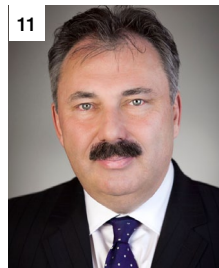
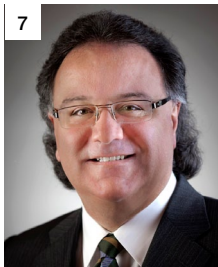
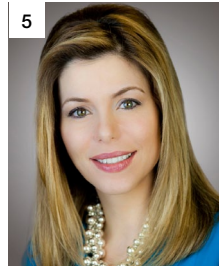
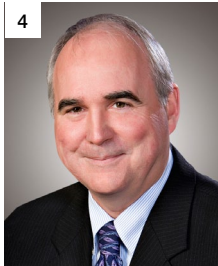
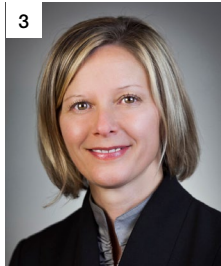
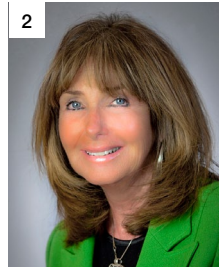




The City of Mississauga, Ontario, Canada
for fiscal year ended December 31, 2010

Mayor Hazel McCallion and Members of Council



M Mayor - Hazel McCallion

1 Ward 1 - Jim Tovey

2 Ward 2 - Pat Mullin

3 Ward 3 - Chris Fonseca

4 Ward 4 - Frank Dale

5 Ward 5 - Eve Adams

6 Ward 6 - Ron Starr

7 Ward 7 - Nando Iannicca

8 Ward 8 - Katie Mahoney

9 Ward 9 - Pat Saito

10 Ward 10 - Sue McFadden

11 Ward 11 - George Carlson

A 3D illustration featuring various numbers and mathematical symbols rendered as colorful, isometric blocks. The elements include digits 0 through 9, a plus sign (+), and a percentage sign (%). The blocks are in multiple colors: white, blue, green, yellow, orange, red, magenta, and cyan. They are arranged in a dynamic, overlapping composition on a light gray grid background. Some numbers are stacked vertically, while others are placed horizontally or at an angle, creating a sense of depth and movement.

The 2010 Annual Financial Report is prepared in an electronic format and available to all stakeholders on the City's website, www.mississauga.ca where it can be printed or read at one's convenience. In keeping with the City's ongoing policies of fiscal restraint, environmental responsibility and the increasing use of web applications, the City of Mississauga will no longer publish hardcopy Annual Financial Reports for public and stakeholder distribution. This initiative is one of many financial and environmental initiatives the City has taken to help reduce costs which ultimately affects property tax rates for our many residents and businesses.

www.mississauga.ca/finance

financialreport 2010

for the fiscal year ended December 31, 2010
Mississauga, Ontario, Canada

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

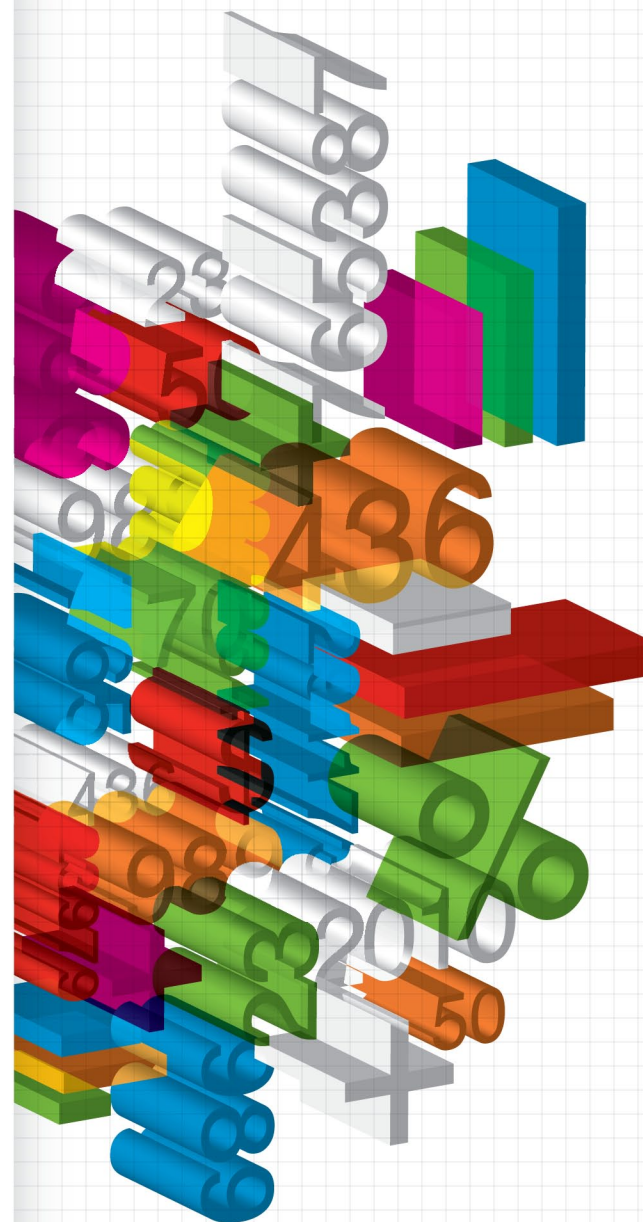


Table of Contents

Introductory Section

Our Vision and Values	6
GFOA Award: Canadian Award for Financial Reporting	7
Message from the Mayor	8
Mississauga Quick Facts	9
Maps: Mississauga, Ontario, Canada	10
Maps: Mississauga and GTA Municipalities	11
Message from the City Manager	12
Corporate Organizational Structure	14
2010 In Review: A Reflection of Highlights and Milestones	15
Message from the Commissioner of Corporate Services and Treasurer	17
Financial Management Processes	20

Financial Statements Section

2010 Financial Year in Review

2010 Financial Statement Discussion and Analysis	21
Consolidated Statement of Financial Position	22
Consolidated Statement of Operations	23
Consolidated Statement of Changes in Net Financial Assets	24
Consolidated Statement of Cash Flows	28
Tangible Capital Assets Overview	28
2010 Capital Project Highlights	28
Reserves and Reserve Funds Overview	31

Introduction to the Financial Statements 32

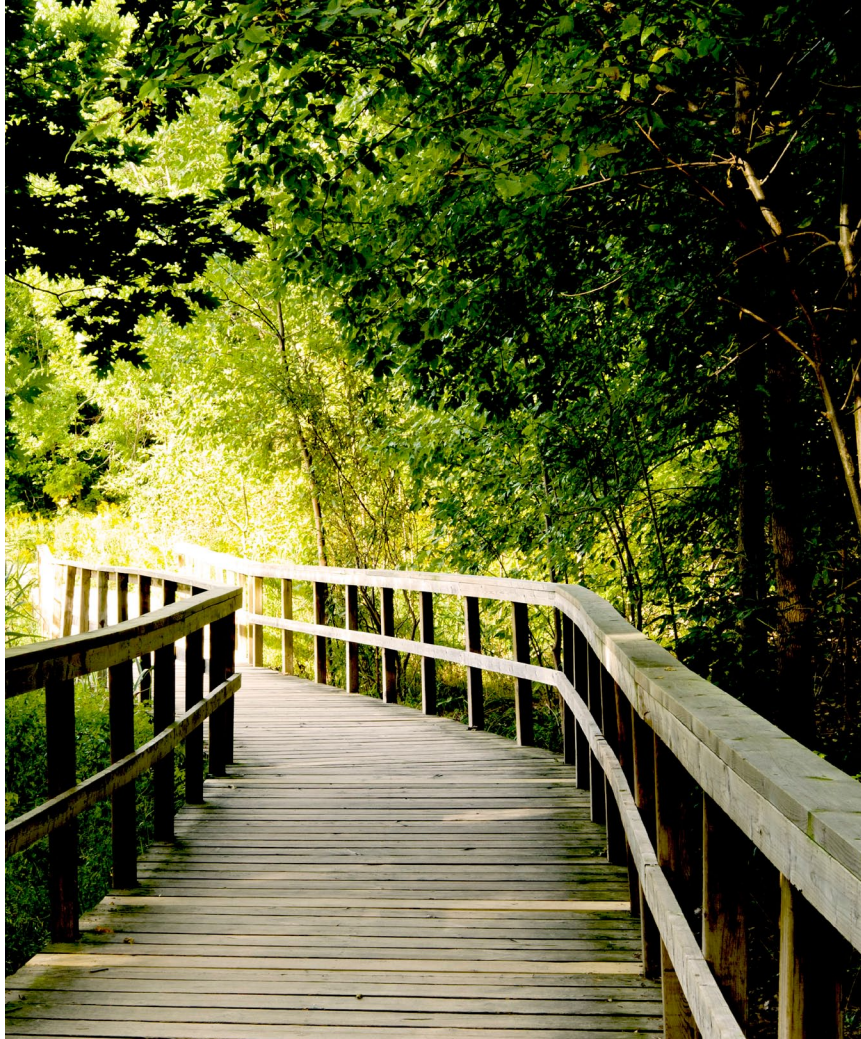
Auditors Report – City	33
Consolidated Statement of Financial Position	34
Consolidated Statement of Operations	35
Consolidated Statement of Changes in Net Financial Assets	36
Consolidated Statement of Cash Flows	37
Notes to the Consolidated Financial Statements	38
Auditors Report –Trust Funds	49
Trust Fund Financial Statements	50

Statistical Section

Five-Year Financial Review	52
10 Largest Corporate Taxpayers	58
Contact Information	59

Our Vision

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



Our Values

Trust

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

Quality

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

Excellence

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

Canadian Award for Financial Reporting

Presented to
City of Mississauga
Ontario

For its Annual
Financial Report
for the Year Ended

December 31, 2009

A Canadian Award for Financial Reporting
is presented by the Government Finance Officers
Association of the United States and Canada
to government units whose annual financial reports
achieve the highest program standards for Canadian
Government accounting and financial reporting.




President

Executive Director



GFOA Award Canadian Award For Financial Reporting

For the 13th consecutive year, the Government Finance Officers Association of the United States and Canada presented the City of Mississauga with the Canadian Award for Financial Reporting for its 2009 Annual Financial Report in recognition of the City's ability to present financial information in a clear, concise and informative manner. This award program encourages innovative financial reporting and maintains a high quality standard that is recognized amongst peers. The City of Mississauga is continuing this standard of high quality reporting for the submission and evaluation for the 2010 award program.



Hazel McCallion, C.M., LL.D.
Mayor
City of Mississauga

The success of our innovative projects and leading initiatives such as “Inspiration Lakeview,” our “Future Directions Master Plan” and “Cycling Master Plan” were possible through the ongoing participation of our residents and key stakeholders in our city-building process.

Message from the Mayor

On behalf of my colleagues on Council, I am pleased to present the City of Mississauga’s 2010 achievements in three documents: the 2010 Progress Report on our Strategic Plan, the 2010 Highlights Report and the 2010 Financial Report.

Together, they demonstrate the City’s commitment to our new Strategic Plan and Action Plan, and the timely, decisive and financially responsible steps we’ve taken towards achieving our vision for Mississauga as a vibrant and exciting city where people choose to be.

As well, the support of our dedicated City staff helped to deliver the of our residents and key stakeholders in our city-building process. programs and services that contribute to the quality of life we enjoy in our community.

We encourage you to stay informed and involved in Mississauga by reading about our City’s accomplishments in these documents. We look forward to even more successes in the year to come as we explore exciting new opportunities to build our “City of the 21st Century.”

A stylized, handwritten signature in black ink, reading 'Hazel McCallion'.

Hazel McCallion, C.M., LL.D.
Mayor
City of Mississauga

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: 113 square miles (292 km²); 72,155 acres (29,000 ha)

Population

- Canada's 6th largest city: 736,000 (2010)
- Ultimate Population: 812,000 (2031)

Employment

- Employees in Mississauga: 427,000 (2008)
- Employees in GTA: 4.1 million
- 61 Fortune 500 companies have their Canadian head offices or major divisional offices located in Mississauga
- 47 Financial Post Top 500 companies have their Canadian head offices or major divisional offices located in Mississauga

Transportation

Airport

- Toronto Pearson International Airport is located in Mississauga - Canada's busiest airport, among the top 30 in the world
- The only city in the GTA serviced by 7 major highways
- Excellent highway connections, less than 2 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
- Third largest municipal transit system in Ontario servicing approximately 43 million riders annually

Public Transit

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

Higher Education

In Mississauga

- The University of Toronto Mississauga Campus
- Sheridan College Campus (under development - opens September 2011)

Within Commuting Distance

- 10 major universities and 11 technical colleges

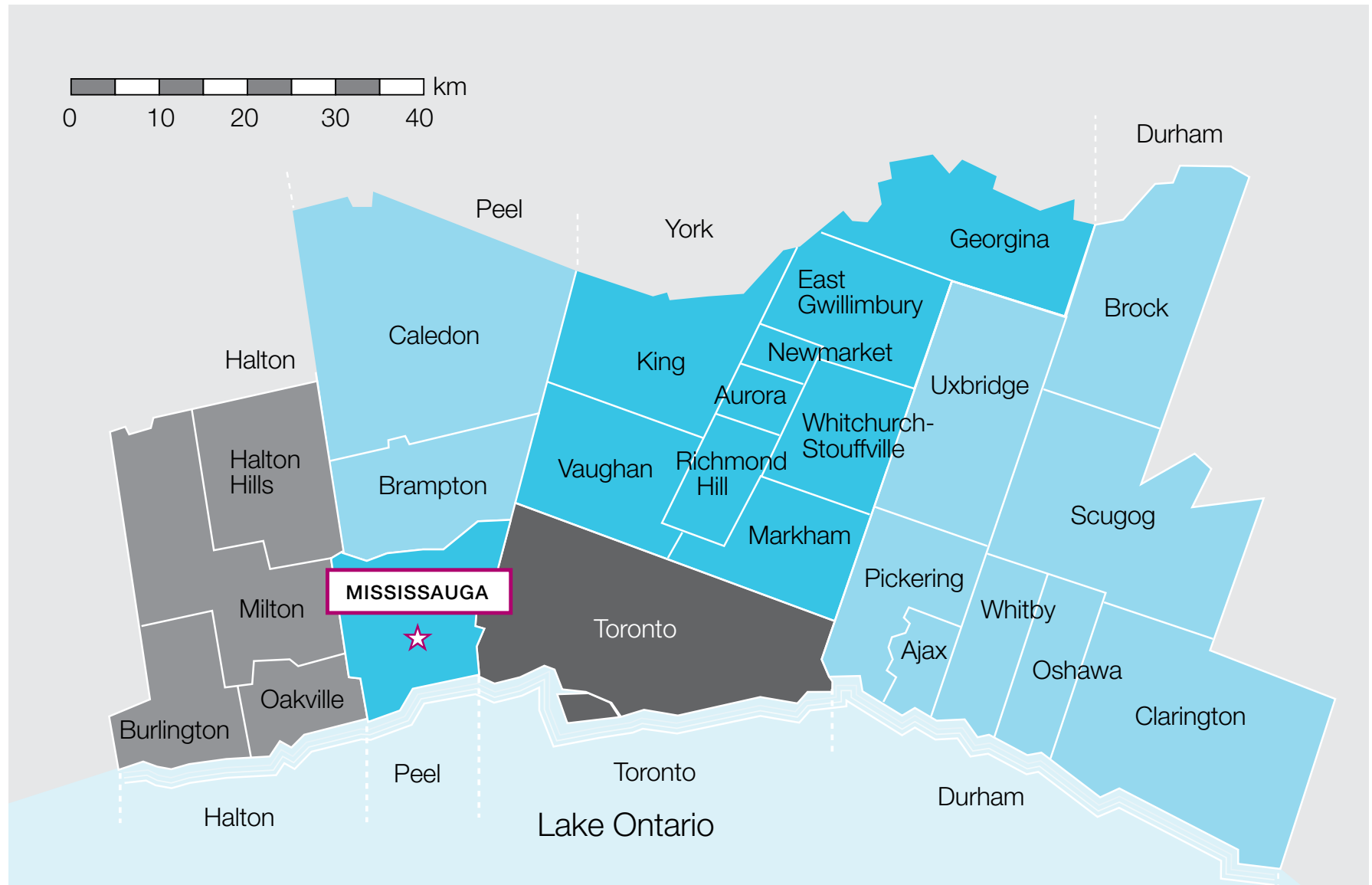
Tax Rates

- Industrial: 2.749791 per cent
- Commercial: 2.384381 per cent
- Residential: 0.982115 per cent
- Multi-Residential: 1.559282 per cent

Mississauga, Ontario, Canada



Mississauga and GTA Municipalities





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

Message from the City Manager

I am pleased to present our 2010 Financial Report. Throughout the year, Council and staff remained focused on turning our commitments into action while striking a fair balance between public expectations and fiscal restraint.

We made considerable progress in moving our City forward. Following significant public consultation, Council approved several strategic plans with clear action items. Each is designed to compliment and support the goals of our Strategic Plan.

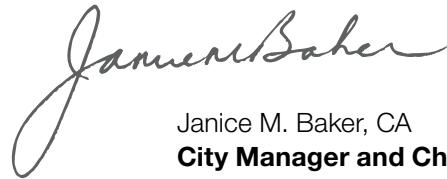
- Our Official Plan and Downtown 21 Plan together pave the way for the future of our City, setting the roadmap for transforming Mississauga into a vibrant urban centre.
- Our new Economic Development Strategy will guide the future of business in the City, promoting our vast pool of talent and positioning Mississauga as a global business magnet.
- Through Future Directions Master Plan we have identified a number of improvements to be made in recreation, parks and libraries.
- Our Cycling Master Plan is committed to providing residents with safe transit alternatives.
- In the City's core, we broke ground for the new BRT (Bus Rapid Transit) and continued to explore options for light rail transit across Hurontario with neighbouring municipalities.

Later this year, we will see our partnership with Sheridan College become a reality when the campus opens its doors in September 2011. We will also celebrate the completion of over 138 projects funded through the federal and provincial governments Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada (RIInC) programs. Our residents will get to enjoy new pools, renovated libraries and repaired noise walls and improved pathway lighting for years to come. Most exciting will be the completion of Mississauga Celebration Square, a downtown space that will be the event focal point for the City, hosting numerous community events and drawing visitors to our City.

In order to achieve all of these initiatives, we depend heavily on our Business Plan and Budget which provides clear direction and resources for moving Mississauga towards a sustainable future. It links directly to our Strategic Plan and holds us accountable by outlining where and how our resources will be used. As our City continues to grow, we are being faced with new challenges. The needs of our community are increasing while our infrastructure is aging. Costs continue to rise as our revenues decline. Our substantial reserves are being drawn upon to mitigate tax increases and fund infrastructure. We are entering a new, but not unexpected financial reality.

As property tax is our primary source of revenue, taxpayers hold us accountable and expect us to be responsible stewards of their tax dollar. As such, we continue to be strategic in our thinking, planning and decision making. Staff consistently review our internal processes and look for innovative ways to improve and deliver our services in an efficient and effective manner. We continue to ask the provincial and federal government for long-term sustainable funding options to maintain and build our infrastructure.

As we start to face the challenges and opportunities of 2011, we remain committed to delivering value and excellence to our taxpayers. We are moving forward on our vision for building a dynamic and beautiful global city.

A handwritten signature in black ink, reading "Janice M. Baker". The signature is fluid and cursive, with the first name "Janice" being more prominent than the last name "Baker".

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

Corporate Organizational Structure

Janice M. Baker, CA

City Manager and
Chief Administrative Officer



Responsibilities:

- Economic Development
- Internal Audit
- Strategic Initiatives
- Legal Services



Martin Powell, P. Eng.

Commissioner Transportation and Works

Responsibilities:

- Business Services • Transportation & Infrastructure Planning • Engineering & Works
- Mississauga Transit • Enforcement • Bus Rapid Transit (BRT) Project Office



Edward R. Sajecki, P. Eng., M.C.I.P.

Commissioner Planning and Building

Responsibilities:

- Strategic Planning & Business Services • Development & Design
- Policy Planning • Building Services



Brenda R. Breault, CMA, MBA

Commissioner Corporate Services and Treasurer

Responsibilities:

- Customer & Business Services • Organizational Wellness & Business Services
- Corporate Finance • Communications • Office of the City Clerk • Facilities & Property Management • Corporate Human Resources • Information Technology
- Revenue & Materiel Management



Paul A. Mitcham, P. Eng., MBA

Commissioner Community Services

Responsibilities:

- Planning, Development & Business Services • Recreation & Parks
- Fire & Emergency Services • Library Services • Culture Division

2010 in review

A Reflection of Highlights and Milestones

Focus on Leadership

Council approved the City's new **Official Plan** that supports the City's new Strategic Plan and vision for the future through redirecting growth to mixed-use intensification, creating complete communities and strengthening urban design policies.

Council endorsed the **Downtown21 Plan** which includes the creation of a new "main street" district with a mix of jobs, housing, retail, educational and civic uses – a vibrant example of what a downtown could be.

City Council approved the **Framework for Public Art Program** that will help integrate public art into the design of buildings, bridges, landscapes and streetscapes starting with the commitment to fund art in Bus Rapid Transit terminals.

The City of Mississauga adopted the **Cycling Master Plan** and introduced the **Crossride Pilot Project** – the first time in Ontario that the Ministry of Transportation granted special permission to allow cyclists to ride their bikes across selected crosswalks.

Mississauga launched "**Inspiration Lakeview**" – an initiative to engage the public in developing a visionary concept plan for the former Lakeview Generating Plant lands on the bank of Lake Ontario.

The **10-Year Economic Development Strategy – Building On Our Success** was City Council endorsed. It will support and grow

Mississauga's businesses by providing resources and responding to trends that will keep Mississauga competitive on a global scale.

Mayor McCallion was **conferred with the degree of Doctor of Laws** by the University of Toronto and presented the **Mississauga Board of Trade's Lifetime Achievement Award** to recognize her success in business, contributions to the national economy and personal commitment to the community.

Mississauga completed Phase I of the **Transportation Master Plan** which reviewed local and regional trends impacting the City's transportation network over the next 12 years.

City Council adopted the **Hurontario/Main Street Master Plan** and is on track to further the City's goal of building a transit-oriented city with a light rail transit system.

Janice Baker, City Manager and Chief Administrative Officer, was inducted into Canada's **Most Powerful Women: Top 100 Hall of Fame** by the Women's Executive Network (WXN).

The City's Environmental Services partnered with Credit Valley Conservation and the Ministry of the Environment to **promote pollution prevention techniques** to small and medium-sized businesses. Business owners have signed agreements to implement pollution prevention projects on their properties.

The City of Mississauga hosted the **Municipal Service Delivery Officials Annual Conference** in partnership with the City of Brampton, Town of Caledon and the Region of Peel, which was attended by municipal leaders in customer service from across Canada.

The City signed the **2010 Inter-Governmental Declaration on Clean Air** at the Clean Air and Climate Change Summit and accepted a **Clean Air Partnership Recognition Certificate**.

The "**Future Directions**" **Master Plans for Library, Recreation & Parks and Natural Areas**, and the **Master Plan for Fire & Emergency Services** were Council-approved and will guide service.

A Reflection of Highlights and Milestones

Customer Service, Communications & Technology

Mississauga Council received the **2010 Accessibility Plan** which focuses on developing a sustainable plan for delivering accessible customer service and to continue implementing accessibility improvements to Mississauga Transit.

Mississauga Library System launched a **digital library** which offers residents the opportunity to download audio books and ebooks from its website free of charge.

The **Etobicoke Creek Trail**, seven kilometres long from the western boundary of the airport lands, was constructed in a municipal/private partnership using new, green trail-building technologies and was officially opened for the public to enjoy.

The City launched **Older Adults “In The Know” website** providing older adults, their families and caregivers with a link to the resources, information and services that will help them remain active and engaged in the Mississauga community.

A new **Transit Video/Audio Surveillance Policy** was established to help improve safety and security for transit patrons and drivers.

The Communication Division welcomed **Global TV to the Civic Centre** establishing a new Mississauga News Bureau that now covers stories of communities west of Toronto.

The Planning & Building Department opened its new Customer Services Centre. Since its opening in February 2010, more than 15,000 people have visited the centre with an average wait time of 15 minutes to speak with a technician and average total time of 20 minutes per customer.

The Communications Division developed innovative new websites to promote the Sheridan/Mississauga new campus partnership,



a 3-1-1 Call Centre website which showcased the Municipal Service Delivery Officials 2010 Conference and a new eCity website for the Living Green Master Plan.

City of Mississauga **Youth Plan successes:** 21,634 youth attended 263 new youth drop-in programs and events in community centres, parks and libraries; 857 youth participated in youth advisory groups; 82 youth participated in the “Leadership in Training” program; and 127 new partnerships were developed with youth-serving agencies.

More than 1,500 fans have signed on to Recreation & Parks **Facebook** pages and more than 80,000 households now receive targeted program and service information through convenient and paperless email, a 20 per cent increase from 2009.



Brenda R. Breault,
CMA, MBA
**Commissioner of
Corporate Services
and Treasurer
City of Mississauga**

Message from the Commissioner Corporate Services and Treasurer

The City of Mississauga is pleased to present its Annual Financial Report for the year ended December 31, 2010. This report has been prepared in accordance with the Municipal Act and based on the reporting standards set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

This Annual Financial Report communicates to stakeholders, residents and local businesses the City's 2010 financial performance and related information regarding significant financial policies and processes. The 2010 financial results continue to demonstrate Mississauga's legacy of strong leadership and excellence in financial planning and fiscal prudence.

To begin, I would like to congratulate Council, the Leadership Team, and all City staff for making 2010 another successful year, despite the many challenges that had to be overcome, including a weak global and local economy. In 2010, the City continued to be proactive and was able to undertake and accomplish many efficiency and effectiveness initiatives and projects which will guide the City and its services in the future. A few of these high profile initiatives are listed below for your information.

2011 – 2014 Business Plan and Budget Update:

The 2011-2014 Business Plan and Budget process was initiated at the beginning of 2010 and focuses on the implementation of our strategic initiatives and the financial outlook for the next four years. The Business Plan and Budget ensures our services and new initiatives going forward are aligned with the City's Strategic Plan and are provided in the most efficient way possible. Business plans were developed by each of the City's 13 service areas that were consolidated into the overall City

Business Plan and the Budget for 2011 and the financial forecast for 2012 to 2014. This planning process required a great deal of consultation amongst City staff and other stakeholders to develop comprehensive and integrated service area business plans for the Corporation.

Implementing Efficiency Review Recommendations:

The e3 Program (efficiency, effectiveness, economy) is designed to bring forward information and recommendations to the Leadership Team and all levels of management that will help to develop a common understanding of the services we provide, how they work, how well they are performing and opportunities for improvement. This information enables management to develop clear and well-articulated strategies to consistently deliver on results that are valued by the community in the most efficient way possible. In 2010, staff continued work on the recommendations generated by the Finance and Material Management e3 Review.

Within Material Management, some of the efficiency recommendations include the expansion of the City's Purchasing Card program, and development and refinement of the City's purchasing policies and by-law.

Within Finance, some of the efficiency recommendations include data quality enhancements in Accounting and Accounts Payable, improvements to payment processing such as electronic funds transfers, financial reporting enhancements that will provide users with better information for decision-making, and implementation of new systems or modules that will standardize processes and minimize manual processing.

Space Planning and Office Accommodation Program

The space planning and office accommodation project continued throughout 2010. One of the main highlights of this program was the completion of the final phase of the multi-year Transit Garage project. The Civic Centre construction and renovation project was also well underway in 2010 which included the renovation of multiple floors and relocation of service areas for improved public access (i.e. Material Management relocated to the first floor). Renovations within the Civic Centre are to be completed in 2011.



Payroll and Human Resource System Conversion: Peoplesoft to SAP

The City's Information Technology Simplification Strategy recommended that the PeopleSoft Payroll and Human Resource System (Time and Labour, Payroll, HR System) be migrated over to the SAP ERP system. The migration was completed and went live in June, 2010. The new Payroll and Human Resource system allows for improved integration of financial and human resources information to support the City's strategic priority of 'Building a Sustainable Business Plan'. The integration provided more convenient access to information, leveraged the SAP enterprise platform and reduced external application maintenance costs.

Government Stimulus Funding (RInC, ISF, IOA)

Fiscal stimulus packages approved by both the federal and provincial governments in 2009 allowed the City to undertake a number of construction projects across the City. \$145 million in Infrastructure Stimulus Funding (ISF) provided by the 3 levels of government has been allocated to 132 projects including the redevelopment of the Civic Square, four branch libraries, two new community centre pools, paving and lighting of park pathways, noise walls, roads, sidewalks and a storm water facility. Another \$24 million is being spent to renovate six outdoor pools with half the costs being funded through the Recreational Infrastructure Canada Program (RInC). All projects were originally scheduled to be completed by March 2011 to remain eligible for federal and provincial funding. The completion date has recently been extended to October 31, 2011 for specific approved projects. In 2010, many of these projects were well under construction, and the majority will be completed by March 31, 2011. These projects continue to be a huge investment and undertaking for the City, impacting many departmental and project management areas. Each of these areas played an essential role in the successful progress and delivery of each of these projects.

Municipal Election

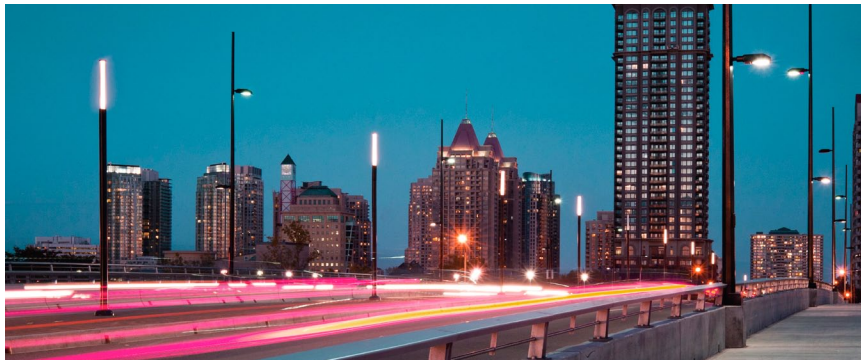
The 2010 Municipal Election was held on Monday, October 25, 2010, to elect the Mayor, 11 Councillors, and School Board Trustees for the 4 school boards within Mississauga. Mississauga saw close to a 10% increase in voter participation over 2006, with more than 34 per cent of voters casting ballots. The election also resulted in some changes on Council with the election of three new Councillors: Councillor Jim Tovey (Ward 1); Councillor Chris Fonseca (Ward 3) and Councillor Ron Starr (Ward 6).

Harmonized Sales Tax (HST)

Within the 2009 Ontario Budget, the Provincial Government approved a Harmonized Sales Tax (HST) with the Federal Government. This harmonized tax combines the Ontario's Retail Sales Tax (RST) and Federal Goods and Services Tax (GST) into a single tax rate effective July 1, 2010. City staff spent the first half of 2010 updating systems and processes to be ready for the July 1, 2010 transition. The HST project was successfully completed on time.

As can be seen by the many initiatives undertaken by the City in 2010, Mississauga continues to focus on strong leadership and sound financial management. This legacy provides a firm foundation for the City as it, like other Canadian cities, faces serious budget constraints. Revenue streams have been impacted by the recession. Planning and building fees have declined, transit ridership is down from earlier years and recreation revenues have not grown as forecasted.

The 2010 Budget balanced priorities to meet the needs of taxpayers today and in the future, while recognizing the current economic conditions. The 2010 Business Plan and Budget is tightly linked to the City's Strategic



Pillars: Developing a Transit Oriented City; Ensuring Youth, Older Adults and New Immigrants Thrive; Completing our neighbourhoods; Cultivating Creative and Innovative Businesses; Living Green; the State of Good Repair for Infrastructure; and Continuous Improvement and Tax Rate Management. The Business Plan and Budget continues to provide clear direction and resources for moving Mississauga toward a sustainable future.

The City's 2010 budget process began by identifying resources required to maintain current levels of service for the community. Economic uncertainty continued to impact the City in 2010. Cost escalations, service expansion into areas of new development and aging infrastructure put pressure on the City's budget. These challenges required sound financial and operational planning to sustain both existing services and new services while maintaining a reasonable property tax rate.

In preparing the 2010 Budget, City Council and staff worked hard to examine every option and opportunity for cost savings to ensure taxpayers receive the best value for their tax dollars. The Budget included efficiencies and cost reductions while building a City for the 21st century. As a result the city was able to limit its property tax rate increase to 0.63 per cent on the total tax bill for 2010 without compromising services or service levels today or in the future.

However, serious challenges remain in our ability to adequately fund our long-term infrastructure needs. The City is facing some very difficult decisions for the future and options to address these pressures are limited to increases in property taxes, user fees, reducing services or service levels, cost containment or some combination of these measures.

Mississauga needs to further develop its long-term financial plan to provide for steady and predictable tax increases that provide for the delivery of the priorities of our residents and businesses and maintain our infrastructure. This is an evolutionary process and will take place over a number of years.

In conclusion, City Council and staff are committed to listening to residents and ensuring their priorities are delivered including improving transit, the environment, relieving congestion and keeping infrastructure in a good state of repair. Residents have come to expect the City to maintain service levels with the lowest possible annual tax increase.

As the City of Mississauga grows and matures, the City's annual Business Plan and Budget will ensure Mississauga is well positioned to meet the challenges that lie ahead. A strong commitment to invest in making Mississauga a vibrant, sustainable, world-class city of the 21st century combined with a continuing commitment to maintain current infrastructure, programs and services will help ensure Mississauga achieves its strategic vision for the future.

Brenda R. Breault, CMA, MBA

**Commissioner of Corporate Services and Treasurer
City of Mississauga**

April 19, 2011

Financial Management Processes

City Business Planning and e3 Program

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

The City has also implemented a new program called e3 - efficiency, effectiveness, and economy. Under this new initiative, the City will review in a systematic and regular way, all major City services and programs on a 4 to 6 year cycle.

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 the Mayor and four members of Council who are appointed by Council. The term of office for the Audit Committee shall be concurrent with the term of council, or until successor(s) are appointed. Three members constitute a quorum.

Council shall conduct a review of the appointments to the Audit Committee at the end of the second year of the term of Council to enable Council to determine if any changes to the appointments are desired. If Council makes any changes to the appointments, the term for office of any new appointee shall be concurrent with the balance of the term of Council, or until a successor is appointed.

The Audit Committee provides a focal point for communications between Council, the external auditor, the internal auditor and management, and facilitates an impartial, objective and independent review of management practices through the internal and external audit functions.

User Pay Philosophy

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

financial year in review 2010

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



Financial Statement Discussion and Analysis

The City of Mississauga's financial statements have been prepared in accordance with the Municipal Act and based on reporting standards set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

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

Local government financial statements moved to full asset accounting in 2009. When comparing these statements to statements prepared prior to 2009, the following changes should be noted:

- In the Financial Assets section, inventories for resale is an asset line.
- Tangible capital assets are reflected in the Non-Financial Assets section.
- The Fund Balances section has been replaced by Accumulated Surplus. Accumulated Surplus represents the municipality's equity or retained earnings. It has a much different meaning than the term "surplus" or "deficit" used in describing the City's current year performance against budget. The accumulated surplus includes tangible capital assets, reserves and reserve funds and the operating and capital fund balances.
- In the Revenues section, contributed assets have been added as a revenue line. Local governments may receive contributions of tangible capital assets from senior levels of government or developers at either no or nominal cost.
- In the Expenses section, amortization of capital assets has been included in the various service expense categories. Amortization (depreciation) represents the value of assets used up in a year and is allocated over the useful life of the asset based on a straight line method.

Also in the Expenses section, loss on disposal of tangible capital assets is included as an expense line. Disposals of tangible capital assets in the accounting period may occur by sale, trade-in, destruction, loss or abandonment. Such disposals represent a reduction in a local government's investment in tangible capital assets.



Below is a high level overview of the 2010 financial results of the City. Please refer to Appendix 1 for the audited Financial Statements.

Consolidated Statement of Financial Position

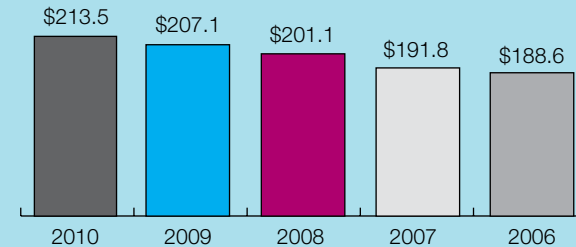
The consolidated statement of financial position highlights four key figures that together describe the financial position of a government: (a) cash resources of the government, (b) net financial asset position calculated as the difference between financial assets and financial liabilities, (c) non-financial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

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

The City's accumulated surplus for fiscal year 2010 is \$8.03 billion (2009: \$7.90 billion), an increase of \$13.0 million. The City's accumulated surplus is made up of the following balances: investment in tangible capital assets is \$7.4 billion; unexpended capital is \$215.7 million; investment in Enersource Corporation is \$213.5 million; Operating/Current Fund is \$nil; Business Improvement Area surpluses are \$0.1 million; Reserves are \$48.0 million; Reserve Funds are \$331.5 million; offset by unfunded employee benefits and other liabilities of \$169.8 million. Refer to Note 9 in the Financial Statements for a detailed breakdown of the accumulated surplus.

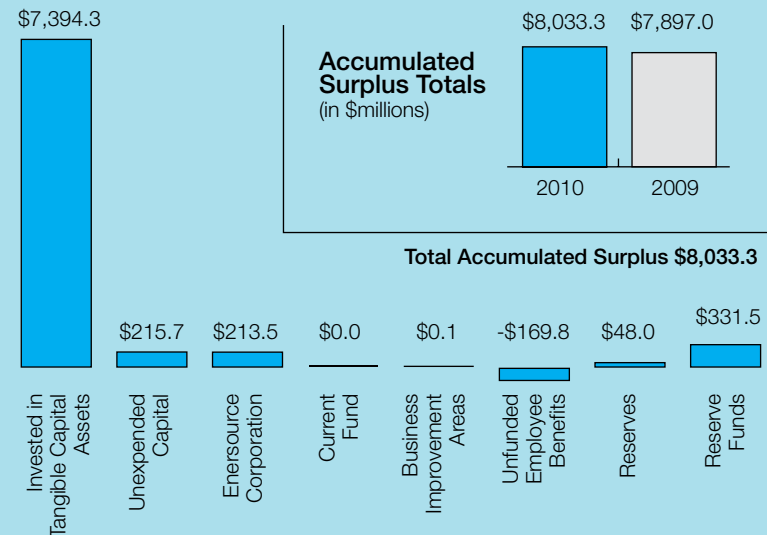
The City is a 90 per cent shareholder in Enersource Corporation. The City's 2010 Investment in Enersource Corporation is \$213.5 million (2009 \$207.1 million), an increase of \$6.4 million from the prior year. This increase is attributed to the City's \$15.9 million share of Enersource net income less a \$9.5 million dividend payment received from Enersource in 2010.

Investment in Enersource Corporation
(in \$millions)

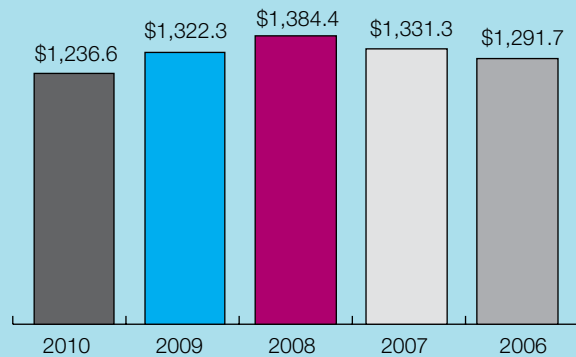


In 2010, the City's Net Financial Assets balance is \$630.3 million (2009 \$682.2 million), a decrease of \$51.9 million over the prior year. Despite the decline in the past year, the City's Net Financial Assets position continues to remain financially healthy and well-positioned for the future.

2010 Accumulated Surplus Breakdown
(in \$millions)



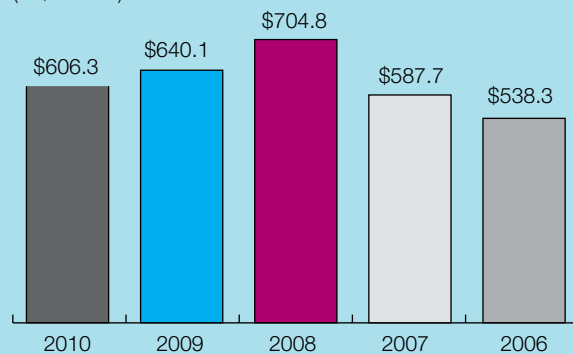
Financial Assets Summary (in \$millions)



The decrease in Net Financial Assets is attributed to two key financial areas:

- Total Financial Assets in 2010 were \$1.24 billion (2009 \$1.32 billion), a decrease of \$86 million.
 - Cash and Investments decreased in total by \$101.2 million from 2009; however, investment in Enersource Corporation increased by \$6.4 million.

Financial Liabilities Summary (in \$millions)



- Total Liabilities at the end of 2010 are \$606.3 million (2009 \$640.1 million), a decrease of \$33.8 million from the prior year.
- Non-financial assets are \$7.4 billion as of December 31, 2010 (2009 \$7.2 billion), an increase of \$0.2 billion.
 - The increase relates to the investment in tangible capital assets.
 - Non-Financial Assets consists of the following: tangible capital assets of \$7.39 billion, inventory of supplies of \$7.0 million, and prepaid expenses of \$1.8 million.

Consolidated Statement of Operations

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

Revenues:

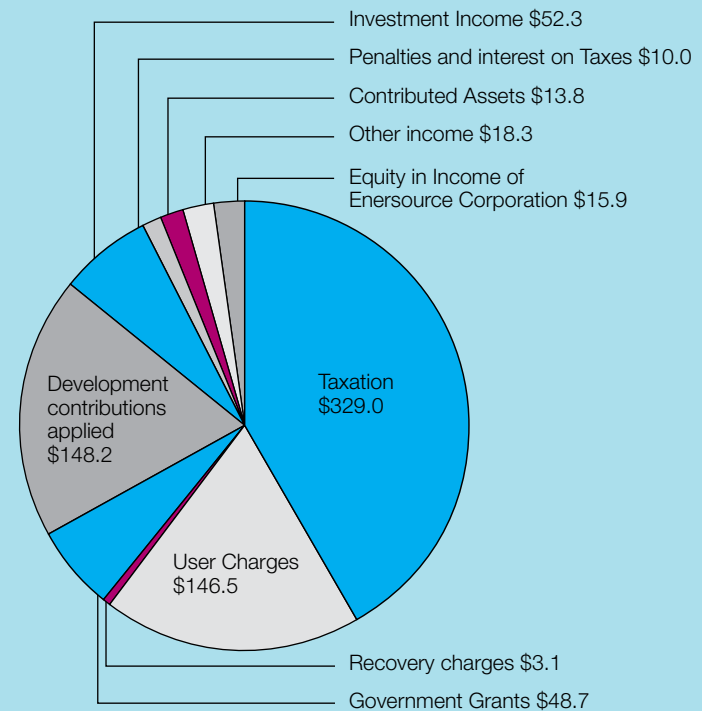
Total revenues in 2010 were \$785.8 million (2009 \$738.3 million), an increase of \$47.5 million or 6.4 per cent from the prior year.

- Taxation revenues (property taxes and taxation from other governments) in 2010 were \$329.0 million (2009 \$313.8 million), an increase of \$15.2 million.
 - Assessment growth of 0.8 per cent and a 2.3 per cent City property tax increase on the City's portion of the 2010 tax bill contributed to this increase.
- User charges in 2010 were \$146.5 million (2009 \$141.5 million), an increase of \$5.0 million from the prior year.
 - Transit fares represent 40 per cent of total user charges. Transit Fares in 2010 were \$59.2 million (2009 \$56.5 million), an increase of \$2.7 million from the prior year. The increase in transit revenue was primarily a result of increased riders, expansion of service and the launch of the MiWay brand (in October 2010). Transit revenue ridership in 2010 was 30,589,359 versus a 2009 total of 29,542,988 – an increase of 3.5 per cent. In addition, the average fare increased to \$1.93 in 2010 from \$1.91 in 2009.

- Rents and concession fees represent 15 per cent of total user charges. Rents and concession fees in 2010 were \$21.5 million (2009 \$20.8 million), an increase of \$0.7 million from the prior year.
- Licence and permit revenues represent 7 per cent of total user charges. Licence and permit revenues in 2010 were \$10.4 million (2009 \$9.3 million), an increase of \$1.1 million from the prior year. Building permit revenues in 2010 were \$6.1 million (2009 \$5.1 million), an increase of \$1.0 million due to an increase in building construction from the previous year.
- Provincial offence revenues in 2010 were \$8.0 million (2009 \$7.2 million), an increase of \$0.8 million from the prior year.
- Government grants in 2010 were \$48.7 million (2009 \$6.8 million), an increase of \$41.9 million from the prior year
 - In 2010, \$40.6 million of ISF government funding was recognized as grants to offset expenditures for ISF projects.
 - The balance of the grants in 2010 relates primarily to the Ontario Bus Replacement Program.
- Development and other government contributions applied in 2010 were \$148.2 million (2009 \$131.3 million), an increase of \$16.9 million from the prior year.
 - Increased expenditures on development-related projects in 2010 resulted in higher development contributions being applied and recognized as revenue from the deferred revenue-obligatory reserve funds.
- Penalties and interest earnings from over-due tax accounts in 2010 were \$10.0 million (2009 \$10.4 million), a decrease of \$0.4 million from the prior year.
- Other revenues in 2010 were \$18.3 million (2009 \$20.9 million), a decrease of \$2.6 million from the prior year.

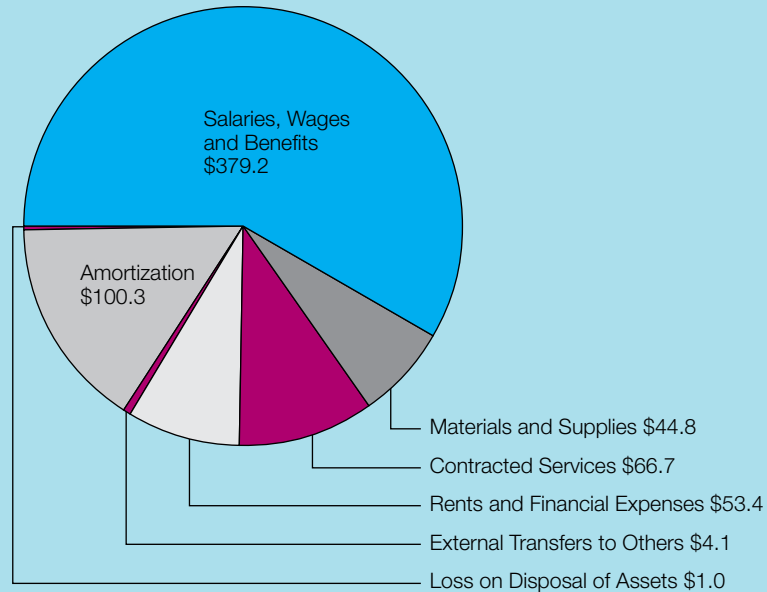
- This decrease reflects a decrease in miscellaneous one-time revenues.
- The City's share of Enersource Corporation net income in 2010 was \$15.9 million (2009 \$15.8 million), an increase of \$0.1 million from the prior year.
- From this net income amount, the City was paid a dividend of \$9.5 million in 2010 (versus \$10.4 million in 2009).

Consolidated Revenues by Type
(in \$millions)



Total Consolidated Revenues by Type \$785.8 (100%)

Consolidated Expenditures by Type
(in \$millions)



Total Consolidated Expenditures by Type \$649.5 (100%)

Expenses

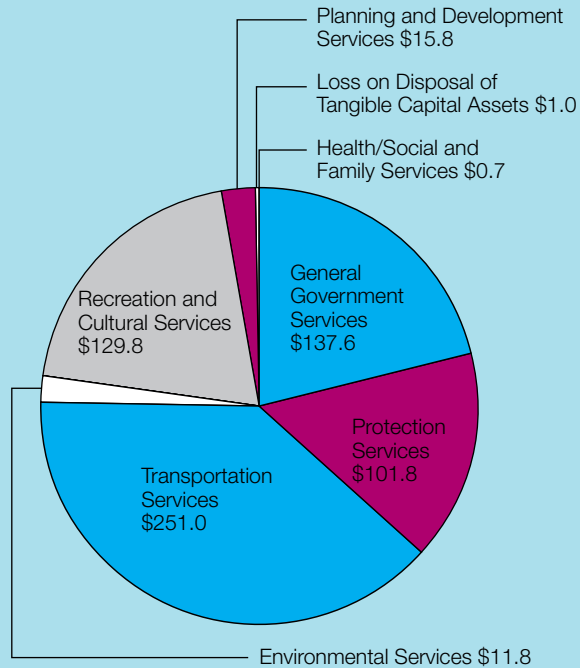
Expenses are broken down into major expense categories: labour and benefits, materials and supplies, contracted services, rents and financial expenses, transfer payments, and amortization. Total expenses in 2010 were \$649.5 million (2009 \$631.0 million), an increase of \$18.5 million.

- Labour costs (salaries, wages and benefits, and PSAB labour related adjustments) in 2010 were \$379.2 million (2009 \$379.3 million), a decrease of \$0.1 million from the prior year.
 - Salary, wage, and benefit costs in 2010 were \$377.2 million (2009 \$360.3 million), an increase of \$16.9 million (4.6 per cent). Growth in the City's labour force (new and expanded services), labour contract settlements and pay adjustments, and increased benefit costs contributed to this increase.

- PSAB labour related accounting adjustments for actuarial WSIB and post-employment, retirement, and sick-leave liabilities in 2010 were \$1.0 million (2009 \$17.3), a decrease of \$16.3 million from the previous year. This adjustment reflects the change in actuarial assessment, assumptions, and estimates from the previous year. The City hired a new actuarial consultant for the period 2010 to 2012.
- Capital project labour costs that did not qualify as a tangible capital asset were \$0.9 million in 2010 (2009 \$1.7 million), a decrease of \$0.8 million from the previous year.
- Materials and supplies in 2010 were \$44.8 million (2009 \$41.7 million), an increase of \$3.1 million from the prior year.
 - Diesel fuel costs for 2010 were \$13.4 million (2009 \$11.7 million), an increase of \$1.7 million from the prior year primarily due to an increase in the average price per litre of diesel.
 - Winter salt costs for 2010 were \$3.5 million (2009 \$2.5 million), an increase of \$1.0 million over the prior year due to the change in winter conditions.
- Contracted services in 2010 were \$66.7 million (2009 \$57.8 million), an increase of \$8.9 million from the prior year.
 - Capital project contracted service costs that did not qualify as a tangible capital asset were \$23.2 million in 2010 (2009 \$15.9 million), an increase of \$7.3 million over the previous year.
- Rent and financial expenses in 2010 were \$53.4 million (2009 \$52.2 million), an increase of \$1.2 million from the prior year.
 - Insurance related costs in 2010 were \$7.3 million (2009 \$4.8 million), an increase of \$2.5 million over the prior year. The increase in insurance related costs relates to the timing of settlement and the general rising trend in cost of insurance liability settlements.
 - Property tax related adjustments in 2010 were \$3.8 million (2009 \$6.6 million), a decrease of \$2.8 million over the previous year.
 - Other miscellaneous finance cost increases accounted for the difference.

Consolidated Expenditures by Service

(in \$millions)

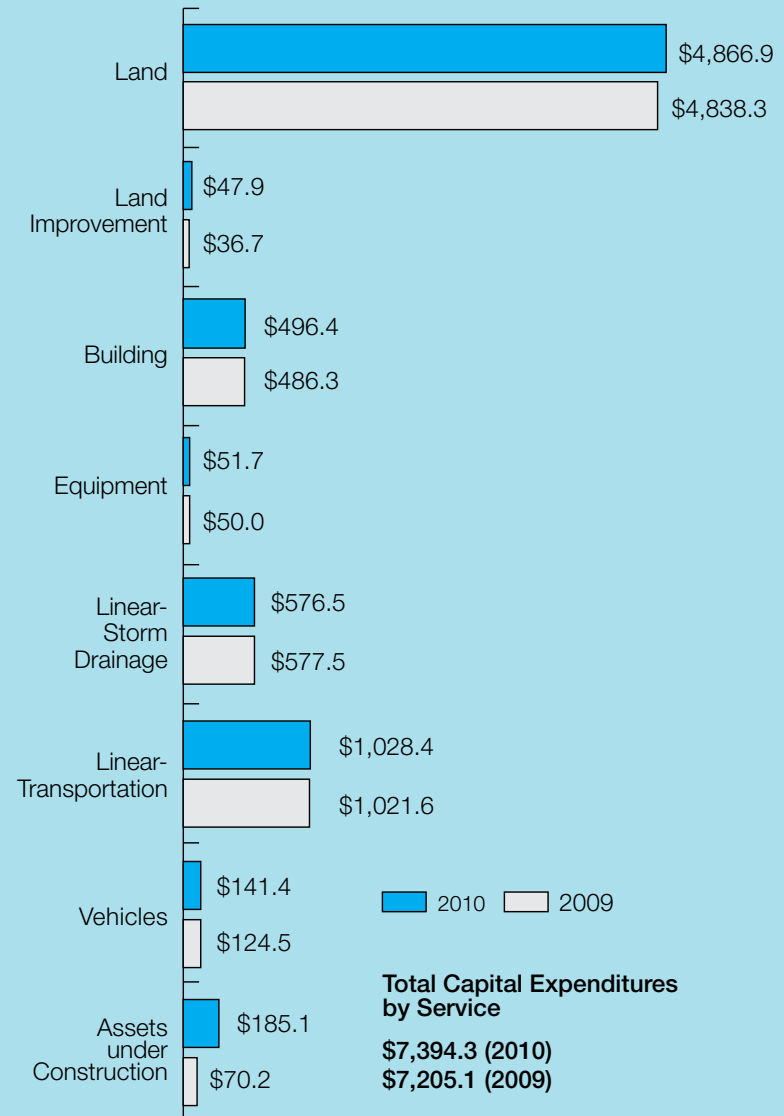


Total Consolidated Expenditures by Service \$649.5 (100%)

- External transfers to others in 2010 were \$4.1 million (2009 \$1.9 million), an increase of \$2.2 million from the prior year.
 - External transfers are primarily made up of cultural and arts grants to the community.
- Amortization of Tangible capital assets in 2010 was \$100.3 million (2009 \$95.7 million), an increase of \$4.6 million from the prior year.
- Loss on disposal of assets in 2010 was \$1.0 million (2009 \$2.4 million), a decrease of \$1.4 million and relates primarily to land transactions and vehicles. Assets were sold for less than the net book value of the asset.

Tangible Capital Assets Net Book Value by Category

(in \$millions)



Consolidated Statement of Change in Net Financial Assets

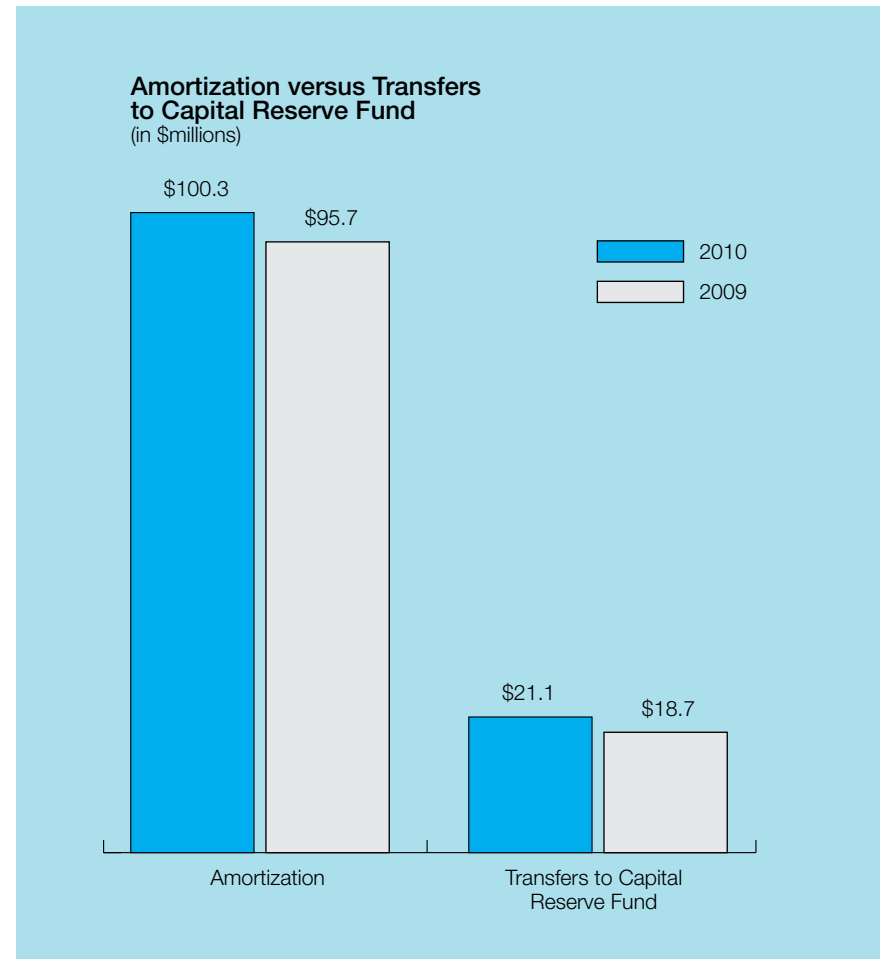
The statement of change in net financial assets (net debt) explains the difference between a municipality's surplus or deficit for the reporting year and its change in accumulated surplus in the same reporting year. This statement provides for the reporting of the acquisition of tangible capital assets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

Consolidated Statement of Cash Flows

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

Tangible Capital Assets Overview:

All City assets as at the end of 2010 have been inventoried, valued, and recorded in an Asset Registry for accounting and reporting purposes. The City's net book value of tangible capital assets at the end of 2010 is \$7.4 billion (2009 \$7.2 billion) an increase of \$0.2 billion from the prior year. Refer to Note 8 in the financial statements for a detailed breakdown of tangible capital asset activity for 2010.



2010 Capital Project Highlights:

Some of the major capital projects undertaken in 2010 include:

- Infrastructure Stimulus Fund (ISF) and Recreational Stimulus Fund Canada (RInC) funds have been allocated to 132 projects including the redevelopment of the Civic Square, four branch libraries, two new community centre pools, paving and lighting of park pathways, noise walls, roads, sidewalks and a storm water facility. Six outdoor pools are also being renovated with half the costs being funded through the RInC funding. Many of the projects are well under way and/or near completion.
- In 2010, the SAP portfolio was expanded with the migration of PeopleSoft ERP applications to the SAP Human Capital Management module and implemented Organizational Management, Personnel Administration, Personnel Development (i.e. Qualifications), Payroll, Time Management, Training and Events Management, Employee Health and Safety, Employee Self-Service and Manager Self-Service.
- Implemented Wi-Fi access in all city facilities and outdoor Wi-Fi pilot project.



- Installed various energy retrofits and audit recommendations such as new building automation systems at Erin Mills and Iceland arenas, solar water heating system and pool water clarity control systems at Huron Park Community Centre, and the swimming pool water draining heat recovery system at Mississauga Valley Community Centre.
- Improved accessibility at Mississauga Valley Community Centre, Burnhamthorpe Community Centre, River Grove Community Centre, Courtneypark Library, Meadowvale Theatre, Glenforest Pool, and various other city facilities.
- The City acquired 8.94 ha (22.09 ac) of park and greenbelt lands.
- Lakeside Park redevelopment was completed at a capital cost of \$5.5 million.
- The Creditview Wetlands Interpretive Panels and Lookout construction project was completed and opened to the public.
- The Etobicoke Creek Trail was completed. This section of the trail, built through the western boundary of the airport lands, is approximately seven kilometres long and represents a collaboration of municipal and private enterprise using new technologies for greener trail building.

- Redevelopment works at Red Oaks Park, Ridgewood Park, Albert McBride Park, and Bough Beeches Park completed.
- Construction of Lake Aquitaine Trail Outdoor Exercise Stations, Lisgar Trail Benches, the Jack Darling Spray Pad, and Sheridan and Syntex Green Baseball Diamonds Sports Lighting completed.
- The City acquired two new fire trucks: Pumper 101 located at Fire Headquarters and Pumper 110 at Cooksville station.
- The Living Wall – Noise Attenuation Barrier Pilot Project was completed in mid-May. The barrier is made of fast-growing willow shoots filled with an earthen base core that is secured by a timber framework. The main purpose of the barrier is to reduce road noise.
- Transit added 57 buses in 2010. The new additions included eight low-floor, ramp-equipped accessible buses to the Transit fleet and replaced 49 older buses with 12 – 40' BRT style buses, 22 – 60' BRT style articulated buses



and 15 – 40' hybrid buses. 42 of these new blue buses entered service on our MiExpress route network, and our new MiLocal hybrid-electric, orange buses began serving passengers on Route 19-Hurontario.

- The environmental assessment review of the Burnhamthorpe Road East corridor from Arista Way to Dixie Road was completed.
- The main Transit storage and repair facility at Central Parkway underwent major expansion which doubled its capacity in order to accommodate a fleet of 390 buses. This three year, \$85 million expansion, was completed with zero disruption in transit service.
- Transit added two new security vehicles to enhance security on the Transit system.
- Phase 1 of the BRT Construction began in 2010 with utility relocations and minor road works.
- The installation of 2,207 m of noise attenuation barriers at four locations was completed.
- 71 roads were rehabilitated/resurfaced totalling 34 kilometres.
- Six bridges were rehabilitated.

Reserves and Reserve Funds Overview:

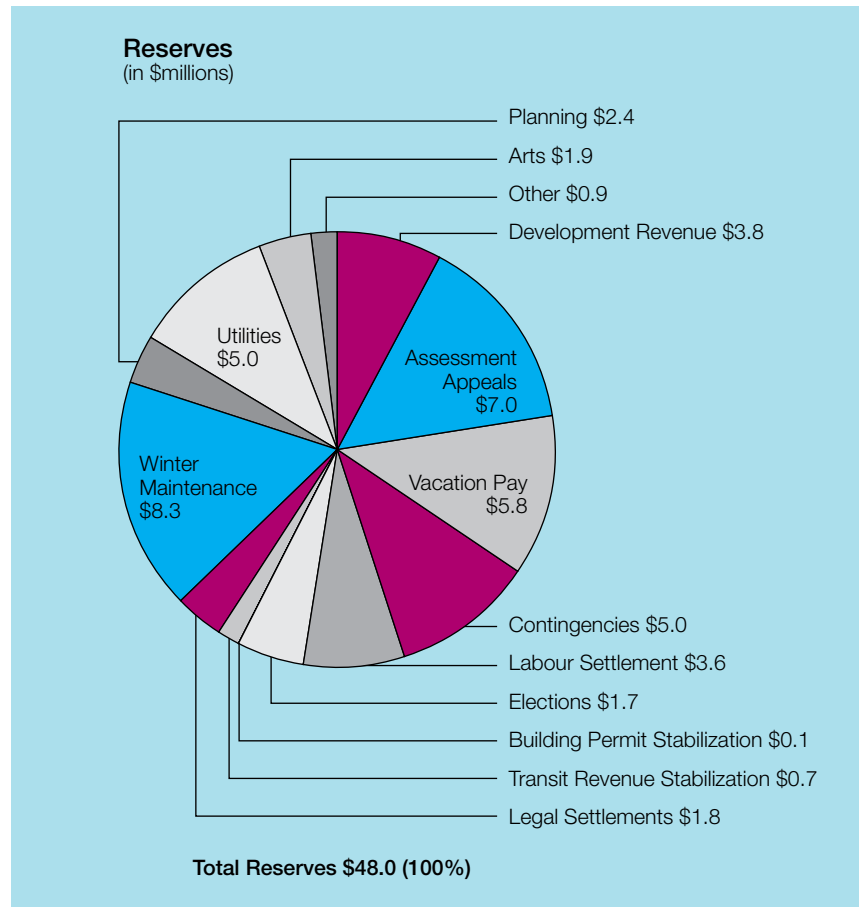
Although Reserves and Reserve funds are not formally reported directly in the financial statements, they are a key area in the financial management and operations of the City. Reserves and Reserve Fund balances are consolidated within the Accumulated Surplus position on the Consolidated Statement of Operations. Refer to Note 9 in the financial statements for more Reserve and Reserve Fund information.

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

Reserve and Reserve Funds balances at the end of 2010 totalled \$379.5 million (2009 \$445.4 million), a decrease of \$65.9 million from the prior year. The Reserves and Reserve Fund total does not include development charges and senior government grants that are reported as deferred revenue - obligatory reserve funds on the Statement of Financial Position.

Reserves:

- Reserves, which are discretionary in nature, are generally used to offset major fluctuations in operating costs/revenues or to fund future contingent liabilities. Total Reserves in 2010 were \$48.0 million (2009 \$50.3 million), a decrease of \$2.3 million.

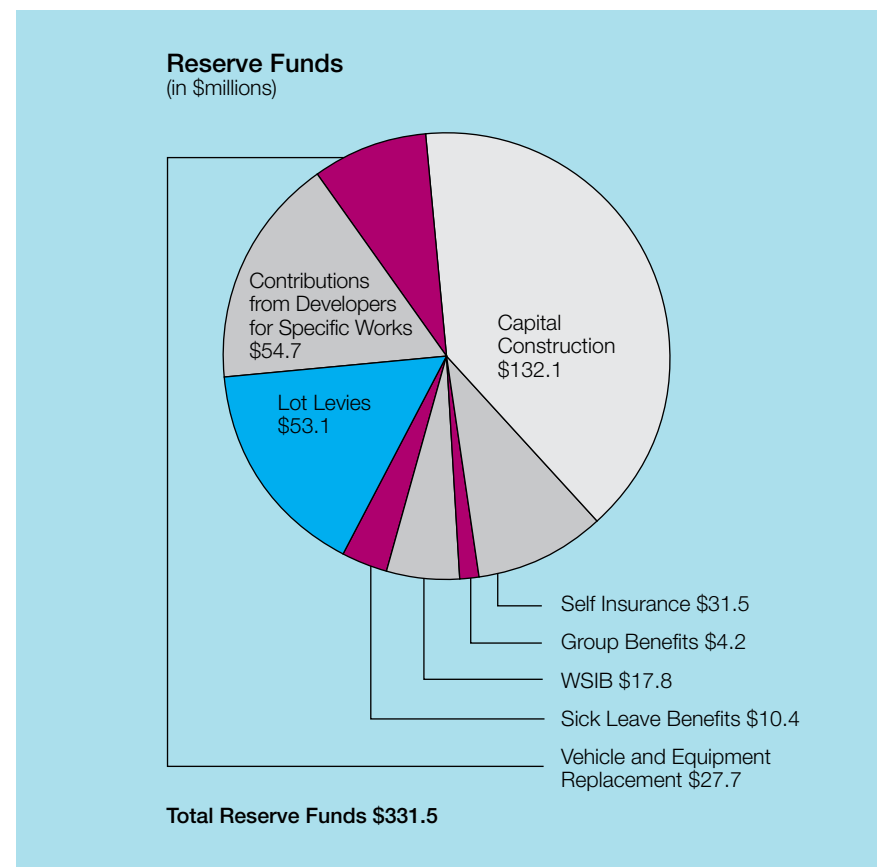


Reserve Funds:

- Reserve Funds are non-discretionary, segregated and restricted to meet specific identified purposes for the municipality. Total Reserve Funds in 2010 were \$331.5 million (2009 \$395.1 million), a decrease

of \$63.6 million from the prior year. This decrease is the result of the drawdown of Reserve Funds to finance capital projects. This drawdown is greater than funds being transferred or deposited into the Reserve Funds.

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



Introduction to the Financial Statements

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

The Consolidated Financial Statements and all other financial information included within this financial report are the responsibility of the management of the City of Mississauga. The City's Financial Statements have been prepared in accordance with the accounting principles and disclosure requirements of the 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, 2010.

Finance staff are responsible for the coordination and completion of the 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, taking into consideration the accounting for all City Funds and associated City business enterprises. The financial statements should reflect the full nature and extent of the government's financial affairs

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

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





Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of **The Corporation of the City of Mississauga**, which comprise the consolidated statement of financial position as at December 31, 2010, the consolidated statements of operations and accumulated surplus,

change in net financial assets, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the City of Mississauga as at December 31, 2010, and its consolidated results of operations and accumulated surplus, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards

A stylized, handwritten-style signature of 'KPMG LLP' in black ink. The signature is written in a cursive, flowing manner, with the letters 'K', 'P', 'M', 'G' being larger and more prominent than the 'LLP'. A horizontal line is drawn underneath the signature.

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
April 19, 2011

Consolidated Statement of Financial Position

for the year ended December 31, 2010 (All dollar amounts are in \$000)

	2010 \$	2009 \$ Recasted-Note 2
Financial Assets		
Cash and short-term investments	416,199	299,387
Taxes receivable (Note 3)	66,552	59,472
Accounts receivable (Note 3)	38,324	36,231
Inventories for resale	264	299
Investments (Note 4)	500,759	718,741
Loans receivable	973	1,072
Investment in Enersource Corporation (Note 5)	213,525	207,076
Total Financial Assets	1,236,596	1,322,278
Financial Liabilities		
Accounts payable and accrued liabilities	138,617	96,047
Deferred revenue - general	6,190	5,535
Deferred revenue – obligatory reserve funds (Note 6)	291,703	369,694
Employee benefits and other liabilities (Note 7)	169,812	168,785
Total Financial Liabilities	606,322	640,061
Net Financial Assets	630,274	682,217
Non-Financial Assets		
Tangible capital assets (Notes 2 and 8)	7,394,263	7,205,095
Inventory of supplies	6,953	7,957
Prepaid expenses	1,785	1,705
Total Non-financial Assets	7,403,001	7,214,757
Accumulated Surplus (Note 9)	8,033,275	7,896,974

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

Consolidated Statement of Operations

for the year ended December 31, 2010 (All dollar amounts are in \$000)

	Budget 2010 \$ Unaudited Note 1(m)	Actual 2010 \$	Actual 2009 \$ Recasted – Note 2
Revenues			
Taxation (Note 10)	326,695	329,012	313,793
User charges	148,811	146,477	141,537
Recovery charges	4,374	3,138	2,089
Government grants	48,508	48,687	6,787
Development and other contributions applied	160,132	148,194	131,274
Investment income	30,842	52,262	73,651
Penalties and interest on taxes	7,000	9,983	10,376
Contributed assets	-	13,779	22,103
Other	16,898	18,306	20,931
Equity in income of Enersource Corporation (Note 5)	-	15,933	15,808
Total Revenues	743,260	785,771	738,349
Expenses			
General government services	135,585	137,553	143,779
Protection services	103,470	101,819	98,073
Transportation services	258,248	250,980	233,948
Environmental services	11,296	11,775	11,469
Health services	68	68	68
Social and family services	607	610	587
Recreation and cultural services	134,573	129,843	126,167
Planning and development services	16,579	15,774	14,467
Loss on disposal of tangible capital assets	-	1,048	2,437
Total Expenses	660,426	649,470	630,995
Annual surplus	82,834	136,301	107,354
Accumulated surplus, beginning of year (Note 2)	7,896,974	7,896,974	7,789,038
Adjustment arising from change in accounting policy made by Enersource Corporation (Note 5)	-	-	582
Accumulated surplus, end of year	7,979,808	8,033,275	7,896,974

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

Consolidated Statement of Change in Net Financial Assets

for the year ended December 31, 2010 (All dollar amounts are in \$000)

	Budget 2010 \$ Unaudited Note 1 (f)	Actual 2010 \$	Actual 2009 \$
Annual surplus	82,834	136,301	107,354
Acquisition of tangible capital assets	(151,854)	(324,401)	(221,522)
Amortization of tangible capital assets	109,043	100,338	95,681
Loss on disposal of tangible capital assets	-	1,048	2,437
Changes in assets under construction	-	33,847	17,894
	40,023	(52,867)	1,844
Acquisition of inventories of supplies	-	(6,953)	(7,957)
Acquisition of prepaid expenses	-	(1,785)	(1,705)
Consumption of inventories of supplies	-	7,957	6,016
Use of prepaid expenses	-	1,705	3,838
Adjustment arising from change in accounting policy made by Enersource Corporation (Note 5)	-	-	582
Change in net financial assets	40,023	(51,943)	2,618
Net financial assets, beginning of year	682,217	682,217	679,599
Net financial assets, end of year	722,240	630,274	682,217

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

Consolidated Statement of Cash Flows

for the year ended December 31, 2010 (All dollar amounts are in \$000)

	2010 (\$)	2009 (\$)
Cash provided by (used in): Operating activities:		
Annual surplus	136,301	107,354
Items not involving cash:		
Amortization	100,338	95,681
Loss on sale of tangible capital assets	1,048	2,437
Transfer of assets under construction	33,847	17,894
Contributed assets	(13,779)	(22,103)
Change in employee benefits and other liabilities	1,027	17,267
Equity in income of Enersource Corporation	(15,933)	(15,808)
Change in non-cash assets and liabilities:		
Accounts receivable	(2,093)	(8,086)
Taxes receivable	(7,080)	5,008
Accounts payable and accrued liabilities	42,570	(26,128)
Deferred revenue - general	655	(804)
Deferred revenue – obligatory reserve funds	(77,991)	(55,119)
Inventories for resale	35	27
Inventories of supplies	1,004	(1,941)
Prepaid expenses	(80)	2,133
Net change in cash from operating activities	199,869	117,812
Capital Activities:		
Tangible capital asset additions	(310,622)	(199,419)
Net change in cash from operating activities	(310,622)	(199,419)
Investing Activities:		
Decrease/(increase) in investments	217,982	(154,312)
Dividends from Enersource Corporation	9,484	10,380
Increase in loans receivable	99	-
Net change in cash from investing activities	227,565	(143,932)
Net change in cash and short-term investments	116,812	(225,539)
Cash and short-term investments, beginning of year	299,387	524,926
Cash and short-term investments, end of year	416,199	299,387
Supplementary Information:		
Cash interest received	25,046	30,494

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

Notes to the Consolidated Financial Statements

for the year ended December 31, 2010
(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 ("GAAP") for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA"). Significant aspects of the accounting policies adopted by the City are as follows:

a) Basis of consolidation:

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City except for the City's government business enterprise which is accounted for on the modified equity basis of accounting.

These entities and organizations include:

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

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

(ii) Investment in a Government Business Enterprise

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

(iii) Accounting for Region and School Board transactions

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

(iv) Trust funds

Trust funds and their related operations administered by the City are not included in these consolidated financial statements.

b) Basis of Accounting:

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

c) Government grants:

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

d) Deferred Revenue:

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

e) Investment Income:

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

f) Cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

g) Land held for resale:

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

h) Investments:

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

i) Employee future benefits:

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

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

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

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

(ii) The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions to the plan in the period.

j) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

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

Asset	Useful Life – Years
Land	Infinite
Land Improvements	15 – 20
Buildings	40 – 50
Equipment, Books and Other	5 – 40
Linear - Storm Drainage	25 – 100
Linear - Transportation	15 – 100
Vehicles	10 – 20

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

(ii) Contributions of tangible capital assets

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

(iii) Works of art and cultural and historic assets

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

(iv) Interest capitalization

The City does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

(v) Leased tangible capital assets

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

(vi) Inventories of supplies

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

k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits.

In addition, the City's implementation of the Public Sector Accounting Handbook Section 3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

l) Budget:

The 2010 budget, as approved by Council, was adopted by the City at the January 20, 2010 meeting.

2. Recast of prior year comparative figures:

During the year, the City determined that certain net tangible capital assets had been omitted from its 2009 asset registers.

The 2009 Tangible Capital Asset opening inventories, presented for comparison purposes in the 2010 Financial Statements have been restated to reflect a new method of inventorying and valuation for land under roads. The land under road inventory presented in the 2009 financial statements was originally based on a geographical query, since a physical database of land under road inventory did not exist at the time of the tangible capital asset implementation. In the later part of 2009 and throughout 2010, the City undertook a new project to develop a database inventory of land under road. To date, the project has gone through an extensive analysis of 56 zones in the City, reviewing and correcting the actual size and value of existing land under road parcels.

This review and re-evaluation has allowed the City to identify and include in Land under Road inventories the many parcels of land that exist on the 'shoulder' of the road referred to as the road "right-of-way". These parcels were not included in opening inventories because the geographical query was based on road centreline – identifying only parcels that touched the road centreline.

The amount previously reported as tangible capital assets as at December 31, 2009 has been increased by \$96,062.

The impacts of these changes in presentation have been recorded retrospectively and prior periods have been recasted as follows:

Accumulated surplus at January 1, 2009:		2009 \$
Accumulated surplus, as previously reported		7,692,976
Net book value of tangible capital assets not previously recorded		96,062
Accumulated surplus, as recasted		7,789,038

Tangible capital assets at January 1, 2009:	\$
Tangible capital assets, as previously reported	7,003,523
Net book value of tangible capital assets not previously recorded	96,062
Tangible capital assets, as recasted	7,099,585

3. Taxes Receivable and Accounts Receivable

Taxes receivable are reported net of a valuation allowance of \$11,810 (2009 \$10,389). Accounts receivable are reported net of a valuation allowance of \$926 (2009 \$962).

4. Investments

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

	2010 Cost \$	2010 Market Value \$	2009 Cost \$	2009 Market Value \$
Short-term notes and deposits	134,615	137,796	97,611	101,696
Government and government guaranteed bonds	285,972	306,704	559,402	566,136
Municipal bonds	80,142	85,386	61,698	67,856
GICs	30	30	30	30
Total	500,759	529,916	718,741	735,718

5. Investment in Enersource Corporation

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

The following table provides condensed financial information for Enersource Corporation for its 2010 fiscal year, together with comparative figures for 2009:

Financial Position:	2010 \$	2009 \$
Assets:		
Current	186,716	154,793
Capital	446,494	435,895
Other	88,965	85,373
Total assets	722,175	676,061
Liabilities:		
Current	427,035	98,818
Long-term debt	57,890	347,159
Total liabilities	484,925	445,977
Equity:		
Share capital	175,691	175,691
Retained earnings	61,559	54,393
Total equity	237,250	230,084
Total liabilities and equity	722,175	676,061
Results of operations and non-operations:		
Revenues	656,774	577,823
Expenses (including income tax provision)	639,070	560,208
Income net of taxes	17,704	17,615
Non-controlling interest	-	(51)
Net income	17,704	17,564
City share of net income	15,933	15,808

During the year, the City of Mississauga recorded a dividend of \$9,484 (2009 \$10,380) declared by Enersource Corporation.

The City's investment in Enersource Corporation is reflected in the following table for its 2010 fiscal year together with comparative figures for 2009.

Investment in Enersource Corporation	2010 \$	2009 \$
Opening balance, beginning of year	207,076	201,066
City's share of net income	15,933	15,808
City's share of adjustment arising from change in accounting policy	-	582
City's share of dividend issued	(9,484)	(10,380)
Closing balance, end of year	213,525	207,076

6. Deferred Revenue - Obligatory Reserve Funds

The deferred revenue, reported on the consolidated statement of financial position, is made up of the following:

	2010 \$	2009 \$
Development charges	156,500	171,071
Parkland	47,937	55,056
Sub-total	204,437	226,127
Provincial public transit funds	47,538	98,940
Federal public transit funds	17,136	16,098
Provincial gasoline tax	22,592	28,529
Sub-total	87,266	143,567
Total deferred revenue - obligatory reserve funds	291,703	369,694

7. Employee Benefits and Other Liabilities

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

	2010 \$	2009 \$
Future payments required to WSIB	16,352	15,927
Accumulated Sick Leave Benefit Plan entitlements	10,568	10,543
Early retirement benefits	34,134	31,756
Post employment benefits	6,323	5,106
Vacation pay	18,609	18,635
Developer contribution credits	48,100	51,528
Other liabilities	35,726	35,290
Total employee benefits and other liabilities	169,812	168,785

The City has established reserve funds of \$120,956 (2009 \$118,366) to mitigate the future impact of these obligations.

(i) WSIB: The City has elected to be a Schedule 2 employer under the provisions of WSIB, and as such remits payments to the WSIB only as required to fund disability payments. A full actuarial study of this obligation was completed in December 2010, in accordance with the financial reporting guidelines established by PSAB.

(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 December 2010, in accordance with the financial reporting guidelines established by PSAB.

(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 December 2010, in accordance with the financial reporting guidelines established by PSAB.

(iv) Post employment benefits are paid on behalf of any employee on long-term disability. The accrued benefit obligation and the net periodic cost were determined by an actuarial valuation completed in December 2010, in accordance with the financial reporting guidelines established by PSAB. Information about liabilities for defined benefit plans is as follows:

Employee Benefits and Other Liabilities cont.

	2010 WSIB \$	2010 Sick Leave \$	2010 Early Retirement \$	2010 Post Employment \$	2010 Total \$	2009 Total \$
Accrued benefit obligation, beginning of year	15,927	10,543	31,756	5,106	63,332	59,116
Plan amendment	-	-	-	1,138	1,138	-
Service cost	1,850	850	1,760	767	5,227	5,040
Interest cost	608	596	1,640	202	3,046	3,305
Amortization of actuarial (gain)/loss	(233)	279	378	-	424	463
Benefit payments	(1,800)	(1,700)	(1,400)	(890)	(5,790)	(4,592)
Accrued benefit liability, end of year	16,352	10,568	34,134	6,323	67,377	63,332
Unamortized actuarial (gain)/loss	(262)	4,827	(4,518)	59	106	6,836
Actuarial valuation update, end of year	16,090	15,395	29,616	6,382	67,483	70,168
Expected average remaining service life	10 yrs	12 yrs	13 yrs	8 yrs	n/a	n/a

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

	WSIB	Sick Leave	Post Employment	Early Retirement
Expected inflation rate	2.00%	2.00%	2.00%	2.00%
Expected level of salary increases	n/a	2.00%	3.00%	3.00%
Interest discount rate	4.75%	4.75%	3.85%	4.75%
Expected health care increases	-1.25%	7.00%	7.00%	7.00%

(v) Developer charge credits are liabilities and obligations that arise through the Development Charges Act. The year 2010 developer charge credit liability is \$48,100 (2009 \$51,528).

(vi) Other pension plans:

The City makes contributions to OMERS, a multi-employer plan, on behalf of 4,358 employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions for employees with a normal retirement age of 65 were being made at a rate of 6.4 per cent for earnings up to the annual maximum pensionable earnings of \$47.2 and at a rate of 9.7 per cent for earnings greater than the annual maximum pensionable earnings.

Contributions for employees with a normal retirement age of 60 (firefighters) were being made at a rate of 7.9 per cent up to the annual maximum pensionable earnings of \$47.2 and at a rate of 13.1 per cent for earnings greater than the annual maximum pensionable earnings.

The amount contributed to OMERS for 2010 was \$22,395 (2009 \$20,934) for current service and is included as an expense on the consolidated statement of operations. Employees' contribution to OMERS in 2010 was \$22,390 (2009 \$20,949).

As per PSAB 3250.111, the Corporation of the City of Mississauga is current with all payments to OMERS, therefore, there is neither a surplus nor deficit with the pension plan contributions.

8. Tangible Capital Assets

a) Assets under construction

Assets under construction having a value of \$185,110 (2009 \$70,198) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$13,779 (2009 \$22,103) comprised of infrastructure in the amount of \$494 (2009 \$3,353) and land in the amount of \$13,285 (2009 \$18,750).

c) Works of Art and Historical Treasures

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

d) Write-down of Tangible Capital Assets

The write-down of tangible capital assets during the year was \$nil (2009 \$nil).

2010 Tangible Capital Assets

Category	December 31, 2009 \$	Additions \$	Disposals \$	Balance at December 31, 2010 \$
Land	4,838,308	28,797	197	4,866,908
Land Improvements	95,027	15,253	320	109,960
Buildings	681,429	27,711	790	708,350
Equipment	128,792	12,303	-	141,095
Linear – Storm Drainage	735,784	8,376	-	744,160
Linear – Transportation	1,608,006	46,765	-	1,654,771
Vehicles	224,562	36,437	16,927	244,072
Assets under construction	70,198	148,759	33,847	185,110
Total	8,382,106	324,401	52,081	8,654,426

Accumulated Amortization	Balance at December 31, 2009 \$	Amortization Expense \$	Disposals \$	Balance at December 31, 2010 \$
Land	-	-	-	-
Land Improvements	58,392	3,984	249	62,127
Buildings	195,093	17,241	368	211,966
Equipment	78,759	10,639	-	89,398
Linear – Storm Drainage	158,287	9,345	-	167,632
Linear – Transportation	586,433	39,944	5	626,372
Vehicles	100,047	19,185	16,564	102,668
Assets under construction	-	-	-	-
Total	1,177,011	100,338	17,186	1,260,163

Net Book Value	December 31, 2009 \$			December 31, 2010 \$
Land	4,838,308			4,866,908
Land Improvements	36,635			47,833
Buildings	486,336			496,384
Equipment	50,033			51,697
Linear – Storm Drainage	577,497			576,528
Linear – Transportation	1,021,573			1,028,399
Vehicles	124,515			141,404
Assets under construction	70,198			185,110
Total	7,205,095			7,394,263

9. Accumulated Surplus

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

	2010 \$	2009 \$
Surplus:		
Invested in tangible capital assets	7,394,263	7,205,095
Unexpended capital	215,660	208,114
Enersource Corporation	213,525	207,076
BIAs	150	118
Unfunded Employee benefits	(169,812)	(168,785)
Total Surplus	7,653,786	7,451,618
Reserves set aside by Council:		
Development revenue	3,858	4,691
Assessment appeals	7,043	7,570
Vacation pay	5,820	5,820
Contingencies	5,013	2,366
Labour settlements	3,574	4,807
Planning process update	2,390	2,761
Building permit revenue stabilization	49	1,376
Transit revenue stabilization	645	747
Legal settlements	1,836	1,836
Winter maintenance	8,313	7,313
Elections	1,685	2,790
Commitments	354	229
Early retirement benefits	500	500
Arts	1,882	1,684
Other	22	25
Utilities	5,028	5,778
Total Reserves	48,012	50,293

Reserves Funds set aside for specific purposes by Council:

Lot levies	53,136	50,515
Contributions from developers for specific works	54,642	51,233
Vehicle and equipment replacement	27,688	28,296
Capital construction	132,131	201,516
Self-insurance	31,537	32,713
Group benefits	4,216	3,808
WSIB	17,754	16,889
Sick leave benefits	10,373	10,093
Total Reserve Funds	331,477	395,063
Total Accumulated Surplus	8,033,275	7,896,974

10. Taxation

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

	2010 \$	2009 \$
Municipal and school property taxes	1,325,004	1,267,545
Payments in lieu of property taxes	31,981	30,836
Subtotal	1,356,985	1,298,381
Payments to Region and school boards	1,027,973	984,588
Net property taxes and payments in lieu available for municipal purposes	329,012	313,793

11. Trust Funds

Trust funds administered by the City amounting to \$447 (2009 \$576) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

12. Contingent Liabilities

As at December 31, 2010, the City has been named as defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed the likelihood of exposure as being more likely than not and is able to reasonably assess the exposure, an amount is provided for in these financial statements.

13. Letter of Comfort

In 1998, the City provided the Canadian Imperial Bank of Commerce (CIBC) with a Letter of Comfort for a line of credit of \$500,000 on behalf of the Living Arts Centre in Mississauga. The Letter of Comfort is a credit facility which serves as a security for repayment to CIBC. Thirty days prior written notice must be given to the CIBC if the City wishes to withdraw the support expressed in the Letter of Comfort. The Letter of Comfort continues to be honoured by the City.

14. Segmented Information

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

(i) General Government Services

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

(ii) Protection Services

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

(iii) Transportation Services

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

iv) Environmental Services

The Environmental Services segment is comprised primarily of Storm Sewer Services. The City provides storm water management to ensure the overall

health and maintenance of creeks, rivers, and water channels in Mississauga. Water and Sanitary Sewer services are provided by the Region of Peel.

(v) Health Services

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

(vi) Social and Family Services

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

(vii) Recreation and Cultural Services

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

(viii) Planning and Development Services

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

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

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

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

14. Segmented Information

2010	General Government Services \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Health Services \$	Social and Family Services \$	Recreation and Cultural Services \$	Planning and Development Services \$	Other \$	2010 Total \$	2009 Total \$
Revenues:											
Taxation	329,012	-	-	-	-	-	-	-	-	329,012	313,793
User charges	3,865	19,149	76,129	333	62	232	44,688	2,091	(72)	146,477	141,537
Recovery charges	-	-	1,324	-	-	-	-	-	1,814	3,138	2,089
Government grants	-	-	-	-	-	57	1,397	118	47,115	48,687	6,787
Investment income	14,560	-	-	-	19	-	11	-	37,672	52,262	73,651
Penalties and interest on taxes	9,983	-	-	-	-	-	-	-	-	9,983	10,376
Development and other contributions applied	-	-	-	-	-	-	-	-	148,194	148,194	131,274
Contributed assets	-	-	10,124	-	-	-	3,655	-	-	13,779	22,103
Other	925	158	1	-	-	48	1,273	417	15,484	18,306	20,931
Equity in income of Enersource Corporation	-	-	-	-	-	-	-	-	15,933	15,933	15,808
Total Revenues	358,345	19,307	87,578	333	81	337	51,024	2,626	266,140	785,771	738,349
Expenses:											
Salary, wages and fringe benefits	71,485	94,198	126,916	541	5	370	73,838	11,830	-	379,183	379,326
Operating expenses	37,491	5,432	76,626	2,081	63	222	43,183	3,803	-	168,901	153,551
Amortization	9,249	2,491	58,126	9,345	-	82	20,904	141	-	100,338	95,681
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	1,048	1,048	2,437
Total expenses	118,225	102,121	261,668	11,967	68	674	137,925	15,774	1,048	649,470	630,995
Annual surplus/ deficit	240,120	(82,814)	(174,090)	(11,634)	13	(337)	(86,901)	(13,148)	265,092	136,301	107,354

15. Expenses by Object

The Consolidated Statement of Operations represents the expenses by function; the following classifies those same expenses by object:

	Budget 2010 \$ Unaudited	Actual 2010 \$	Actual 2009 \$
Salary, wages and fringe benefits	381,123	379,183	379,326
Materials and supplies	46,189	44,778	41,675
Contracted services	68,228	66,677	57,841
Rents and financial expenses	52,431	53,380	52,159
External transfers to others	3,412	4,066	1,876
Amortization	109,043	100,338	95,681
Loss on disposal of tangible capital assets	-	1,048	2,437
Total	660,426	649,470	630,995

16. 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 the gross and net provincial offence revenues earned. The following table provides condensed financial information required by the terms in the Memorandum of Understanding for the City's 2010 fiscal year with comparative figures for 2009:

	2010 \$	2009 \$
Revenues		
Gross revenues	8,031	7,245
Less refunds	81	80
Net Revenues	7,950	7,165
Expenses		
Provincial charges	609	584
City operating expenses	3,334	3,166
Total Expenses	3,943	3,750
Net Revenue	4,007	3,415
Net Contribution	4,007	3,415

17. Commitments

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

	\$
2011	820
2012	470
2013	360
2014	230
2015	50
Total	\$1,930





Independent Auditors' Report

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

We have audited the accompanying financial statements of the **Trust Funds of The Corporation of the City of Mississauga**, which comprise the statement of financial position as at

December 31, 2010, the statement of operations for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the City of Mississauga as at December 31, 2010, and its results of operations for the year then ended in accordance with Canadian accounting standards for not-forprofit organizations.

A stylized, handwritten-style signature of "KPMG LLP" in black ink. The signature is written in a bold, cursive-like font. Below the signature is a horizontal line that starts under the "K" and ends under the "P", with a small upward tick at the end.

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
April 19, 2011

Trust Funds Statement of Operations

for the year ended December 31, 2010 (All dollar amounts are in \$000)

	2010			2009
	Perpetual Care \$	Election Surplus \$	Total \$	Total \$
Revenues				
Interest	20	-	20	21
Perpetual Care receipts	9	-	9	6
Total Revenues	29	-	29	27
Expenses				
Repayments to candidates	-	138	138	-
Cemetery maintenance	20	-	20	20
Total Expenses	20	138	158	20
Annual surplus/deficit	9	(138)	(129)	7
Accumulated surplus, beginning of year	438	138	576	569
Accumulated surplus, end of year	447	-	447	576

Trust Funds Statement of Financial Position

for the year ended December 31, 2010 (All dollar amounts are in \$000)

	2010			2009
	Perpetual Care \$	Election Surplus \$	Total \$	Total \$
Financial Assets				
Cash	24	-	24	161
Investments (Note 2)	423	-	423	415
Net financial assets	447	-	447	576
Accumulated surplus	447	-	447	576

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

Trust Funds Notes to the Financial Statements

for the year ended December 31, 2010 (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 Fund of \$423 (2009 \$415) reported on the Statement of Financial Position at cost, have a market value of \$426 (2009 \$416) 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 Fund are undertaken by the City in accordance with the regulations of the Cemeteries Act.

4. Election Trust Fund

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

statistics 2010

Five-Year Financial Review
10 Largest Corporate Property Taxpayers



Five-Year Financial Review

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

Fiscal Year	2010 \$	2009 \$	2008 \$	2007 \$	2006 \$
Municipality Statistics					
Population	736,000	731,000	717,250	709,250	704,000
Area in acres	72,200	70,500	70,500	70,500	70,500
Households	232,500	231,000	227,500	224,700	220,000
Employees:					
full time	4,187	4,104	4,031	3,872	3,763
per 1000 people	5.7	5.6	5.6	5.5	5.3
part time	3,203	2,904	2,955	2,783	3,168
Construction Activity	451,806	640,508	1,127,194	1,199,184	1,052,760
Tax Assessment Information					
Assessment Valuation Year	2008 \$	2008 \$	2005 \$	2005 \$	2005 \$
Taxable Assessment upon which the year's rates of taxation were set:					
Residential, farm, multi-residential	70,484,292	66,204,948	62,123,065	61,568,791	60,579,487
Commercial, industrial and other	24,071,666	20,037,794	20,279,690	20,099,979	19,759,296
Total Taxable Assessment	94,555,958	86,242,742	82,402,755	81,668,770	80,338,783
Commercial, industrial, and business as a percentage of taxable assessment	25.4%	23.2%	24.6%	24.6%	24.6%

Five-Year Financial Review

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

Fiscal Year	2010	2009	2008	2007	2006
Tax Rate Information: (per \$ of assessed value)					
Residential and farm					
for City purposes	0.277387%	0.286190%	0.289828%	0.276312%	0.263908%
for Region purposes	0.463728%	0.479403%	0.480934%	0.462209%	0.444471%
for School purposes	0.241000%	0.252000%	0.264000%	0.264000%	0.264000%
Total Tax Rate - Residential and farm	0.982115%	1.017593%	1.034762%	1.002521%	0.972379%
Commercial					
for City purposes	0.391065%	0.403475%	0.408604%	0.389549%	0.372062%
for Region purposes	0.653772%	0.675870%	0.678028%	0.651630%	0.626623%
for School purposes	1.339544%	1.439162%	1.553938%	1.553938%	1.553938%
Total Tax Rate - Commercial	2.384381%	2.518507%	2.640570%	2.595117%	2.552623%
Industrial					
for City purposes	0.435709%	0.449536%	0.455251%	0.434021%	0.414537%
for Region purposes	0.728407%	0.753028%	0.755432%	0.726020%	0.698159%
for School purposes	1.585675%	1.681288%	1.777496%	1.781118%	1.781118%
Total Tax Rate - Industrial	2.749791%	2.883852%	2.988179%	2.941159%	2.893814%

Five-Year Financial Review

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

Fiscal Year	2010 \$	2009 \$	2008 \$	2007 \$	2006 \$
Property Tax Information:					
Tax Levies:					
City portion	306,504	291,911	277,899	259,239	249,087
Region portion	507,616	484,054	458,481	431,037	417,213
School Board portion	510,884	491,580	495,425	481,326	492,348
Total Tax Levies	1,325,004	1,267,545	1,231,805	1,171,602	1,158,648
Taxes collected:					
City collection	285,894	283,652	257,586	255,320	218,248
Taxes Transferred to the Region	507,616	484,054	458,481	431,037	417,213
Taxes Transferred to the School Boards	510,884	491,580	495,425	481,326	492,348
Total Taxes collected	1,304,394	1,259,286	1,211,492	1,167,683	1,127,809
Tax arrears:					
Taxes Receivable	66,552	59,472	64,480	51,639	59,672
Taxes Receivable per capita	90	81	90	73	84
Percentage of current levy	5.0%	4.7%	5.2%	4.4%	5.1%
Consolidated Revenues:					
Property Taxation	306,504	291,911	277,899	259,239	249,087
Taxation from other governments	22,508	21,882	22,971	22,086	21,922
User charges	146,477	141,537	151,029	143,699	135,750
Recovery charges	3,138	2,089	-	-	-
Government grants	48,687	6,787	60,195	11,038	19,824
Development contributions applied	148,194	131,274	48,159	62,913	61,226
Investment income	52,262	73,651	58,337	58,142	51,694
Penalties and interest on taxes	9,983	10,376	8,755	7,563	5,841
Contributed assets	13,779	22,103	125,338	-	-
Other	18,306	20,931	28,376	14,355	9,551
Equity in Income of Enersource Corporation	15,933	15,808	17,300	12,573	15,504
Pick-up in Enersource's accounting policy change	-	582	-	-	-
Total Revenues	785,771	738,931	673,021	591,608	570,399
Revenue per capita	1,068	1,011	938	834	810

Five-Year Financial Review

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

Fiscal Year	2010 \$	2009 \$	2008 \$	2007 \$	2006 \$
Consolidated Expenses By Function:					
General government services	137,553	143,779	152,847	115,332	91,485
Protection services	101,819	98,073	94,522	94,992	87,654
Transportation services	250,980	233,948	230,566	226,341	212,329
Environmental services	11,775	11,469	10,887	9,301	9,318
Health services	68	68	79	70	30
Social and family services	610	587	572	453	419
Recreation and cultural services	126,843	126,167	124,483	141,533	128,440
Planning and development services	15,774	14,467	14,284	13,364	11,552
Loss on disposal of tangible capital assets	1,048	2,437	20,461	-	-
Total Consolidated Expenses by Function	649,470	630,995	648,701	601,386	541,227
Annual Surplus/(Deficit)	136,301	107,354	149,658		
Net Financial Assets	630,274	682,217	679,599		

Fiscal Year	2010 \$	2009 \$	2008 \$	2007 \$	2006 \$
Capital Fund Information:					
Capital Financing					
Development contributions applied	148,194	131,274	48,159	62,913	61,226
Government grants	47,115	5,482	14,173	2,625	17,473
Other	23,097	18,276	18,914	6,985	4,970
Total Capital Financing	218,406	155,032	81,246	72,523	83,669
Current Year Unexpended Capital Financing	215,660	208,115	91,613	137,221	107,785

Five-Year Financial Review

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

Fiscal Year	2010 \$	2009 \$	2008 \$	2007 \$	2006 \$
Expenses By Object:					
Consolidated Statement of Operations					
Salary, wages and fringe benefits	379,183	379,326	362,155	344,480	304,052
Materials and supplies	44,778	41,675	48,424	65,558	72,263
Contracted services	66,677	57,841	76,500	133,830	108,375
Rents and financial expenses	53,380	52,159	47,803	55,761	54,427
External transfers to others	4,066	1,876	1,796	1,757	2,110
Amortization	100,338	95,681	91,562	-	-
Loss on disposal of assets	1,048	2,437	20,461	-	-
Total Consolidated Expenses	649,470	630,995	648,701	601,386	541,227
Municipal Debt Information:					
Long-Term Liabilities					
General municipal activities	-	-	-	-	-
Per capita	-	-	-	-	-
Charges for Long-Term Liabilities					
General municipal activities	-	-	-	-	-
Per capita	-	-	-	-	-
Debt Repayment Limit (as determined by the Province of Ontario)	122,653	115,020	109,314	101,615	97,089
Tangible Capital Assets					
Net Book Value	7,394,263	7,205,095	7,099,585	-	-
Amortization	100,338	95,681	91,562	-	-
Operating Fund Transfers To Capital	21,129	18,720	15,678	22,130	25,499

Five-Year Financial Review

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

Fiscal Year	2010 \$	2009 \$	2008 \$	2007 \$	2006 \$
Accumulated Surplus					
Invested in tangible capital assets	7,394,263	7,205,095	7,099,585	-	-
Unexpended capital	215,660	208,114	91,613	-	-
Enersource Corporation	213,525	207,076	201,066	-	-
Current Fund	-	-	2,515	-	-
Business Improvement Associations	150	118	128	-	-
Unfunded Employee benefits	(169,812)	(168,785)	(151,518)	-	-
Reserves	48,012	50,293	54,775	-	-
Reserve Funds	331,477	395,063	490,874	-	-
Total Accumulated Surplus	8,033,275	7,896,974	7,789,038	-	-

The statistics from 2008 onward are presented in accordance with the adoption of Public Sector Accounting Board (PSAB) sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets.

Fund Balances:					
Operating Fund	-	-	-	2,623	2,545
Reserves	-	-	-	54,488	53,898
Reserve Funds	-	-	-	504,140	528,329
Capital Fund	-	-	-	137,221	107,785
Investment in Enersource Corporation	-	-	-	191,848	188,578
Trust Funds	447	576	569	555	414

10 Largest Corporate Property Taxpayers

	Owner	Assessment Value \$
1	OMERS Realty Management	\$617,663,000
2	The Erin Mills Town Centre	\$218,507,500
3	3536785 Canada Inc.	\$174,745,500
4	Mississauga Complex Portfolio	\$125,684,500
5	Ivanhoe Cambridge Inc.	\$104,550,500
6	Nuance Group (Canada) Inc.	\$103,493,501
7	Metrus Central Properties	\$88,362,001
8	BMCC Phase III Realty Corporation	\$83,648,727
9	First Capital (Meadowvale)	\$81,940,500
10	PCM Sheridan Inc	\$79,720,500
Top Ten – Assessment Total		\$1,678,316,229
% of Total Industrial and Commercial Assessment		7.0%
% of Total Taxable Assessment		1.8%
Total Residential Assessment		\$70,484,292,343
Total Industrial and Commercial Assessment		\$24,071,666,113
Total Taxable Assessment		\$94,555,958,456

Contact Information

City of Mississauga
300 City Centre Drive
Mississauga, ON
L5B 3C1

Website: www.mississauga.ca
Public Inquiries telephone: 3-1-1
(or 905-896-5000 if calling from outside city limits)
Fax (Finance): 905-896-5133
TTY: 905-896-5151

E-mail: public.info@mississauga.ca

City of Mississauga Members of Council

Mayor Hazel McCallion, C.M., LL.D.		905-896-5555	mayor@mississauga.ca
Jim Tovey	Ward 1	905-896-5100	jim.tovey@mississauga.ca
Patricia Mullin	Ward 2	905-896-5200	pat.mullin@mississauga.ca
Chris Fonseca	Ward 3	905-896-5300	chris.fonseca@mississauga.ca
Frank Dale	Ward 4	905-896-5400	frank.dale@mississauga.ca
VACANT	Ward 5	905-896-5500	
Ron Starr	Ward 6	905-896-5600	ron.starr@mississauga.ca
Nando Iannicca	Ward 7	905-896-5700	nando.iannicca@mississauga.ca
Katie Mahoney	Ward 8	905-896-5800	katie.mahoney@mississauga.ca
Pat Saito	Ward 9	905-896-5900	pat.saito@mississauga.ca
Sue McFadden	Ward 10	905-896-5010	sue.mcfadden@mississauga.ca
George Carlson	Ward 11	905-896-5011	george.carlson@mississauga.ca

