit systems and increase ridership. The federal gasoline tax can be used for any two of the following: public transit, wastewater/storm systems or community environmental (energy efficiency) projects. The balances in the obligatory reserve funds of the City are summarized below:

	2005 \$	2004 \$
Provincial gasoline tax	2,365	–
Federal gasoline tax	5,976	–
Total	8,341	–

**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:

	2005 \$	2004 \$
Future payments required to WSIB	8,309	7,757
Accumulated Sick Leave	9,469	9,105
Benefit Plan entitlements		
Early retirement benefits	24,020	22,580
Vacation pay	12,936	12,234
Developer Contribution	42,793	43,047
Credits		
Other liabilities	23,823	23,139
Total Employee Benefits and Other Liabilities	121,350	117,862
Less: Recoverable from Reserves and Reserve Funds on hand	86,315	85,608
Amount to be funded from future revenues	35,035	32,254

(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. A full actuarial study of this obligation was completed in February 2005, in accordance with the financial reporting guidelines established by the Public Sector Accounting Board of the CICA (section PS 3255) with an actuarial update provided in January, 2006.

(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 determined by an actuarial valuation completed in January 2005, in accordance with the financial reporting guidelines established by the Public Sector Accounting Board of the CICA (section PS 3250) with an actuarial update provided in January, 2006.

(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 determined by an actuarial valuation completed in January 2005, in accordance with the financial reporting guidelines established by the Public Sector Accounting Board of the CICA (section PS 3250) with an actuarial update provided in January, 2006. Information about liabilities for defined benefit plans is as follows:

Notes
to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

	WSIB	SICK LEAVE \$	2005 EARLY RETIREMENT \$	TOTAL \$	2004 TOTAL \$
Accrued benefit obligation, beginning of year	7,757	9,105	22,580	39,442	37,269
Increase due to plan amendment	-	-	164	164	-
Service cost	1,202	485	946	2,633	3,087
Interest cost	569	541	1,279	2,389	2,071
Amortization of actuarial (gain)/loss	184	1	(114)	71	-
Benefit payments	(1,403)	(663)	(835)	(2,901)	(2,985)
Accrued benefit obligation, end of year	8,309	9,469	24,020	41,798	39,442
Unamortized actuarial (gain)/loss	1,652	9	(1,364)	297	366
Actuarial valuation, end of year	9,961	9,478	22,656	42,095	39,808
Expected average remaining service life (EARSL)	n/a	15 yrs	12 yrs	n/a	n/a

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

	WSIB	SICK LEAVE	EARLY RETIREMENT
Expected inflation rate	2.50%	3.00%	3.00%
Expected level of salary increases	n/a	4.00%	4.00%
Interest discount rate	6.00%	6.00%	6.00%

(iv) Developer charge credits are liabilities and obligations that arise through the Development Charges Act. The year 2005 developer charge credit liability is \$42,793 (2004 \$43,047).

**Notes
to the Consolidated Financial Statements**

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

10. Municipal Fund Balances at the End of the Year

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

	2005 \$	2004 \$
For general reduction of taxation:		
City	1,948	1,838
Library Board	563	707
Sub-total	2,511	2,545
For specific reduction of taxation:		
Business Improvement Areas	68	76
Total	2,579	2,621
Other Fund balances:		
Capital Fund	71,826	94,754
Reserves	47,933	46,470
Reserve Funds	547,390	562,749
Enersource Corporation net equity	181,084	177,016
Total	850,812	883,610

11. Expenditures by Object

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

	BUDGET 2005 UNAUDITED \$	ACTUAL 2005 \$	ACTUAL 2004 \$
Salaries, wages and fringe benefits	290,452	283,924	268,187
Materials and supplies	51,879	69,847	41,675
Contracted services	117,237	117,492	90,903
Rents and financial expenses	63,901	57,042	67,738
Transfer payments	2,372	3,157	3,092
Total Expenditures	525,841	531,462	471,595

12. 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. In 2005, contributions totalled \$14,275 (2004 \$13,192).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

13. Trust Funds

Trust Funds administered by the City amounting to \$477 (2004 \$443) 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.

14. 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 2005 fiscal year with comparative figures for the year 2004:

	2005 \$	2004 \$
Revenues		
Gross revenues	6,586	6,400
Less refunds	88	81
Net Revenues	6,498	6,319
Expenditures		
Provincial charges	511	598
City operating expenses	2,773	2,556
Total Expenditures	3,284	3,154
Net Revenue	3,214	3,165
Repayment to Hydro Reserve Fund	-	100
Net Contribution	3,214	3,065

15. Comparative Figures

Certain 2004 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

**Consolidated Schedule of
Current Fund Operations**

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

	BUDGET 2005 (UNAUDITED) \$	ACTUAL 2005 \$	ACTUAL 2004 \$
Revenues			
Property taxation	227,352	229,195	211,760
Taxation from other governments	22,919	23,068	24,097
User charges	128,718	128,569	124,002
Government grants	2,311	2,335	4,261
Investment income	5,829	8,620	6,277
Penalties and interest on taxes	7,290	3,701	8,169
Other	9,506	10,638	7,942
Total Revenues	403,925	406,126	386,508
Expenditures			
General government services	100,799	89,078	91,288
Protection services	78,498	76,857	72,864
Transportation services	132,938	136,622	126,803
Environmental services	2,025	1,998	2,233
Health services	40	38	53
Social and family services	319	349	310
Recreation and cultural services	78,429	79,196	73,504
Planning and development services	10,541	10,603	10,895
Total Expenditures	403,589	394,741	377,950
Net Revenue	336	11,385	8,558
Financing and Transfers			
Dividends received from Enersource	8,000	8,010	14,168
Transfers to reserves and reserve funds	(14,384)	(22,985)	(26,719)
Net Financing and Transfers	(6,384)	(14,975)	(12,551)
Increase in amounts to be recovered	3,488	3,488	3,727
Increase/(decrease) in inventory/prepays	60	60	(298)
Change in Current Fund Balance	(2,500)	(42)	(564)
Opening Current Fund Balance	2,500	2,621	3,185
Closing Current Fund Balance	-	2,579	2,621

**Consolidated Schedule of
Capital Fund Operations**

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

	BUDGET 2005 (UNAUDITED) \$	ACTUAL 2005 \$	ACTUAL 2004 \$
Revenues			
Development contributions applied	24,123	31,979	24,345
Other	7,133	4,705	4,551
Specific grants	4,460	4,460	6,300
Total Revenues	35,716	41,144	35,196
Expenditures			
General government services	2,366	6,824	16,539
Protection services	18,059	14,198	1,232
Transportation services	64,438	82,045	36,576
Environmental services	3,897	2,934	1,725
Social and family services	–	1	13
Recreation and cultural services	32,452	30,719	37,560
Planning and development services	1,040	–	–
Total Expenditures	122,252	136,721	93,645
Net Expenditures	(86,536)	(95,577)	(58,449)
Financing and Transfers			
Transfers from reserve funds	75,156	72,649	85,528
Change in Capital Fund Balance	(11,380)	(22,928)	27,079
Opening Capital Fund Balance	94,754	94,754	67,675
Closing Capital Fund Balance	83,374	71,826	94,754

**Consolidated Schedule of
Reserves and Reserve Funds**

FOR THE YEAR ENDED DECEMBER 31, 2005
(ALL DOLLAR AMOUNTS ARE IN \$000)

	BUDGET 2005 (UNAUDITED) \$	ACTUAL 2005 \$	ACTUAL 2004 \$
Revenues			
Investment income	33,497	35,255	35,952
Other	–	513	594
Total Revenues	33,497	35,768	36,546
Net Transfers from/(to) other funds			
Transfers from Current Fund	14,384	22,985	26,719
Transfers to Capital Fund	(75,156)	(72,649)	(85,528)
Total Net Transfers	(60,772)	(49,664)	(58,809)
Change in Reserves and Reserve Fund Balances			
	(27,275)	(13,896)	(22,263)
Opening Balance	609,219	609,219	631,482
Ending Balance	581,944	595,323	609,219
<i>analyzed as follows:</i>			
Reserves set aside for specific purposes:			
Development revenue		5,697	6,462
Assessment appeals		8,656	7,039
Vacation pay		5,820	5,820
Contingencies		3,163	3,162
Labour settlements		6,468	7,144
Planning process update		2,112	2,241
Transit revenue stabilization		1,079	1,589
Legal settlements		2,784	2,534
Winter maintenance		6,438	5,738
Elections		1,064	614
Commitments		102	102
Early retirement benefits		500	500
Other		25	25
Utilities		4,025	3,500
Total Reserves		47,933	46,470
Reserve Funds set aside for specific purposes by City Council:			
Hydro		–	326,802
Lot levies		48,245	46,986
Contributions from developers for specific works		38,228	34,992
Vehicle and equipment replacement		49,939	43,246
Capital construction		211,945	69,746
Capital revolving fund		155,359	–
Self-insurance		20,585	18,245
WSIB		13,485	13,261
Sick-leave benefits		9,604	9,471
Total Reserve Funds		547,390	562,749
Total Reserves and Reserve Funds		595,323	609,219

**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, 2005 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, 2005 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 10, 2006



Trust Funds
Statement of
Financial Activities and
Changes in Fund Balances

AS AT DECEMBER 31, 2005 (ALL DOLLAR AMOUNTS ARE IN \$000)	2005			2004
	PERPETUAL CARE \$	ELECTION SURPLUS \$	TOTAL \$	TOTAL \$
Revenues				
Interest	16	2	18	17
Perpetual care receipts	22	–	22	70
Surplus election proceeds	–	10	10	58
Total Revenues	38	12	50	145
Expenditures				
Repayment to Province of Ontario	–	–	–	1
Cemetery maintenance	16	–	16	16
Surplus forfeited to City	–	–	–	53
Total Expenditures	16	–	16	70
Increase in Financial Assets	22	12	34	75
Opening Fund Balance	383	60	443	368
Closing Fund Balance	405	72	477	443

Trust Funds
Statement of
Financial Position

AS AT DECEMBER 31, 2005 (ALL DOLLAR AMOUNTS ARE IN \$000)	2005			2004
	PERPETUAL CARE \$	ELECTION SURPLUS \$	TOTAL \$	TOTAL \$
Financial Assets				
Cash	36	72	108	131
Investments (Note 2)	369	–	369	312
Fund Balance	405	72	477	443

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

Trust Funds

Notes

to the Consolidated Financial Statements

FOR THE YEAR ENDED DECEMBER 31, 2005
(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 \$369 (2004 \$312) reported on the Statement of Financial Position at cost, have a market value of \$366 (2004 \$317) at the end of the year.

3. 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 Perpetual Care Trust Fund are undertaken by the City in accordance with the regulations of the Cemeteries Act.

4. Election Surplus Fund

The Election Surplus Fund, as per S.79(8) of the 1996 Municipal Elections Act, states that if in the next regular election or in an earlier by-election, the candidate is nominated for an office on the same council, the Clerk shall pay the amount held in trust to the candidate, with interest. In 2005, \$10 was added to the fund. As per S.79 (9), if subsection (8) does not apply, the amount becomes the property of the municipality.

Five-Year Financial Review

(ALL DOLLAR AMOUNTS ARE IN \$000 EXCEPT PER CAPITA FIGURES.)
UNAUDITED

FISCAL YEAR	2005	2004	2003	2002	2001
Municipality Statistics					
Population	700,000	662,500	653,000	633,500	612,000
Area in acres	70,500	70,500	70,500	70,500	70,500
Households	218,000	214,000	209,000	203,100	199,880
Employees:					
Full-time	3,452	3,380	3,294	3,295	3,141
Per 1000 people	4.9	5.1	5.0	5.2	5.1
Part-time	3,180	2,971	2,767	2,684	2,298
Construction Activity	\$1,104,789	\$1,385,657	\$1,506,898	\$1,542,121	\$1,767,000

Tax Assessment Information

ASSESSMENT VALUATION YEAR	2003	2003	2001	1999	1999
Taxable Assessment upon which the year's rates of taxation were set:					
Residential, farm, multi-residential	\$53,557,080	\$52,048,099	\$44,264,794	\$38,048,664	\$37,068,810
Commercial, industrial and other	17,246,701	16,977,633	15,804,946	13,342,207	12,744,620
Total Taxable Assessment	\$70,803,781	\$69,025,732	\$60,069,740	\$51,390,871	\$49,813,430
<i>Commercial, industrial, and business as a percentage of taxable assessment</i>	<i>24.4%</i>	<i>24.6%</i>	<i>26.3%</i>	<i>25.9%</i>	<i>25.6%</i>

Tax Rate Information:

(PER \$ OF ASSESSED VALUE)

Residential and farm					
for City purposes	0.277827%	0.262596%	0.287885%	0.291641%	0.286766%
for Region purposes	0.479680%	0.466669%	0.510987%	0.577685%	0.565885%
for School purposes	0.296000%	0.296000%	0.335000%	0.373000%	0.373000%
Total Tax Rate - Residential and farm	1.053507%	1.025265%	1.133872%	1.242326%	1.225651%
Commercial					
for City purposes	0.391327%	0.369875%	0.373416%	0.378287%	0.371964%
for Region purposes	0.675644%	0.657318%	0.662801%	0.749316%	0.734010%
for School purposes	1.737545%	1.737545%	1.825042%	2.075397%	2.075397%
Total Tax Rate - Commercial	2.804516%	2.764738%	2.861259%	3.203000%	3.181371%
Industrial					
for City purposes	0.432778%	0.409053%	0.423191%	0.466217%	0.458424%
for Region purposes	0.747210%	0.726943%	0.751151%	0.923488%	0.904624%
for School purposes	1.984482%	1.984482%	2.151155%	2.668928%	2.678392%
Total Tax Rate - Industrial	3.164470%	3.120478%	3.325497%	4.058633%	4.041440%

Five-Year Financial Review

(ALL DOLLAR AMOUNTS ARE IN \$000 EXCEPT PER CAPITA FIGURES.)
UNAUDITED

FISCAL YEAR	2005	2004	2003	2002	2001
Property Tax Information:					
Tax Levies:					
City portion	\$229,195	\$211,760	\$202,125	\$176,052	\$168,424
Region portion	392,090	372,992	356,201	344,473	328,254
School Board portion	471,702	455,888	461,660	438,403	429,210
Total Tax Levies	\$1,092,987	\$1,040,640	\$1,019,986	\$958,928	\$925,888
Taxes collected:					
City collection	\$189,955	\$209,110	\$172,034	\$174,378	\$168,668
Taxes transferred to the Region	392,090	372,992	356,201	344,473	328,254
Taxes transferred to the school boards	471,702	455,888	461,660	438,403	429,210
Total Taxes collected	\$1,053,747	\$1,037,990	\$989,895	\$957,254	\$926,132
Tax arrears:					
Taxes receivable	\$51,036	\$60,191	\$91,059	\$76,442	\$93,091
Taxes receivable per capita	\$73	\$91	\$139	\$121	\$152
Percentage of current levy	4.7%	5.8%	8.9%	8.0%	10.0%
Consolidated Revenues:					
Property taxation	\$229,195	\$211,760	\$202,125	\$176,052	\$168,424
Taxation from other governments	23,068	24,097	25,370	25,389	24,468
User charges	128,569	124,002	115,641	112,843	112,489
Government grants	6,795	10,561	2,280	1,916	1,682
Development contributions applied	31,979	24,345	33,744	34,125	51,513
Investment income	43,875	42,229	43,212	40,612	45,204
Penalties and interest on taxes	3,701	8,169	8,392	8,578	8,900
Other	15,856	13,087	22,044	24,743	20,026
Equity in income of Enersource Corporation	12,078	10,486	6,864	9,705	1,677
Total Revenues	\$495,116	\$468,736	\$459,672	\$433,963	\$434,383
<i>Revenue per capita</i>	<i>\$707</i>	<i>\$708</i>	<i>\$704</i>	<i>\$685</i>	<i>\$710</i>
Consolidated Expenditures by Function:					
Current Fund					
General government services	\$89,078	\$91,288	\$91,543	\$88,591	\$86,462
Protection services	76,857	72,864	66,116	61,973	60,116
Transportation and services	136,622	126,803	114,269	100,901	96,186
Environmental services	1,998	2,233	1,927	1,594	1,722
Health services	38	53	39	38	43
Social and family services	349	310	256	232	264
Recreation and cultural services	79,196	73,504	68,073	64,064	59,025
Planning and development services	10,603	10,895	10,213	9,780	9,310
Total Current Fund Expenditures	\$394,741	\$377,950	\$352,436	\$327,173	\$313,128
Capital Fund					
General government services	6,824	16,539	7,947	8,694	5,895
Protection services	14,198	1,232	2,912	4,982	5,267
Transportation services	82,045	36,576	59,417	48,257	65,499
Environmental services	2,934	1,725	6,256	2,565	8,584
Social and family services	1	13	14	9	45
Recreation and cultural services	30,719	37,560	54,148	30,941	30,258
Total Capital Fund Expenditures	\$136,721	\$93,645	\$130,694	\$95,448	\$115,548
Total Consolidated Expenditures	\$531,462	\$471,595	\$483,130	\$422,621	\$428,676

Five-Year Financial Review

(ALL DOLLAR AMOUNTS ARE IN \$000 EXCEPT PER CAPITA FIGURES.)
UNAUDITED

FISCAL YEAR	2005	2004	2003	2002	2001
Capital Fund Information:					
Capital Financing					
Contributions from developers	\$31,979	\$24,345	\$33,744	\$34,125	\$51,513
Government grants	4,460	6,300	0	0	0
Other	4,705	4,551	3,112	8,954	2,914
Total Capital Financing	\$41,144	\$35,196	\$36,856	\$43,079	\$54,427
Capital Fund Expenditures					
Net Capital Financing/(Expenditures)	(\$95,577)	(\$58,449)	(\$93,838)	(\$52,369)	(\$61,121)
Transfers from Reserve Funds	72,649	85,528	87,027	65,495	52,124
Previous-year unexpended capital financing	94,754	67,675	74,486	61,360	70,357
Current Year Unexpended Capital Financing	\$71,826	\$94,754	\$67,675	\$74,486	\$61,360
Expenditures by Object:					
Consolidated Current Fund					
Salary, wages and fringe benefits	\$281,543	\$265,999	\$248,049	\$225,130	\$215,596
Net long-term debt charges (interest)	-	-	-	97	140
Net long-term debt charges (principal)	-	-	9	121	121
Materials and supplies	36,491	33,163	32,498	30,563	30,802
Contracted services	32,318	30,415	28,492	26,901	27,355
Rents and financial expenses	41,232	45,281	40,472	40,657	36,793
Transfer payments	3,157	3,092	2,916	3,704	2,321
Total Current Fund Expenditures	\$394,741	\$377,950	\$352,436	\$327,173	\$313,128
Capital Fund					
Salary, wages and fringe benefits	\$2,381	\$2,188	\$1,967	\$2,114	\$1,957
Materials and supplies	33,356	8,512	28,924	9,136	12,478
Contracted services	85,174	60,488	82,337	61,878	76,244
Rents and financial expenses	15,810	22,457	17,466	22,320	24,869
Transfer payments	-	-	-	-	-
Total Capital Fund Expenditures	\$136,721	\$93,645	\$130,694	\$95,448	\$115,548
Total Consolidated Expenditures	\$531,462	\$471,595	\$483,130	\$422,621	\$428,676
Municipal Debt Information:					
Long-Term Liabilities					
General municipal activities	-	-	-	\$9	\$198
Per capita	-	-	-	0.0	0.3
Charges for Long-Term Liabilities					
General municipal activities	-	-	-	\$218	\$261
Per capita	-	-	-	0.3	0.4
Debt Repayment Limit (as determined by the Province of Ontario)	\$97,089	\$88,911	\$81,808	\$83,713	\$78,389
Fund Balances:					
Operating Fund	\$2,579	\$2,621	\$3,185	\$4,139	\$4,149
Reserves	47,933	46,470	48,987	44,658	50,317
Reserve Funds	547,390	562,749	582,495	601,148	602,787
Capital Fund	71,826	94,754	67,675	74,486	61,360
Trust Funds	477	443	368	380	359
Investment in Enersource Corporation	181,084	177,016	180,698	173,834	164,129
Sinking Funds	-	-	-	-	13

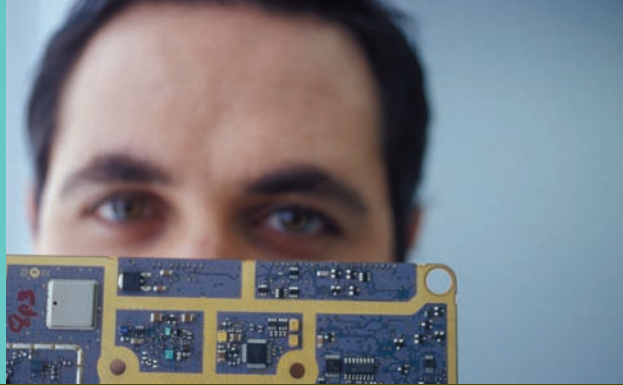
Reaching out to all our community

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The City of Mississauga
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