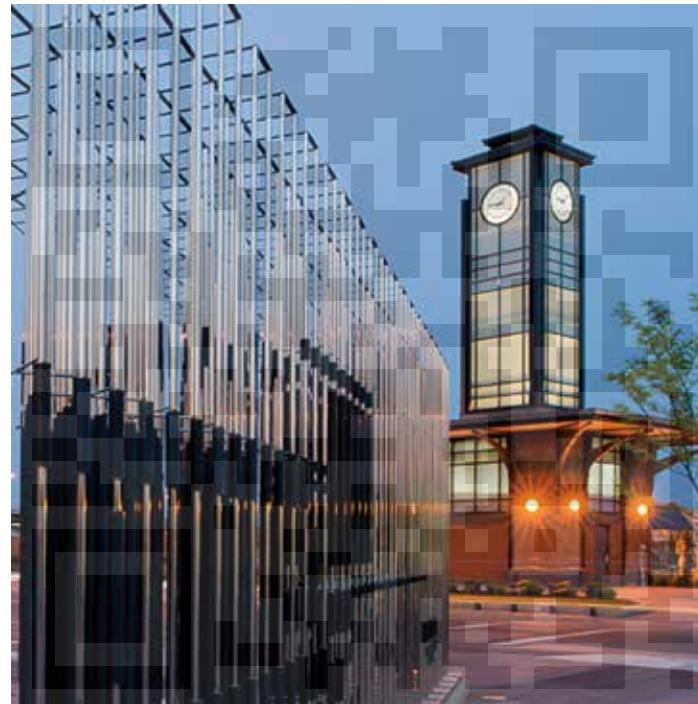


A N N U A L   R E P O R T   2 0 1 1



THE CORPORATION OF THE CITY OF BRAMPTON

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**Susan Fennell**

# Mayor's Message

2011 was a landmark year as we consolidated our plans for the Brampton of the future. As the ninth largest city in Canada and one of the pre-eminent municipalities in the country, it is critical that we are able to design a Brampton that is not only sustainable, but a place where people want to live, prosper, pray, play and enjoy a great quality of life.

Investment in Downtown Brampton is a top priority and the City of Brampton is committed to revitalizing the heart of our city: a heart that is a prosperous centre for business, a creative place for artistic and cultural experiences, and a vibrant urban environment for residents, workers and visitors. With the approval of the Southwest Quadrant Renewal Plan, we are shaping the future of our downtown as the prime location for major institutional, cultural, commercial and entertainment uses. This plan will see development, redevelopment and public improvements predicated on intensive, mixed-use built forms, with a street and public realm to create a pedestrian-friendly and transit-supportive neighbourhood.

Our commitment to a quality transportation and transit system has made Brampton a more attractive place to both live and do business. Brampton Transit recorded its highest-ever ridership in 2011, with 16.3 million riders using the service, resulting in an 18 per cent increase. With the launch of Züm rapid bus transit along Main Street, our vision for a seamless transportation service has taken another step towards providing a reliable, efficient and environmentally acceptable transit system that is consistent with sustainable urban development.

One of the keys to sustainable development is building the economy of the future. The City of Brampton is cognizant of the fact that creative and artistic endeavours play a decisive role in our economy. To ensure sustained growth in our city, we are forging an environment that is conducive to innovation, new discoveries and the creation of new knowledge. Our Heritage, Arts, Culture and Entertainment (HACE) initiative is building a cultural and creative buzz that will help us foster and attract talent to contribute to the dynamism and growth of our economy and society. We are building a city to which knowledge workers will gravitate and thrive in, as we continue to harness our entrepreneurial spirit, creativity and initiative to contribute to Brampton's long-term sustainability.

It is a matter of pride that our city continues to grow upon a strong financial foundation. For the fifth year in a row, Standard & Poor's, the world's most rigorous and respected credit rating agency, has assigned a Triple 'A' rating to the City of Brampton. It is the highest rating a municipality can receive and it recognizes our prudent fiscal management.

Our success lies in our ability to be strategic. We remain focused on the health of our economy, on the responsible and effective management of our city, and on maintaining and protecting the quality of life of our citizens and businesses who call this city home. And, as we build the Brampton of tomorrow, our community and corporate partners continue to help shape our local economy for the next decade and beyond.



(Seated left to right):

**Vicky Dhillon,**  
City Councillor, Wards 9 & 10

**Mayor Susan Fennell**

**John Sanderson,**  
Regional Councillor, Wards 3 & 4

(Standing left to right):

**Paul Palleschi,**  
Regional Councillor, Wards 2 & 6

**Grant Gibson,**  
City Councillor, Wards 1 & 5

**Sandra Hames,**  
Regional Councillor, Wards 7 & 8

**Gael Miles,**  
Regional Councillor, Wards 7 & 8

**John Sprovieri,**  
Regional Councillor, Wards 9 & 10

**Elaine Moore,**  
Regional Councillor, Wards 1 & 5

**Bob Callahan,**  
City Councillor, Wards 3 & 4

**and John Hutton,**  
City Councillor, Wards 2 & 6

# City Manager's Message



**Deborah Dubenofsky**

We live in exciting times and have much to celebrate. 2011 was particularly significant as we passed a number of milestones on our road to building the Brampton of tomorrow. These include the approval of the Southwest Quadrant Renewal Plan; launch of Züm Main Street; and the adoption of a new Public Art Policy. This year we also made substantial progress in the construction of the library and community centre in east Brampton which, at the time of going to print, was named Gore Meadows. This facility will include a cricket and kabbadi stadium to meet our city's diverse cultural needs.

Many elements go into creating a healthy community and it's critical to have the infrastructure and financial capabilities to support it. Brampton has been fortunate to have a long-standing tradition of leadership that has been forward-thinking in setting goals for the City, while being fiscally responsible. This has allowed Brampton to grow into a well-planned, commercially diverse and economically stable city. Our Triple 'A' rating from Standard and Poor's bears testimony to that.

While City Council determines policy, the City Administration works diligently to implement it. Our focus is on maintaining a high level of service. We also look for ways that we can incorporate sustainable values, knowing that what we do today can have long-term impacts on the community.

In Brampton, each year our staff works very hard to bring exciting events to our residents and visitors: world-class acts and entertainment at the Rose Theatre Brampton; live music, movies and festivities at the Garden Square and Gage Park; the fun-filled Brampton Farmers' Market, and so much more. To tell our 'story' better we launched the new tourism website that focuses on promoting our city's exciting festivals and events, heritage attractions, museums, visual and performing arts, sports and leisure activities, accommodations and more. After all, tourism is one of the fastest-growing segments with positive impacts on the economy worldwide.

In full support of our customers, we continued to extend our portfolio with product innovations and the introduction of new technologies on all Brampton Transit buses. We now provide even greater value to our riders with instant access to real-time bus information. Customers can get next bus information online, and via email and phone, by simply keying in a four-digit bus stop number. As more people are making the smart choice to travel on transit, we know that our customers will appreciate having bus schedule information at their fingertips.

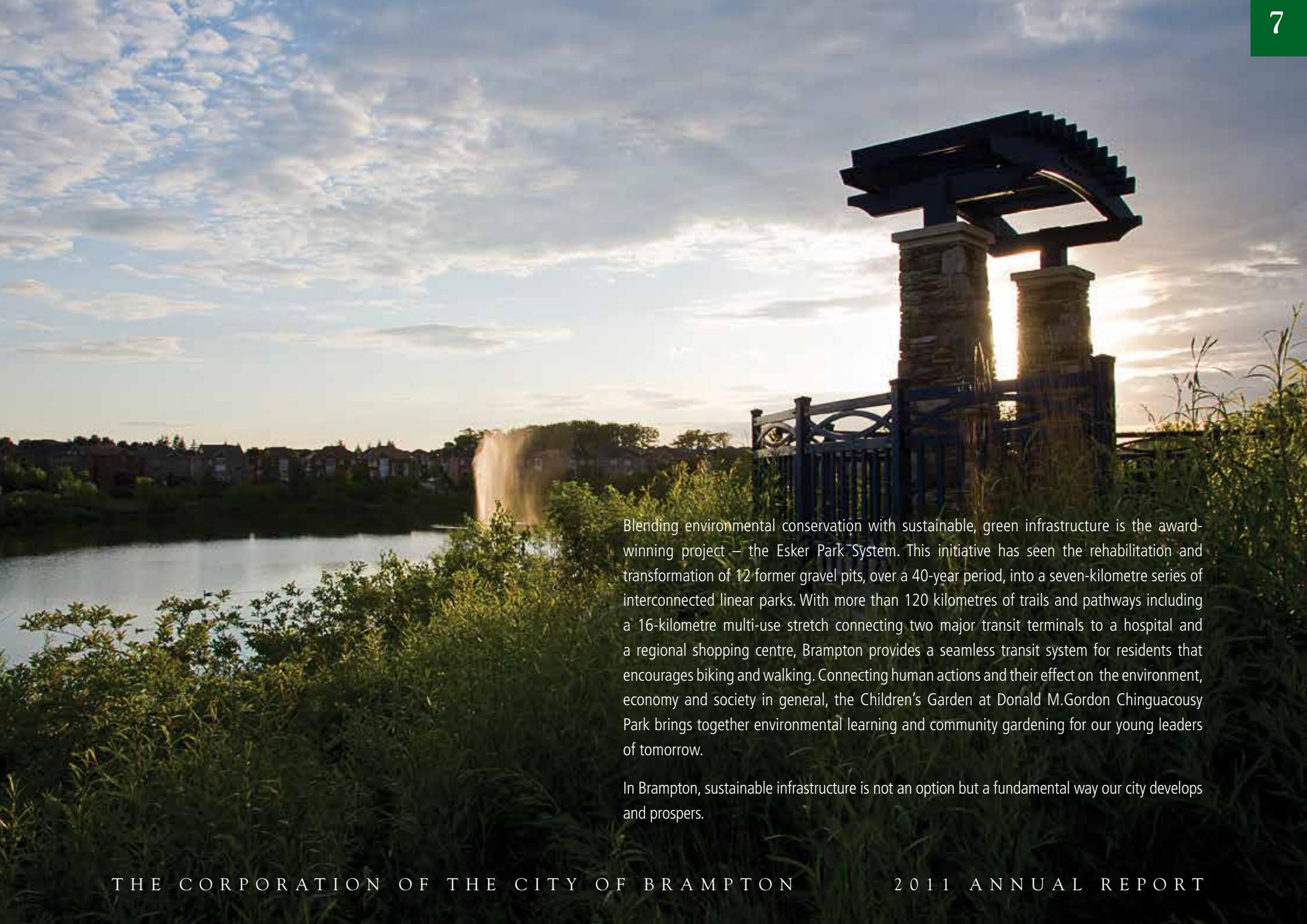
We are not resting on our laurels. Staff at the City of Brampton takes great pride in their work and continues to be very prudent with taxpayers' money, while meeting the expectations of our citizens. The City of Brampton is truly poised for great things. We are building the Brampton of the future right now.



# Environment and Infrastructure

Green infrastructure provides the foundation that underpins the function, health, wealth and identity of our communities. The 'Flowertown' of yesteryear, Brampton today takes pride in its expansive green canopy and parks; state-of-the-art community centres; a vibrant downtown core; and Züm, Brampton Transit's rapid bus system. All are designed to not only enhance environmental health, but also the community's social wellbeing and economic growth.





Blending environmental conservation with sustainable, green infrastructure is the award-winning project — the Esker Park System. This initiative has seen the rehabilitation and transformation of 12 former gravel pits, over a 40-year period, into a seven-kilometre series of interconnected linear parks. With more than 120 kilometres of trails and pathways including a 16-kilometre multi-use stretch connecting two major transit terminals to a hospital and a regional shopping centre, Brampton provides a seamless transit system for residents that encourages biking and walking. Connecting human actions and their effect on the environment, economy and society in general, the Children’s Garden at Donald M.Gordon Chinguacousy Park brings together environmental learning and community gardening for our young leaders of tomorrow.

In Brampton, sustainable infrastructure is not an option but a fundamental way our city develops and prospers.

# Heritage and Urban Design



Effective urban design helps shape perception and experience through the creation of 'place'. In Brampton, development starts with a modern vision that grows from a historical consciousness. The City of Brampton has invested much time and effort to ensure the creation of a city that blends 19th century urbanism with modern 21st century vibrancy. Heritage assets such as Gage Park and Alderlea provide a sense of the past as we march into the future with cultural and governmental landmarks such as the Rose Theatre Brampton and the futuristic Southwest Quadrant Renewal Project.



Showcasing a piece of historical architecture and blending it with the forward-looking nature of modern urban life, Mount Pleasant Village is an environment and pedestrian-friendly community that reflects the best in urban design. Similarly, the Southwest Quadrant Renewal Project will add an ultra-modern vibe to the existing Brampton City Hall.

Visually attractive and well-designed, mixed-use built environments are the key to the economic vitality of our city.

In Brampton, heritage empowers architects and planners to design buildings, communities and urban plans that enhance environmental health, social wellbeing and economic growth.

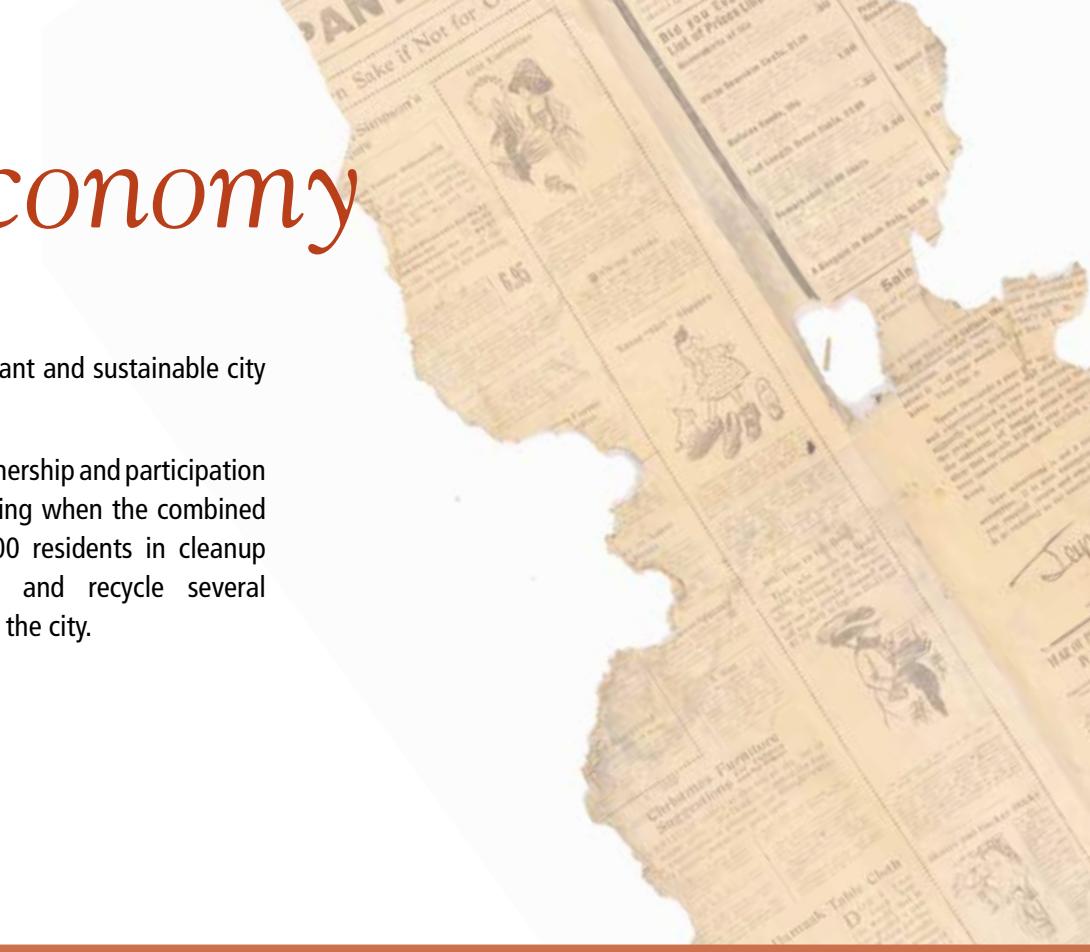
# Community and Economy

Human capital and a creative economy are the economic engines of this city, which celebrates the glamour of Hollywood and Bollywood and the spirit of entrepreneurship with equal fervour and enthusiasm. Brampton's diverse population represents people from more than 175 distinct ethnic backgrounds who speak 70 different languages. Cultural assimilation and diffusion play a significant role in the economic development of our city.

The City of Brampton's Heritage, Arts, Culture and Entertainment (HACE) initiative fosters the next generation of the creative economy workforce, with

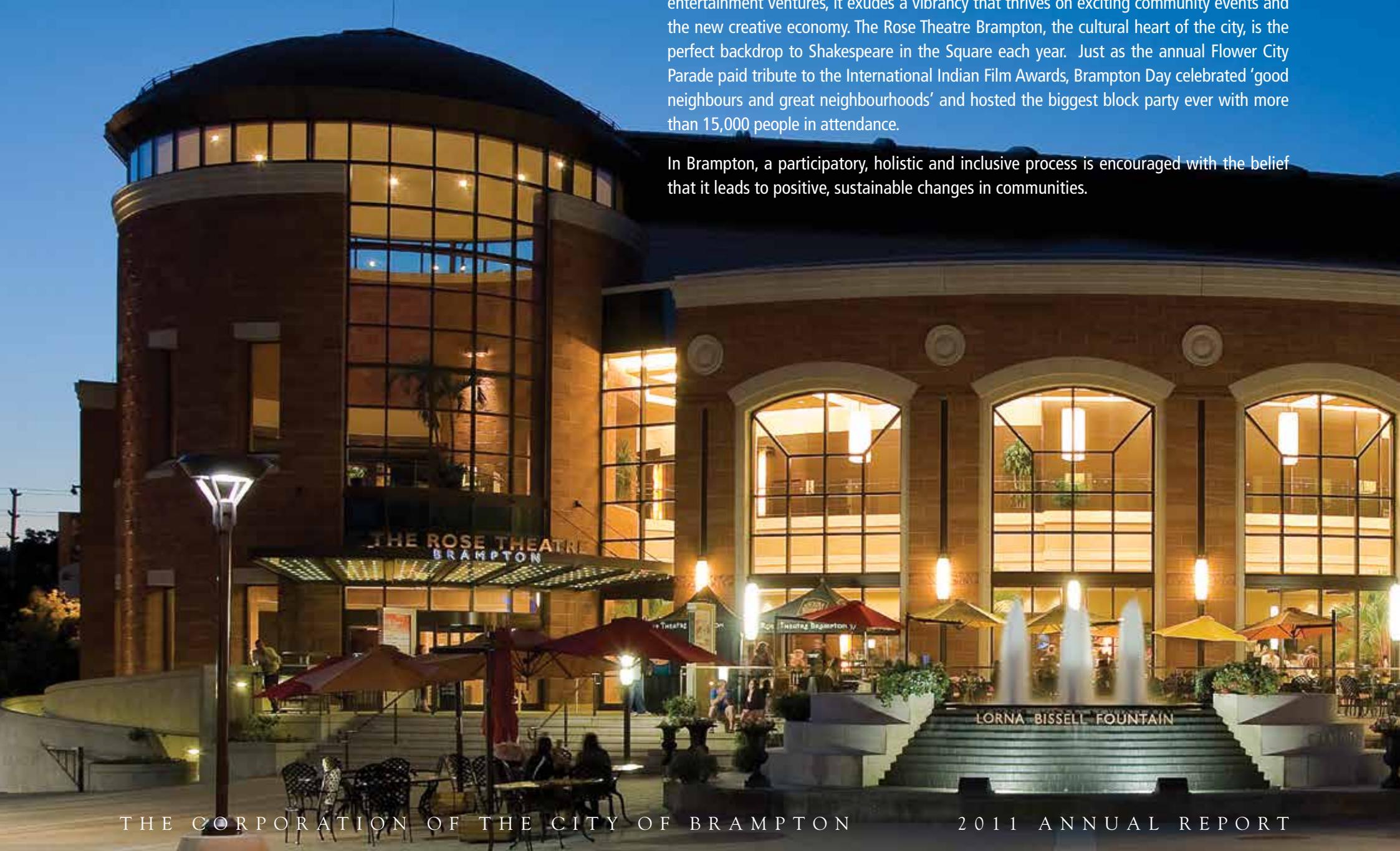
the objective to create a vibrant and sustainable city of distinction.

In Brampton, community partnership and participation takes on a whole new meaning when the combined efforts of more than 120,000 residents in cleanup campaigns helped remove and recycle several thousand tons of litter across the city.



The historic 'four corners' of the 1820s, the financial hub of the city, is today a busy Downtown Brampton. It is not only a prime location for major institutional, cultural, commercial and entertainment ventures, it exudes a vibrancy that thrives on exciting community events and the new creative economy. The Rose Theatre Brampton, the cultural heart of the city, is the perfect backdrop to Shakespeare in the Square each year. Just as the annual Flower City Parade paid tribute to the International Indian Film Awards, Brampton Day celebrated 'good neighbours and great neighbourhoods' and hosted the biggest block party ever with more than 15,000 people in attendance.

In Brampton, a participatory, holistic and inclusive process is encouraged with the belief that it leads to positive, sustainable changes in communities.



# Milestones



## March

The Economic Development Office was awarded an honourable mention for its Information Card under the category of Publications: Brochure/Specialty/Cooperative Advertising by the Ontario Economic Development Office. The City also received an honourable mention for its brochure, 'A WalkThrough Time'.

Brampton City Council moved forward with a proposal to meet the future administrative space needs of the City and a plan for renewal of the Southwest Quadrant, located at the city's historic Four Corners.

## April

Eat Smart!® program launched at Century Gardens Recreation Centre, providing visitors with healthier options such as hot steel-cut oatmeal, fresh fruit, granola bars and yoghurt to choose from at the snack bar and vending machines.

## May

The City of Brampton won the 2011 Geospatial Information & Technology Association (GITA) International Innovator Award for its Citizen Services Platform Web Interactive Maps. Users can access information about road closures, schools, libraries, bus stops, snow removal routes, ward demographics, zoning, planning information, historical traffic count analyses and more.

## June

Brampton Transit was presented with an Excellence Award for overall Marketing Communications and a Merit Award for Special Events from the International Association of Business Communicators, Toronto Chapter.

Brampton Transit received an Exceptional Performance/Outstanding Achievement Award from the Canadian Urban Transit Association for the Züm Launch.

The Chinguacousy Park Children's Garden was launched by students, teachers and community partners. It is a new community garden where young people can learn about nature, plant life and gardening.



The City of Brampton received the Association of Municipal Managers, Clerks and Treasurers of Ontario's E.A. Danby Award in recognition of the "Building on a Solid Foundation" program, where City staff partnered with a local home improvement store to offer in-store customer education and information sessions on building permits and zoning.

## August

Brampton Transit launched three new technologies to provide riders with instant access to real-time bus information. Transit riders can now get next bus information online, over the phone or by email by simply keying in a four-digit bus stop number.

Brampton helped launch the Annual Brampton Global Jazz and Blues Festival. The inaugural event featured the highest quality of jazz music from around the world and created a musical community for four days in downtown Brampton.

## September

The City of Brampton hosted its Biggest Block party ever. A special electronic counting system, developed by the City in collaboration with Microsoft, counted more than 15,000 people in attendance.

Brampton Transit launched Züm, Main Street service. Züm provides commuters in Brampton and the Greater Toronto Area with a more efficient transit option, while cutting commute times and taking more cars off the road.

## October

The Rose Theatre Brampton received the Ontario Fire Marshal's Fire Safety Award for "Hearts Aflame", a comical silent film that explains to staff, patrons and performers how to properly exit the theatre in case of an emergency.

## November

The City of Brampton was recognized as a technology innovator for the Citizen Services Platform as part of CIO magazine's Top 100. Brampton was the only Canadian municipality to receive this honour in 2011.

# City of Brampton Corporate Organizational Chart



# FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

The Corporation of the City of Brampton Province of Ontario

# Message from the Commissioner of Finance and Information Services and Treasurer



I am pleased to present the financial statements of the City of Brampton for the 2011 fiscal year. In addition to key financial results, this report provides taxpayers, residents, business leaders and other interested parties with an overview of the local economic climate, financial policies, budget initiatives, and financial performance related to the delivery of City's programs and services.

## Financial Statements

These financial statements have been prepared in accordance with the reporting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Readers are reminded that the manner and extent of the information that Canadian municipalities provide in their financial statements was significantly enhanced, commencing with the 2009 fiscal year, with respect to financial reporting standards for Tangible Capital Assets.

It is also important to note that these new financial reporting standards do not change the City's budget process, how the tax levy is calculated, or how funding decisions are made by Council.

With the adoption of these PSAB financial reporting standards, municipal financial statements have moved closer to those of the private sector. These financial statements are prepared using the full accrual basis of accounting. Also, with the new reporting requirements, tangible capital assets, which are critical to a municipality's ability to deliver municipal services, are now reported on a consistent basis by municipalities. These financial statements show how much the City has invested in tangible capital assets; the amount of assets consumed during the year (amortization); and disclose assets contributed by developers as part of development agreements. This, in turn, enables all levels of government to track the nature and extent of the investment in municipal infrastructure across the country and the associated infrastructure deficit.

## Overview of Economic Climate and Financial Strategies

Municipalities across Canada continue to face the challenge of balancing their annual budgets, particularly in the current economic climate. Likewise, these challenges continue to be heightened in Brampton since it is a provincially designated high-growth community and is striving to respond to increased service demands while maintaining service levels.

Some of the key economic indicators in Brampton are:

- Population of 524,000 in 2011 (505,000 in 2010): It is projected that the number will continue to grow. By the year 2031, Brampton's population is expected to increase to 738,000.
- Number of households : 149,000 in 2011 (143,000 in 2010) and is projected to be more than 200,000 by 2031.
- The Region of Peel unemployment rate increased to 9.2 per cent in 2011 (7.8 per cent in 2010). The rise in Peel's unemployment rate reflected the greater pace at which persons entered the workforce (1.8 per cent) relative to the pace of job creation (0.2 per cent) over the period.
- Total construction building permit values increased by 13.4 percent to \$1.44 billion in 2011 from \$1.27 billion in 2010. Brampton building permits, despite being second highest in GTA, are below the 2008 level.
- Housing permits issued decreased by 2.2 per cent to 3,392 in 2011 from 3,466 in 2010.

# Message from the Commissioner of Finance and Information Services and Treasurer

While these indicators show that the Brampton economy continues to recover, Brampton's City Council recognizes the global economic uncertainty. Meeting provincial growth targets and other budget drivers places a significant strain on the City's finances. To this end, the City has implemented prudent fiscal management and growth management policies to ensure that growth is managed effectively. To insulate taxpayers, while maintaining service levels and preserving the City's physical assets, we have curtailed spending where possible and deferred implementing new programs. These fiscal policies balance the need to provide infrastructure for a growing city with the timely provision of quality services for its citizens.

Brampton is also committed to maintaining its existing infrastructure base in a state of good repair. Therefore, the City continues to devote considerable time and effort to long-term financial planning, including strategic use of reserve funds, identifying new revenue sources and exercising the option of introducing a tax levy of 1 per cent to address the City's projected infrastructure deficit of \$357 million. Furthermore, while effectively leveraging the use of Federal and Provincial financial support, the Mayor and City Council continue to advocate on behalf of Brampton taxpayers for additional government financial support for infrastructure funding at the Federation of Canadian Municipalities to reduce the significant strain on the City's finances and revenue streams.

The 2011 Federal budget announcement confirmed the permanency of the Federal Gas Tax Funding program. Under the terms of the current agreement for the Federal Gas Tax Fund, Brampton is receiving more than \$24 million annually for the four-year period from 2010 through to 2014 to fund various public transit capital projects and other eligible capital programs. (This includes the portion of the Region of Peel's Gas Tax revenue re-allocated to the local communities.) The Federal Gas Tax Fund is now providing significant flexibility for municipalities to invest in infrastructure priorities that include not only transit-related programs, but also roads and bridges, water and waste water systems, community energy, waste management and capacity-building, many of which are Brampton concerns. Permanency of the program will assist the City's long-term planning for infrastructure maintenance.

In 2011, the City also received \$23 million from the Federal and Provincial Governments through two distinct capital funding programs. The Infrastructure Stimulus Funding (ISF) program provided funding for the development of the Mount Pleasant Mobility Hub and the Donald M. Gordon Chinguacousy Park renewal project. The Recreational Infrastructure Canada (RInC) program provided funding for the renewal and upgrading of existing recreation facilities in the City of Brampton. We are pleased to announce all projects financed by these funding programs are complete.

The City continued to expands Züm Bus Rapid Transit service with the introduction of a new line along Main Street (Hurontario Street) in September of 2011. Further expansion is planned for 2012 with the introduction of service on Steeles Avenue between the Shoppers World Terminal and Humber College North Campus in Toronto.

## Financial Management Policies

The City of Brampton has established a number of financial management policies which, along with proactive financial planning processes, provide a framework for the City's overall fiscal planning and management.

The City of Brampton is in compliance with the guidelines of the Municipal Performance Measurement Program (MPMP), a program required by the Ministry of Municipal Affairs and Housing. Municipalities report on measures reflecting the effectiveness and efficiencies of programs and services implemented in the city. Readers are encouraged to visit the City of Brampton's website for regular updates on performance and progress achieved throughout the year.

The City has taken a proactive approach by implementing a risk management program that protects the Corporation's assets against financial losses and ensures preservation of public service capabilities. In addition, the City purchases insurance to provide a safety net. Insurance costs are reduced through self-insured deductibles, the cost of which is funded by a dedicated reserve fund.

The strength of the City's financial polices and its solid financial position is reinforced by the fact that Brampton continues to enjoy a Standard & Poor's 'AAA' rating, the highest credit rating a municipality can receive.

The strength of the City's financial polices and its solid financial position is reinforced by the fact that Brampton continues to enjoy a Standard & Poor's 'AAA' rating, the highest credit rating a municipality can receive.

## Budget Process

Preparation of the City's budget revolves around setting priorities that reflect strategic objectives and service standards, balanced with the need for prudent financial management. Priority-setting takes place at all levels of the organization by departmental staff, Senior Management and ultimately City Council. Throughout the process, public input is taken into account, as expressed through public participation in regular and special open meetings.

The initial stages in the process involve:

1. Review of the current year's actual and projected financial performance and operating results.
2. Determination of priorities for maintaining and improving services and accommodating rapid growth. These priorities are set out in the City's service plans that translate key departmental initiatives into specific action plans and funding requirements.
3. Review of the City's long-term financial outlook including a multi-year operating budget projection, a 10-year forecast of capital project needs, and development of short- and long-term funding strategies.
4. Identification of factors impacting the budget, such as inflation and legislative requirements, which are beyond the control of City decision-makers.

# Message from the Commissioner of Finance and Information Services and Treasurer

Separate Capital and Operating budgets are prepared in parallel, but are closely linked in recognition of the impact that each has on the other. The capacity to fund, deliver and manage the large quantity of new capital infrastructure needed to accommodate growth continued to be a major consideration in the 2011 budget process.

Budget submissions are consolidated and supported by the analysis of budget drivers and justification of all proposed new initiatives. Senior Management then determines a recommended set of objectives and priorities for allocation of available resources. These proposed budgets and priorities are considered by Council in open public meetings, amendments are made as appropriate and budget approval is granted.

Key budget objectives included in the 2011 budget were:

- Maintaining priority services
- Ensuring continued value for money in the provision of City services
- Channelling limited capital funds to support managed development
- Phasing in service expansion for transit and implementing a modest transit fare increase
- Leveraging Federal Gas Tax revenues
- Addressing the infrastructure deficit
- Setting the foundation for a sustainable capital funding strategy

## Audit Committee

The Audit Committee is a Committee of Council comprised of four City Council members, appointed by Council. It provides a forum for communication between Council, the external auditor, the internal auditor and management. The Audit Committee facilitates an impartial, objective and independent review of management practices through the internal and external audit functions.

## External Audit

Included in the Financial Statements is a report prepared by our statutorily appointed auditors, KPMG LLP, Chartered Accountants. The role of the statutory auditor is to present an independent opinion on the fair presentation of the City's financial position and operating results as contained in the Financial Report and confirm that the statements are free from material misstatements. The auditors are also responsible for advising management and City Council of any control or operational issues that may be identified during their audit.

The audit of the 2011 fiscal year resulted in KPMG LLP issuing an unqualified audit opinion, meaning that in the opinion of the Auditor, the City's financial statements present fairly the financial position of the Corporation of the City of Brampton as at December 31, 2011; and, results of its operations and cash flows for the year then ended. The receipt of an unqualified audit opinion from the City's auditors is consistent with all prior fiscal years.

## Financial Results

The City of Brampton's accumulated surplus increased from \$3.34 billion at the end of 2010 to \$3.4 billion at the end of 2011, primarily due to the increased investment in the City's tangible capital assets. This increase is attributable to the City's continued commitment to invest in capital infrastructure to support current City services and future growth.

### Revenues:

Total revenues reported in 2011 were \$117.4 million lower than 2010. Major factors contributing to this decrease include:

- \$2.3 million reduction in interest income due to lower investment returns experienced as a result of the continued weakness of global financial markets.
- \$98.0 million decrease in development levies and other restricted capital contributions earned, reflecting higher unspent development charges and other obligatory reserve funds revenues. It was also a result of less than budgeted delivery of capital projects due to external factors.
- \$51.3 million decrease in developer contributed tangible capital assets due to lower number of subdivisions assumed during 2011 over 2010.

# Message from the Commissioner of Finance and Information Services and Treasurer

These decreases in revenues were offset by the following increases:

- Tax revenues increased by \$17.2 million due to growth in the City's overall assessment base and the budgeted tax rate increase for 2011.
- User charges increased by \$11.5 million, which included a \$1.5 million increase in building permit revenues and a \$7.3 million increase in Brampton Transit revenues due to the launch of Züm service on Main Street in September 2011. Number of regular service passenger trips increased by 2.5 million (18per cent) in 2011 over 2010.
- The increase in other revenues was primarily due to a \$2.6 million developer contribution for the Mount Pleasant Mobility Hub project.

## Expenses:

Total operating expenses of \$505.3 million (2010 in \$458.8 million) increased by \$46.5 million. \$15.9 million of this increase is attributable to the increase in amortization (depreciation) expense, representing the value of tangible capital assets that was consumed during the year. The amortization expense increased by \$16 million (\$20.1 million in 2010) due to the impact of the \$315.6 million in new tangible capital assets that were added during 2011. Tangible assets added in 2011 were largely funded by RInC, ISF, Züm and Gas Tax programs as well as the assets contributed by developers as required by development agreements. Amortization expenses are non-cash in nature meaning that there is no outlay of cash resources related to the expense and they are not included in the determination of the annual property tax levy.

The remaining \$30.6 million in increased expenses represents an 8.0 per cent increase in non amortization expenses. Factors contributing to increased operating expenses included:

- Continued expansion of the Züm (Transit) program
- Increase in fuel costs due to higher prices and volumes
- Maintenance of growing City infrastructure
- Higher winter control costs due to less favourable weather conditions in the early part of 2011

## Reserve Funds

The City of Brampton has established a number of reserves and reserve funds to fund long-term liabilities, smooth tax rate increases, expense fluctuation impacts and fund capital projects.

As at December 31, 2011, the City of Brampton's Reserves and Reserve Fund Balances totalled \$221.5 million as compared to \$224.5 million in 2010, representing a decrease of \$3.0 million or 1.3 per cent. These funds are reported as a component of the Accumulated Surplus (see Note 7 of the Financial Statements).

Included in the Consolidated Statement of Financial Position are deferred revenues from gas taxes, Provincial and Federal transfer payments, development charges and other contributions from developers for future growth-related capital works. These deferred revenues totalled \$158.0 million as at December 31, 2011 as compared to \$105.7 million in 2010, an increase of \$52.3 million.

Transfers from Reserves and Reserve Funds are required on an annual basis to fund portions of the City's operating costs and capital expenditure program. In addition, some of these transfers are directed towards insurance claims, replacement of assets, sick leave programs and Workers' Safety Insurance payments.

Staff continues to review reserve balances on a ongoing basis to ensure the City is well-positioned to meet its long-term financial commitments and take advantage of financial opportunities that may arise.

## Final Comments

During 2011, for the tenth consecutive year, the Government Finance Officers Association of the United States and Canada formally recognized the City's excellence in financial reporting with the "Canadian Award for Financial Reporting" for the City's 2010 Annual Report.

The City of Brampton's 2011 achievements outlined in this Annual Report are a direct result of the leadership provided by City Council and the support and dedication of staff.

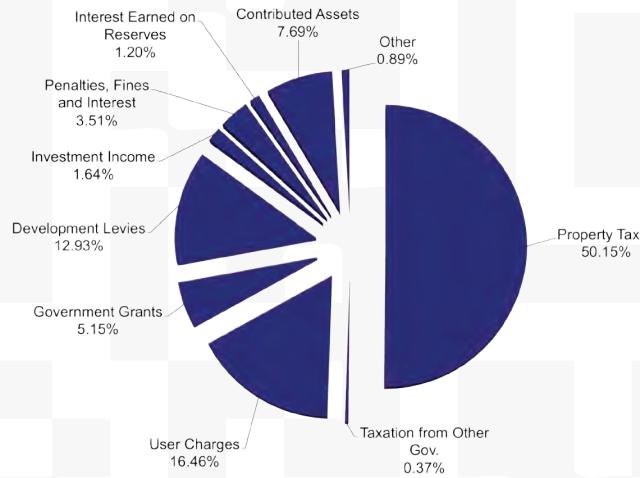
Going forward, the City will continue to be faced with a number of opportunities and challenges such as growth management, infrastructure maintenance and environmental stewardship. To sustain high quality services to Brampton citizens, the City will continue to focus on strategic financial management, as well as advocate to the other levels of government for an equitable level of financial support.

Maurice (Mo) Lewis  
Commissioner of Financial and Information Services & Treasurer  
May 31, 2012

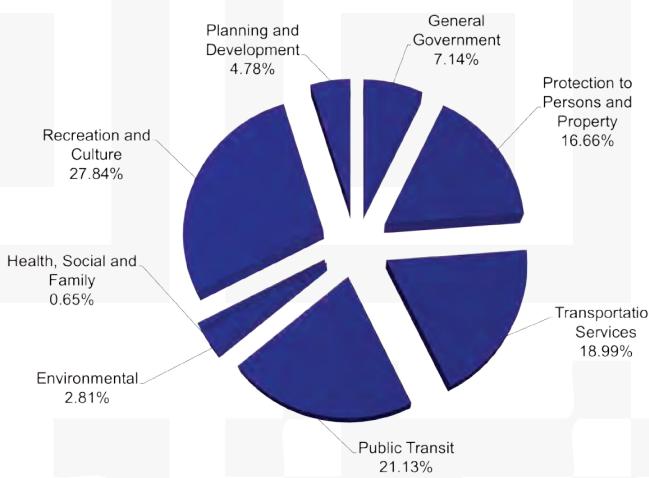
# Financial Highlights

for the Year Ended December 31, 2011

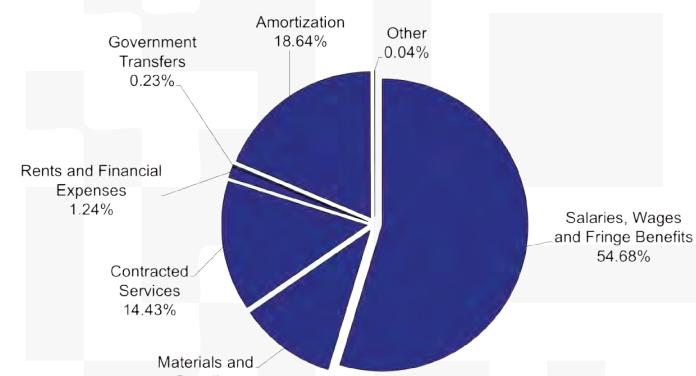
**CONSOLIDATED REVENUE BY TYPE - 2011**



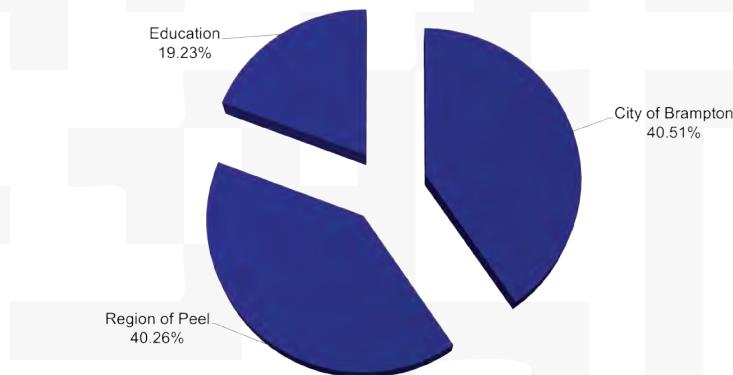
**CONSOLIDATED EXPENSES BY SERVICE - 2011**



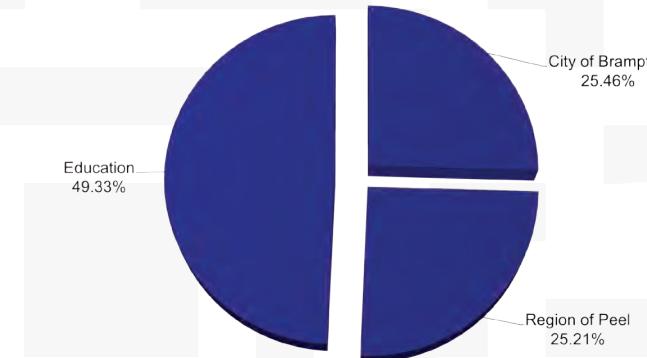
**CONSOLIDATED EXPENSES BY TYPE - 2011**



**WHERE DOES YOUR RESIDENTIAL TAX DOLLAR GO**



**WHERE DOES YOUR COMMERCIAL AND INDUSTRIAL TAX DOLLAR GO**



## GFOA Award

# Canadian Award for Financial Reporting

Presented to

The Corporation of the City  
of Brampton, Ontario

For its Annual  
Financial Report  
for the Year Ended

December 31, 2010

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.



*Linda C. Dawson*  
President

*Jeffrey L. Eiser*  
Executive Director

# CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of Brampton for the Fiscal Year Ended December 31, 2011

# Responsibility for Financial Reporting

## Management's Report

The integrity, relevance and comparability of data in the accompanying consolidated financial statements are the responsibility of management.

The consolidated financial statements are prepared by management, in accordance with generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. They necessarily include some amounts that are based on the best estimates and judgments of management. Financial data elsewhere in the report is consistent with that in the financial statements.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

City Council fulfils its responsibility for financial reporting through The Standing Committee of Council and its Audit Committee. The Standing Committee of Council consists of the Mayor and 10 Councillors. The Audit Committee consists of three Councillors.

KPMGLP, Chartered Accountants, have been appointed by City Council to express an opinion on The City's consolidated financial statements. Their report follows.



Deborah Dubenofsky  
City Manager

Brampton, Canada  
May 31, 2012



Maurice (Mo) Lewis  
Commissioner of Finance &  
Treasurer

# Auditor's Report



**KPMG LLP**  
**Chartered Accountants**  
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Toronto ON M2P 2H3  
Canada

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated financial statements of The Corporation of the City of Brampton, which comprise the consolidated statement of financial position as at December 31, 2011, the consolidated statements of operations and accumulated surplus, changes 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 an 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 Brampton as at December 31, 2011, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

May 31, 2012  
Toronto, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

# Consolidated Statement of Financial Position

as at December 31, 2011

	2011	2010
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments (Note 2)	\$224,714,861	\$232,392,348
Taxes receivable	58,278,081	50,622,281
User charges receivable	2,455,850	2,245,199
Accounts receivable	28,664,255	33,023,211
Long-term investments (Note 2)	416,358,666	409,414,003
Other assets (Note 3)	8,393,511	8,138,645
<b>Total Financial Assets</b>	<b>738,865,224</b>	<b>735,835,687</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	97,949,374	101,389,214
Capital lease obligations (Note 16)	804,872	1,140,710
Deferred revenue - general (Note 4 (a))	3,175,334	2,982,845
Deferred revenue - obligatory reserve funds (Note 4 (b))	158,094,560	105,730,874
Employee benefits and other liabilities (Note 5)	48,401,143	41,776,109
<b>Total Financial Liabilities</b>	<b>308,425,283</b>	<b>253,019,752</b>
<b>Net Financial Assets</b>	<b>430,439,941</b>	<b>482,815,935</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 13)	2,968,464,214	2,856,316,665
Inventory and prepaids	3,653,806	3,509,377
<b>Total Non-Financial Assets</b>	<b>2,972,118,020</b>	<b>2,859,826,042</b>
Guarantee (Note 3)	-	-
Contingencies (Note 11)	-	-
Commitments (Note 15)	-	-
<b>Accumulated Surplus (Note 7)</b>	<b>\$3,402,557,961</b>	<b>\$3,342,641,977</b>

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

# Consolidated Statement of Operations and Accumulated Surplus

for the Year Ended December 31, 2011

	2011 Budget (Unaudited Note 1 (n))	2011	2010
<b>REVENUES</b>			
Property taxation (note 8)	\$281,209,598	\$283,457,170	\$266,211,099
Taxation from other governments	1,933,500	2,092,192	2,133,918
User charges	88,441,196	93,057,359	81,565,866
Government grants	11,487,124	29,095,399	26,707,502
Development levies earned and other restricted capital contributions	277,110,031	73,072,666	171,131,332
Investment income	4,557,500	9,292,059	6,748,682
Interest earned on reserves	-	6,756,236	11,617,630
Penalties, fines and interest	18,111,477	19,850,307	18,882,940
Developer contributed tangible capital assets (note 13 (b))	-	43,491,969	94,807,313
Other	1,287,635	5,040,035	2,801,711
<b>Total Revenues</b>	<b>684,138,061</b>	<b>565,205,392</b>	<b>682,607,993</b>
<b>EXPENSES</b>			
General government	35,882,521	32,232,206	32,159,900
Protection to persons and property	80,353,880	78,986,447	66,398,547
Transportation services	153,675,210	155,718,932	137,051,571
Environmental services	4,209,005	4,146,216	3,298,620
Health services (cemeteries)	574,643	660,732	597,108
Social and family services	1,989,501	2,169,863	1,850,093
Recreation and cultural services	119,462,456	116,831,515	111,141,724
Planning and development services	20,981,811	20,170,987	27,751,986
Amortization expense (note 13)	-	94,166,650	78,279,323
Other	-	205,860	289,564
<b>Total Expenses</b>	<b>417,129,027</b>	<b>505,289,408</b>	<b>458,818,436</b>
<b>Annual Surplus</b>	<b>\$267,009,034</b>	<b>\$59,915,984</b>	<b>\$223,789,557</b>
<b>Accumulated Surplus, beginning of year</b>		<b>3,342,641,977</b>	<b>3,118,852,420</b>
<b>Accumulated Surplus, end of year</b>		<b>\$3,402,557,961</b>	<b>\$3,342,641,977</b>

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, 2011

	2011 Actual	2010 Actual
<b>Annual Surplus</b>	<b>\$59,915,984</b>	<b>\$223,789,557</b>
Acquisition of tangible capital assets	(207,272,972)	(294,755,374)
Tangible capital assets held for resale	23,226	-
Amortization of tangible capital assets	94,166,650	78,279,323
Asset impairment	720,983	-
Net book value of disposed tangible capital assets	214,564	588,012
Acquisition of inventory and prepaids	(5,571,118)	(4,549,349)
Use of inventory and prepaids	5,426,689	5,246,196
<b>Change in Net Financial Assets</b>	<b>(52,375,994)</b>	<b>8,598,365</b>
 <b>Net Financial Assets, beginning of year</b>	 <b>482,815,935</b>	 <b>474,217,570</b>
<b>Net Financial Assets, end of year</b>	<b>\$430,439,941</b>	<b>\$482,815,935</b>

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

# Consolidated Statement of Cash Flows

for the year ended December 31, 2011

	2011 Actual	2010 Actual
<b>OPERATING ACTIVITIES</b>		
<b>Cash provided by (used in):</b>		
Annual surplus	\$59,915,984	\$223,789,557
<b>Change in non-cash assets and liabilities:</b>		
(Increase) decrease in taxes receivable	(7,655,800)	1,993,736
(Increase) decrease in user charges receivable	(210,651)	(174,000)
Decrease (increase) in accounts receivable and other assets	4,127,316	(14,208,768)
(Decrease) increase in accounts payable and accrued liabilities	(3,439,840)	18,131,200
Increase (decrease) in deferred revenue - general	192,489	(459,297)
Increase in deferred revenue - obligatory reserve fund	52,363,686	(49,924,449)
Increase in employee benefits and other liabilities	6,625,034	5,438,861
Change in inventory and prepaids	(144,429)	696,847
	<b>51,857,805</b>	<b>(38,505,870)</b>
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	94,166,650	78,279,323
Asset impairment	720,983	-
Net book value of disposed tangible capital assets	214,564	588,012
Developer contributed tangible capital assets	(43,491,969)	(94,807,311)
<b>Net Change In Cash From Operations</b>	<b>163,384,017</b>	<b>169,343,711</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(163,781,003)	(199,948,063)
<b>FINANCING ACTIVITIES</b>		
Repayment of capital lease obligations	(335,838)	(117,986)
<b>INVESTING ACTIVITIES</b>		
Increase in long-term investments	(6,944,663)	(20,746,675)
	(171,061,504)	(220,812,724)
<b>(Decrease) In Cash and Short Term Investments</b>	<b>(7,677,487)</b>	<b>(51,469,013)</b>
Cash and short term investments, beginning of year	232,392,348	283,861,361
<b>Cash and Short Term Investments, end of year</b>	<b>\$224,714,861</b>	<b>\$232,392,348</b>

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

# Notes to Consolidated Financial Statements

Year ended December 31, 2011

The City of Brampton 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, Municipal Affairs Act and related legislation.

## 1. Significant Accounting Policies:

The consolidated financial statements of The Corporation of the City of Brampton (the "City") are prepared by management in accordance with generally accepted accounting principles 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) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These financial statements include:

- The City of Brampton Public Library Board
- Brampton Downtown Development Corporation
- Brampton Downtown Business Association
- Brampton Theatres Board of Directors

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

### b) Non consolidated entities:

The following Regional Municipality and local boards are not consolidated and should be contacted directly if examination of their annual audited financial statements is desired:

- The Regional Municipality of Peel
- The Peel District School Board
- The Dufferin Peel Catholic District School Board
- Conseil Scolaire de District du Centre-Sud Ouest
- Conseil Scolaire de District Catholique Centre-Sud

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

### c) Accounting for Region and School Board transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of The Regional Municipality of Peel and the school boards are not reflected in the accumulated surplus of these financial statements.

### d) Basis of accounting:

The City follows the accrual method of accounting. Under the accrual method of accounting revenues are recognized in the period in which the transactions or events that gave rise to the revenues occurred. Expenses are the cost of goods or services acquired in the period whether or not payment has been made or invoices received.

### e) Cash and short-term investments:

Cash and short-term investments include short term highly liquid investments with an original terms to maturity of 90 days or less at acquisition.

### f) Non-financial assets:

Non-financial assets include tangible capital assets, inventory and prepaids. They 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.

### g) 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, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Buildings and building improvements	10 - 40
Furniture, computer and office equipment	2 - 20
Infrastructure	10 - 40
Land improvements	10 - 30
Vehicles and machinery	7 - 15

# Notes to Consolidated Financial Statements

Year ended December 31, 2011

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.

## **(i) Contributions of tangible capital assets**

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

## **(ii) 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.

## **(iii) Interest capitalization**

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

## **(iv) 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.

## **(v) Tangible capital assets disclosed at nominal values**

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

## **h) 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.

## **i) Deferred revenue - general:**

Deferred revenue represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

## **j) Deferred revenue – obligatory reserve funds**

The City receives gas taxes and transfer payments from other levels of government and development charges under the authority of Provincial Legislation and City By-Laws. These funds by their nature are restricted in their use and until applied to applicable capital works are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

## **k) Taxation and related revenues:**

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by City Council, incorporating amounts to be raised for local services, the requisition made by the Regional Municipality of Peel in respect of Regional services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known, and allocated to the various bodies proportionately as to their share of the levy.

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

## **l) Investment income:**

Investment income earned on available surplus funds is reported as revenue in the period earned. Investment income earned on development charges and parkland obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

# Notes to Consolidated Financial Statements

Year ended December 31, 2011

## **m) Pensions and employee benefits:**

The City accounts for its participation in the Ontario Municipal Employee Retirement Fund ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan. Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued where they are vested and subject to payout when an employee leaves the City's employment.

Other post-employment benefits and compensated absences are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments.

Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/ losses for event-triggered liabilities, such as those determined as claims related to Workplace Safety Insurance Board ("WSIB") are amortized over the average expected period during which the benefits will be paid.

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

## **n) Budget figures:**

The City does not currently budget for the following items on the consolidated statement of operations: interest earned on reserves, contributed assets (developer assumptions) and amortization expense.

Brampton City Council completes separate budget reviews for its operating and capital project budgets each year. Both budgets are reflected in the consolidated statement of operations.

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

Budgets established for capital are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years.

## **o) Use of estimates:**

The preparation of financial statements requires management to make estimates and assumptions. This affects 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. Actual results could differ from these estimates.

## **2. Investments:**

Included in cash and short-term investments of \$224,714,861 (2010 - \$232,392,348) are short-term investments of \$0 (2010 - \$53,327,655) with a market value of \$0 (2010 - \$53,599,213), at the end of the year.

Long-term investments of \$416,358,666 (2010 - \$409,414,003) have a market value of \$425,846,377 (2010 - \$413,449,923), at the end of the year.

# Notes to Consolidated Financial Statements

Year ended December 31, 2011

## 3. Powerade Centre:

Included under other assets in the consolidated statement of financial position is \$7,984,110 (2010 - \$7,984,110) consisting of a loan of \$6,000,000 advanced by the City towards the construction of the Powerade Centre with a due date of August 31, 2034 and a further \$1,984,110 representing advances provided to the Powerade Center under the Loan and Priorities Agreement established in 1998.

In March 2011, PA Sports Center Inc. (PA Sports, the operator of Powerade Center) and Royal Bank (RBC) have agreed on a restructured credit facility to replace the previous first mortgage of \$15,500,000. The new arrangements have significantly lowered monthly payments that enables the Powerade Center to generate positive cash flow annually and reduce reliance of further financial contributions from the City and PA Sports in order to maintain its operating and capital improvement needs.

Under this new lending agreement between PA Sports and RBC, there is a \$10,400,000 fixed rate 36-month term loan/mortgage due February 18, 2014 with the condition that the City continues to be a guarantor on the loan. As the City is the guarantor of the loan/mortgage held by RBC, Council approval was sought and granted to complete the transaction with RBC. Council also approved to amend the Loan and Priorities agreement between the City and PA Sports in February 2011.

The new loan has an outstanding balance of \$10,181,312 on December 31, 2011. The previous mortgage the City guaranteed for \$15,500,000 had an outstanding balance of \$8,785,864 as at December 31, 2010.

## 4. Deferred Revenue – General:

### a) General:

Deferred revenue – general is comprised primarily of program registration fees for parks and recreation programs, Transit advertising revenues applicable for the following year and unspent Provincial funding for capital projects. As at December 31, 2011 the deferred revenue – general amounted to \$3,175,334 (2010 - \$2,982,845).

### b) Deferred revenue – obligatory reserve funds:

Under PSAB accounting principles, obligatory reserve funds are to be reported as deferred revenue. This requirement is in place as Federal/Provincial legislation and other City by-laws and agreements may restrict how these funds may be used and under certain circumstances these funds may possibly be refunded.

As at December 31, 2011, obligatory reserve funds amounted to \$158,094,560 (2010 - \$105,730,874). This balance includes unspent development charges, unspent gas tax receipts as well as unspent funding for specific infrastructure projects received from federal and provincial governments. Also included in this balance are unamortized downtown incentive charges.

The Downtown Incentive Program was initiated in 2000 with the intent of promoting new development in the downtown core. As part of this program, development charges are waived and amortized by the City over a 25 year period. As of December 31, 2011 unamortized downtown incentive charges were \$11,299,352 (2010 - \$11,829,975).

## 5. Employee Benefits and Other Liabilities:

The City provides certain employee benefits, which will require funding in future periods. Under the sick-leave benefit plan, unused sick leave can accumulate and employees may become entitled to cash payment when they leave the City's employment. With respect to responsibilities under provisions of the Workplace Safety and Insurance Board Act, the City has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these financial statements.

Employee benefits and other liabilities included in the financial statements are summarized below:

	2011	2010
WSIB	\$7,495,484	\$6,777,712
Vested sick leave benefits	11,141,053	9,672,879
Vacation pay	9,840,075	8,600,023
Non-pension post employment benefits	13,198,463	11,891,687
Other liabilities	6,726,068	4,833,808
<b>Total</b>	<b>\$ 48,401,143</b>	<b>\$ 41,776,109</b>

As at December 31, 2011, the City has allocated reserves and reserve funds of \$17,884,394 (2010 - \$16,127,652) to fund these obligations.

The most recent full actuarial valuation for post employment and sick leave benefits was performed as at December 31, 2011 and as at December 31, 2010 for WSIB.

# Notes to Consolidated Financial Statements

**Year ended December 31, 2011**

The following table sets out the actuarial results for each of the plans as at December 31, 2011:

Item	Non-Pension Post Employment Benefits	Vested Sick Leave Benefits	WSIB	2011 Total	2010 Total
Accrued Benefit Obligation ("ABO"), beginning of year	\$ 16,744,783	\$ 17,002,009	\$ 7,498,844	\$ 41,245,636	\$ 37,836,425
<b>Add:</b> Current benefit costs	777,606	1,666,196	1,484,023	3,927,825	3,796,287
<b>Add:</b> Interest cost	795,836	808,315	361,882	1,966,033	1,898,899
<b>Less:</b> Current benefit payments	758,285	1,635,890	1,244,590	3,638,765	3,513,204
<b>ABO, end of the year</b>	<b>\$ 17,559,940</b>	<b>\$ 17,840,630</b>	<b>\$ 8,100,159</b>	<b>\$ 43,500,729</b>	<b>\$ 40,018,407</b>
Unamortized actuarial gain/(loss)	(4,361,477)	(6,699,577)	(604,675)	(11,665,729)	(11,676,129)
<b>Liability for Benefits, end of the year</b>	<b>\$ 13,198,463</b>	<b>\$ 11,141,053</b>	<b>\$ 7,495,484</b>	<b>\$ 31,835,000</b>	<b>\$ 28,342,278</b>

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:

	Post Employment	Sick Leave	WSIB
Expected inflation rate	2.00%	2.00%	2.00%
Expected level of salary increases	3.00%	3.00%	n/a
Interest discount rate	4.75%	4.75%	4.75%
Dental premium rate increase	4.00%	n/a	n/a
Health care premium rates increase	6.86%	n/a	n/a

# Notes to Consolidated Financial Statements

Year ended December 31, 2011

## 6. Pension Agreements:

The Municipality makes contributions to the OMERS, which is a multi employer plan, on behalf of all permanent, full time members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees, based on the length of service and rates of pay.

The amount contributed to OMERS for 2011 was \$16,276,071 (2010 - \$13,892,888) for current service and is included as an expenses on the consolidated statement of operations. Employee contributions totaled \$16,276,071 (2010 - \$ 13,892,888).

The OMERS pension plan has a deficit at December 31, 2011 of \$7.29 billion based on actuarial valuation of plan assets. In response OMERS has increased contributions for both employees and employers by 1% for 2012 and an additional 0.9% for 2013. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, additional increases in the contributions may be required.

## 7. Accumulated Surplus:

Accumulated surplus consists of individual fund surplus, including funds committed for capital projects, and reserves and reserve funds as follows:

	2011	2010
Invested in tangible capital assets	\$2,968,464,214	\$2,856,316,665
Surplus funds from committed capital projects and other	212,594,614	261,775,406
	3,181,058,828	3,118,092,071
Reserves	33,378,410	18,142,768
Reserve funds	188,120,723	206,407,138
<b>Total</b>	<b>\$3,402,557,961</b>	<b>\$3,342,641,977</b>

## 8. Tax Revenues:

Property tax billings are prepared by the City based on the assessment roll as delivered by the MPAC. A province wide re-assessment based on a January 1, 2008 market value was undertaken by the MPAC for use in taxation years 2009 through 2012. During this four year period any assessment increases compared to the previous 2005 assessment are phased-in equally. The City applies the appropriate tax rate to the assessment in the production of the property tax bills. However, the property tax revenue and tax receivables of the City are subject to measurement uncertainty as a number of appeals submitted by ratepayers for adjustments to assessment have yet to be heard by the Assessment Review Board. A significant allowance has been recorded to provide for possible negative adjustments. Any billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with regional government and school boards as appropriate.

The Province enacted legislation together with regulations, the Fairness for Property Taxpayers Act, 1998 (Bill 79) in December 1998, which was replaced in 2000 by Bill 140, "Continued Protection for Property Taxpayers Act". These pieces of legislation limited assessment-related increases in property tax bills to 5 per cent annually for commercial, industrial and multi-residential classes of property until the affected properties were taxed at a level equivalent to taxes based on their actual current assessed value.

Properties with decreases are liable to a "clawback" of some of the decrease to finance the "capping" of properties with increases.

Effective for the 2005 tax year, Bill 83 "Budget Measures Act" raises the upper limit of assessment-related increases in property tax bills from the 5 per cent maximum in Bill 79 and Bill 140 to 10 per cent annually for commercial, industrial and multi-residential property classes.

Further legislation was passed in 2009 creating additional options in the capped property classes. These provisions allowed municipalities to remove any properties that in the prior taxation year reached CVA-level taxes from the capping program. Also, properties that cross over from being capped properties in the prior year to clawback properties in the current year or from being clawback properties in the prior year to capped properties in the current year are removed from the capping program.

## 9. Expenses by Object:

The following is a summary of the expenses reported on the consolidated statement of operations by object:

	2011	2010
Salaries, wages and fringe benefits	\$276,317,797	\$255,659,171
Materials and supplies	54,267,889	51,365,583
Contracted services	72,888,553	65,297,767
Rents and financial expenses	6,281,728	7,135,327
Government transfers	1,160,931	791,701
Amortization	94,166,650	78,279,323
Other	205,860	289,564
<b>Total Expenses</b>	<b>\$505,289,408</b>	<b>\$458,818,436</b>

# Notes to Consolidated Financial Statements

Year ended December 31, 2011

## 10. Trust Funds:

Trust funds administered by the City amounted to \$30,522,632 (2010 - \$39,548,290) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's consolidated financial position or operations.

## 11. Public liability insurance:

The City is self-insured for public liability, errors and omissions and Brampton Transit claims up to \$100,000. All other lines of coverage are at \$25,000. This is for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

The City has created a reserve fund for self-insurance which as at December 31, 2011 had \$3,940,850 balance (2010 - \$0) and is reported on the consolidated statement of financial position. Claims settled during the year amounting to \$2,516,700 (2010 - \$2,357,576) have been provided for from the reserve fund, and are accordingly reported as expenses on the consolidated statement of financial operations.

In the normal course of its operations, the City is subject to various litigation and claims. Where management has assessed the likelihood of the success of the claim as more likely than not and where a reasonable estimate as to the exposure can be made, an accrual has been recorded in these financial statements. In some instances, the ultimate outcome of these claims cannot be determined at this time. However, the City's management believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

## 12. Provincial Offences Administration:

The Provincial Offences Act ("POA") is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences. The administration of POA was downloaded to the City from the Ontario Ministry of Attorney General in June 1999.

The revenues of the combined operations of the Court House and City Hall and revenues collected on behalf of the City at other POA court sites in the Province of Ontario consist of fines levied under Parts I and III for POA charges and amounted to \$6,657,098 for the year ended December 31, 2011. (2010 - \$6,550,857)

The operating costs for the administration of the POA for the year ending December 31, 2011 amounted to \$5,060,287 (2010 - \$4,431,507), resulting in a net contribution of \$1,596,811 (2010 - \$2,119,350) exclusive of capital asset additions.

The City constructed the POA Court-Hearing Facility, a permanent facility to accommodate the POA court operation (including courtrooms and accessory uses, an administration office and related requirements, on-site office space for prosecutors, a police bureau and accessory uses) and hearing rooms, which can be used for Ontario Municipal Board and Assessment Review Board hearings on a regular basis. The POA Court-Hearing Facility became operational in August 2004. The total cost of design and construction including acquisition of land amounted to \$10.7 million. Funding for the POA Court-Hearing Facility has been provided from tax-based reserves.

# Notes to Consolidated Financial Statements

Year ended December 31, 2011

## 13. Tangible capital assets:

The City has identified six major asset categories: Buildings and building improvements; Furniture, Computer and office equipment; Infrastructure; Land; Land improvements and Vehicles and machinery.

<b>Cost</b>	<b>December 31, 2010</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>December 31, 2011</b>
Land	\$1,586,181,476	\$8,519,241	\$(143,207)	-	\$1,594,557,510
Buildings and building improvements	421,619,141	88,420,585	-	-	510,039,726
Furniture, computer and office equipment	75,859,400	37,742,150	(1,379,869)	-	112,221,681
Infrastructure	1,232,349,482	135,514,603	-	-	1,367,864,085
Land improvements	45,879,043	14,069,029	-	-	59,948,072
Vehicles and machinery	176,566,129	31,342,741	(3,785,068)	-	204,123,802
Assets under construction	199,086,314	161,869,824	-	(270,228,426)	90,727,712
<b>Total</b>	<b>\$3,737,540,985</b>	<b>\$477,478,172</b>	<b>\$(5,308,144)</b>	<b>\$(270,228,426)</b>	<b>\$3,939,482,587</b>

<b>Net Book Value</b>	<b>December 31, 2010</b>	<b>December 31, 2011</b>
Land	\$1,586,181,476	\$1,594,557,510
Buildings and building improvements	295,172,096	364,858,578
Furniture, computer and office equipment	27,125,648	46,580,876
Infrastructure	630,335,039	726,758,962
Land improvements	26,550,727	37,483,178
Vehicles and machinery	91,865,365	107,497,398
Assets under construction	199,086,314	90,727,712
<b>Total</b>	<b>\$2,856,316,665</b>	<b>\$2,968,464,214</b>

<b>Accumulated Amortization</b>	<b>December 31, 2010</b>	<b>Disposals</b>	<b>Amortization Expense</b>	<b>Asset Impairment</b>	<b>December 31, 2011</b>
Land	-	-	-	-	-
Buildings and building improvements	126,447,045	-	18,047,120	686,983	145,181,148
Furniture, computer and office equipment	48,733,752	(1,367,914)	18,274,966	-	65,640,804
Infrastructure	602,014,443	-	39,056,680	34,000	641,105,123
Land improvements	19,328,316	-	3,136,578	-	22,464,894
Vehicles and machinery	84,700,764	(3,725,666)	15,651,306	-	96,626,404
<b>Total</b>	<b>\$881,224,320</b>	<b>(5,093,580)</b>	<b>\$94,166,650</b>	<b>\$720,983</b>	<b>\$ 971,018,373</b>

### a) Assets under construction

Assets under construction having a value of \$90,727,712 (2010 - \$199,086,314) have not been amortized. Amortization of these assets will commence when the assets are put into service.

### b) Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$43,491,969 (2010 - \$94,807,311).

# Notes to Consolidated Financial Statements

Year ended December 31, 2011

## 14. Segmented Information

The City is a multifaceted municipal government that delivers a wide range of services that enhance quality of life to its citizens. For additional information see the Consolidated Schedule of Segment Disclosure.

City services are provided by various divisions whose activities are organized in following segments for management reporting purposes:

### General government

General Government is comprised of Mayor and Councilor's as well as Corporate Management and Support sections.

The departments within Corporate Management and Support sections are responsible for adopting bylaws and administrative policies; risk management; providing effective financial reporting, planning and controls; developing and maintaining flexible computer networks and resources to deliver information and telecommunications to City employees and the citizens of Brampton; acquiring, managing and disposing City assets; levying and collecting taxes.

### Protection to persons and property

Protection Services delivers Fire Emergency Services, By-law and Enforcement and POA administration. The mandate of Fire department is to provide fire protection and emergency response but also superior level of Fire Prevention and Public Education. By-law and Enforcement assist in maintaining Brampton as a safe, healthy and attractive City by responding to public concerns, patrolling City property and enforcing the City's by-laws.

POA's mandate encompass the administration and prosecution of provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences.

### Transportation services

The Works department manages various infrastructure projects as part of a 10 Year capital program to expand and improve the City's road network and transportation infrastructure. In addition, major functions also include maintenance of road system (road resurfacing and snow clearing) and all associated infrastructure such as sidewalks, bridges and curbs.

Brampton Transit is responsible for providing efficient and effective local public transportation service.

### Environmental services

Environmental Services are delivered by staff in the Works department. Primary responsibility of this section is catch basin and storm sewer maintenance. In addition, the department performs watercourse maintenance in order to ensure public safety and environmental controls are in place. Watercourse maintenance activities include controlling erosion, the removal of garbage and debris and responding to spills and illegal dumping to ensure water quality and proper cleanup.

### Health, social and family services

Health, Social and Family services are comprised of cemetery operations and assistance to aged persons. Assistance to aged persons includes senior's education tax rebate, senior snow clearing subsidy as well as maintenance of seniors centre.

### Recreation and cultural services

The Community Services department is responsible for the delivery of Parks, Recreation and Cultural services. The Parks Operations division maintains all parks, boulevards, sports fields, trees, horticultural displays, pathways and open space. This division provides the residents of Brampton with safe, attractive, outdoor facilities delivered through a highly skilled and versatile workforce.

The Recreation and Culture division is responsible for the delivery of all culture and recreation programs offered by the City and the day-to-day operation of all theatres and recreation buildings. This division provides the City's front-line contact with the citizens of Brampton in Culture, Recreation Facilities and Programs providing many activities that enhance the richness and quality of life for residents.

This section also contributes towards the information needs of the City's citizens through the provision of library services by the Brampton Public Library Board.

### Planning and development services

The Planning and Development Department responsibilities encompass planning, design and development approvals, management of building permit processes, long-range Brampton official plan and growth management. This department is also responsible for providing advice to City Council, the public, and the development/building industry with respect to a broad range of land use planning, development applications, urban design, public buildings and open space/facility development issues, development engineering, and transportation planning.

# Notes to Consolidated Financial Statements

Year ended December 31, 2011

## 15. Commitments

The City leases facilities and equipment under operating leases expiring beyond 2017. The minimum amounts payable under these arrangements are as follows:

2012	3,277,508
2013	2,764,679
2014	997,135
2015	521,917
2016	443,699
2017 and beyond	3,169,656
<b>Total</b>	<b>11,174,594</b>

## 16. Capital Lease Obligations:

The Library Board has entered into various lease agreements during the year. Details of the assets acquired through capital leases are as follows:

2012	342,682
2013	316,621
2014	186,754
<b>Total minimum lease payments</b>	<b>\$846,057</b>

Less amount representing interest ranging from 3.84% to 3.89%    41,185  
 Present value of minimum capital lease payments                         \$804,872

# Consolidated Schedule of Segment Disclosure

for the year ended December 31, 2011

	General government	Protection to persons and property	Transportation services	Environmental services	Health, social and family services	Recreation and cultural services	Planning and development services	2011 Total	2010 Total
<b>REVENUES</b>									
Property taxation	285,177,373	-	-	-	-	-	371,989	<b>285,549,362</b>	<b>268,345,017</b>
User charges	11,815,433	15,091,328	38,827,056	-	662,396	21,802,865	4,858,281	<b>93,057,359</b>	<b>81,565,866</b>
Government grants	-	-	5,024,792	-	122,075	14,736,768	9,211,764	<b>29,095,399</b>	<b>26,707,502</b>
Development levies earned and other restricted capital contributions	1,128,224	5,012,994	43,555,057	-	-	22,083,836	1,292,555	<b>73,072,666</b>	<b>171,131,332</b>
Investment income (including Reserves and Reserve Funds)	15,926,031	-	-	-	-	115,291	6,973	<b>16,048,295</b>	<b>18,366,312</b>
Penalties, fines and interest	9,778,216	9,483,614	-	-	-	588,477	-	<b>19,850,307</b>	<b>18,882,940</b>
Developer contributed tangible capital assets		-	43,491,969	-	-	-	-	<b>43,491,969</b>	<b>94,807,313</b>
Other	372,351	220,649	436,139	-	38,236.00	251,480	3,721,180	<b>5,040,035</b>	<b>2,801,711</b>
<b>Total Revenues</b>	<b>324,197,628</b>	<b>29,808,585</b>	<b>131,335,013</b>		<b>822,707</b>	<b>59,578,717</b>	<b>19,462,742</b>	<b>565,205,392</b>	<b>682,607,993</b>
<b>EXPENSES</b>									
Salaries and benefits	48,232,129	67,320,865	83,190,602	1,819,983	1,650,188	60,291,380	13,812,650	<b>276,317,797</b>	<b>255,659,171</b>
Materials	15,060,730	2,125,740	23,126,722	25,157	245,443	12,576,481	1,107,616	<b>54,267,889</b>	<b>51,365,583</b>
Contracted services	15,985,788	2,739,580	32,670,495	1,640,253	114,654	17,428,198	2,309,585	<b>72,888,553</b>	<b>65,297,767</b>
Rents and financial expenses	3,960,699	82,341	510,202	-	12,208	1,646,600	69,678	<b>6,281,728</b>	<b>7,135,327</b>
Government transfers	(51,007,140)	6,717,921	16,220,911	660,823	808,102	24,888,856	2,871,458	<b>1,160,931</b>	<b>791,701</b>
Amortization	3,856,578	5,168,205	46,861,471	10,027,653	478,703	23,812,480	3,961,560	<b>94,166,650</b>	<b>78,279,323</b>
Other	8,234	39,113	139,985	-	-	18,527	-	<b>205,860</b>	<b>289,564</b>
<b>Total Expenditures</b>	<b>36,097,018</b>	<b>84,193,765</b>	<b>202,720,388</b>	<b>14,173,869</b>	<b>3,309,298</b>	<b>140,662,522</b>	<b>24,132,547</b>	<b>505,289,408</b>	<b>458,818,436</b>
<b>Annual Surplus (Deficit)</b>	<b>288,100,610</b>	<b>(54,385,180)</b>	<b>(71,385,375)</b>	<b>(14,173,869)</b>	<b>(2,486,591)</b>	<b>(81,083,805)</b>	<b>(4,669,805)</b>	<b>59,915,984</b>	<b>223,789,557</b>

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

# TRUST FUNDS

Financial Statements of the Corporation of the City of Brampton

Year Ended December 31, 2011

# Auditors' Report



**KPMG LLP**  
**Chartered Accountants**  
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4100 Yonge Street Suite 200  
Toronto ON M2P 2H3  
Canada

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Fax (416) 228-7123  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the trust funds of The Corporation of the City of Brampton, which comprise the statement of financial position as at December 31, 2011, the statement of operations for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

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

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

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

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the City of Brampton as at December 31, 2011, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

May 31, 2012  
Toronto, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

# Statement of Financial Position

**TRUST FUNDS — December 31, 2011, with comparative figures for 2010**

## Financial Assets and Liabilities

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	BMB, GTA and GTMA Trust Funds	2011 Total	2010 Total
<b>ASSETS</b>						
Cash	\$479,512	\$32,153,634	\$291,568	\$49,477	\$32,974,191	\$38,760,094
Accounts receivable	508	9,951	310	53	10,822	10,500
Due from City Revenue Fund	3,165	-	-	-	3,165	394
<b>Subtotal</b>	<b>483,185</b>	<b>32,163,585</b>	<b>291,878</b>	<b>49,530</b>	<b>32,988,178</b>	<b>38,770,988</b>
<b>Investments, at cost (market - \$454,341 2010 - \$780,913):</b>						
Municipal bonds	422,470	-	-	-	422,470	780,082
<b>Subtotal</b>	<b>422,470</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422,470</b>	<b>780,082</b>
<b>Total Assets</b>	<b>905,655</b>	<b>32,163,585</b>	<b>291,878</b>	<b>49,530</b>	<b>33,410,648</b>	<b>39,551,070</b>
<b>LIABILITIES</b>						
Accounts payable	-	32,000	-	-	32,000	-
Due to City Revenue Fund	-	2,856,016	-	-	2,856,016	2,780
<b>Total Liabilities</b>	<b>-</b>	<b>2,888,016</b>	<b>-</b>	<b>-</b>	<b>2,888,016</b>	<b>2,780</b>
<b>Net Financial Resources</b>	<b>\$905,655</b>	<b>\$29,275,569</b>	<b>\$291,878</b>	<b>\$49,530</b>	<b>\$30,522,632</b>	<b>\$39,548,290</b>
<b>Fund Balances</b>	<b>\$905,655</b>	<b>\$29,275,569</b>	<b>\$291,878</b>	<b>\$49,530</b>	<b>\$30,522,632</b>	<b>\$39,548,290</b>

See accompanying notes to financial statements.

# Statement of Financial Activities and Changes in Fund Balances

**TRUST FUNDS — Year Ended December 31, 2011, with comparative figures for 2010**

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	BMB, GTA and GTMA Trust Funds	2011 Total	2010 Total
<b>REVENUE</b>						
Monuments and markers deposits	\$2,450	\$-	\$-	\$-	\$2,450	\$3,550
Perpetual care deposits	11,030	-	-	-	11,030	17,850
Other deposits - Trusts	-	12,000	-	-	12,000	54,000
Loss on sale of investments	(22,612)	-	-	-	(22,612)	982
Performance deposits received	-	2,890,904	-	-	2,890,904	30,071,279
<b>Subtotal</b>	<b>(9,132)</b>	<b>2,902,904</b>	<b>-</b>	<b>-</b>	<b>2,893,772</b>	<b>30,147,661</b>
Interest Income	38,340	47,593	3,624	615	90,172	64,503
<b>Total Revenues</b>	<b>29,208</b>	<b>2,950,497</b>	<b>3,624</b>	<b>615</b>	<b>2,983,944</b>	<b>30,212,164</b>
<b>EXPENDITURES</b>						
<b>Transfers to City Revenue Fund:</b>						
Maintenance contribution	38,236	-	-	-	38,236	38,190
Interest transfer	-	47,593	-	-	47,593	23,438
Administration charges	104	38	-	-	142	69
<b>Subtotal</b>	<b>38,340</b>	<b>47,631</b>	<b>-</b>	<b>-</b>	<b>85,971</b>	<b>61,697</b>
Return of performance deposits	-	11,616,935	-	-	11,616,935	8,079,536
Payments on behalf of developers	-	306,696	-	-	306,696	12,902
<b>Total Expenditures</b>	<b>38,340</b>	<b>11,971,261</b>	<b>-</b>	<b>-</b>	<b>12,009,602</b>	<b>8,154,135</b>
Increase in net financial resources	(9,132)	(9,020,765)	3,624	615	(9,025,658)	22,058,029
Fund balances, beginning of year	914,787	38,296,334	288,254	48,915	39,548,290	17,490,261
<b>Fund Balances, end of year</b>	<b>\$905,655</b>	<b>\$29,275,569</b>	<b>\$291,878</b>	<b>\$49,530</b>	<b>\$30,522,632</b>	<b>\$39,548,290</b>

See accompanying notes to financial statements.

# Notes to Financial Statements

Year ended December 31, 2011

## 1. Significant Accounting Policies:

### Revenue recognition:

- a. Receipts, other than interest and letters of credit receipts, are reported on receipt. Interest income and letters of credit receipts are recorded on the accrual basis of accounting.
- b. Returns of performance deposits are reported in the periods in which they are paid either directly by the Trust Funds or through The City of Brampton (the "City") funds. All other expenditures are reported on the accrual basis of accounting.
- The accrual basis of accounting recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- c. Investments, including any term deposits not available on demand, are reported at the lower of cost and market value.

## 2. Cemeteries Care and Maintenance Trust Funds:

The City maintains several cemeteries, including the following which have Care and Maintenance Trust Funds which the City administers: Brampton, Page, Hilltop Gore, Shiloh, Alloa, Grahamsville, Zion, Mt. Olivet, St. John – Castlemore, St. John – Snelgrove, St. Mary – Tullamore and Eventide. Interest income attributable to each of the individual Trust Funds that is received during any particular year is transferred to the City Revenue Fund in that year to partially offset the maintenance cost for each cemetery to which the individual Trust Funds relate. The operations and investments of the fund are undertaken by the City in accordance with the regulation of the "Cemeteries Act (Revised)."

## 3. Developers' Performance Deposits Trust:

The Developers' Performance Deposits Trust was established for the following purposes:

- a. To hold performance deposits made by individual parties to the City as assurance that specific obligations agreed upon are fulfilled. Once fulfilled, the deposit held is returned to the respective party.
- b. When a party develops a property in the City, generally a letter of credit is obtained from the party's bank, which provides a guarantee to the City that the contract will be completed as specified. Otherwise, the City is able to draw upon the letter of credit and to deposit the funds in the Trust to be later used to pay a third party to complete the contract.

## 4. Developer Front End Financing Trust Fund:

The Front End Financing Trust Fund was established in 1993 to receive contributions from developers for studies and construction of services which not only benefit their particular development, but will also ultimately benefit other future development. The Front End Developers provide the initial financing in lieu of the City for the required studies and capital works and enter into agreements with the City to recover the costs associated with other benefiting landowners on a best effort basis.

## 5. Brampton Marketing Board, Greater Toronto Area and Greater Toronto

### Marketing Alliance:

The Brampton Marketing Board (the "BMB"), the Greater Toronto Area (the "GTA") and the Greater Toronto Marketing Alliance (the "GTMA") Trust Funds were established to hold contributions made from the development and business community. The Trust Funds were formed as partnerships between the BMB, the GTA and the GTMA. Their mandate is to attain corporate and municipal sponsorship of marketing initiatives for the City, the GTA and the GTMA.

# Five Year Review Summary

(Not subject to audit; all dollar amounts are in thousands except per capita figures. See accompanying notes and schedules to financial statements.)

	2011	2010	2009	2008	2007
Population - (Note 1)	523,911	504,600	497,680	487,230	452,039
Households - (Note 2)	149,016	143,414	140,686	138,505	136,049
Areas in hectares	27,138	27,138	27,138	27,138	27,138
Full-time employees	2,593	2,521	2,441	2,238	2,097
Housing starts	3,352	3,416	1,235	1,072	5,881
Building permit values	1,435,352	1,268,876	422,443	749,957	2,130,486

## Taxable Assessment upon which Tax Rates were Set (Note 3)

Residential and farm	\$44,466,430	\$43,416,203	\$42,427,150	\$35,660,551	\$34,645,657
Commercial and industrial	11,221,581	10,945,599	10,665,437	7,981,100	7,715,948
<b>Total</b>	<b>\$55,688,011</b>	<b>\$54,361,802</b>	<b>\$53,092,587</b>	<b>\$43,641,651</b>	<b>42,361,605</b>
Total per capita	106,293	107,732	106,680	89,571	93,712

## Tax Rates/Mill Rates (Urban Area) - (Note 3)

<b>RESIDENTIAL</b>					
City purposes	0.476934%	0.476736%	0.483392%	0.474094%	0.445272%
Region purposes	0.473900%	0.484531%	0.497866%	0.505959%	0.486147%
School board purposes	0.231000%	0.241000%	0.252000%	0.264000%	0.264000%
<b>Total</b>	<b>1.181834%</b>	<b>1.202267%</b>	<b>1.233258%</b>	<b>1.244053%</b>	<b>1.195419%</b>
<b>COMMERCIAL</b>					
City purposes	0.618631%	0.618374%	0.627007%	0.614947%	0.577563%
Region purposes	0.614695%	0.628486%	0.645782%	0.656279%	0.630581%
School board purposes	1.253034%	1.339544%	1.439162%	1.553938%	1.553938%
<b>Total</b>	<b>2.486360%</b>	<b>2.586404%</b>	<b>2.711951%</b>	<b>2.825164%</b>	<b>2.762082%</b>
<b>INDUSTRIAL</b>					
City purposes	0.701093%	0.700802%	0.710586%	0.696918%	0.654551%
Region purposes	0.696632%	0.712261%	0.731862%	0.743759%	0.714636%
School board purposes	1.499357%	1.585675%	1.681288%	1.777496%	1.781118%
<b>Total</b>	<b>2.897082%</b>	<b>2.998738%</b>	<b>3.123736%</b>	<b>3.218173%</b>	<b>3.150305%</b>

	2011	2010	2009	2008	2007
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## TAXES RECEIVABLE, END OF THE YEAR

Amount	\$58,278	\$50,622	\$52,616	\$46,265	\$48,465
Per capita	\$111	\$100	\$106	\$95	\$107
Percentage of years' levy	7.19%	6.49%	7.09%	6.59%	7.33%

## NET LONG-TERM LIABILITIES, END OF YEAR

Amount	-	-	-	-	-
Per Capita	-	-	-	-	-

## CHARGES FOR NET LONG-TERM LIABILITIES

Amount	-	-	-	-	-
Per capita	-	-	-	-	-
As a tax rate/mill rate (Note 3)	-	-	-	-	-

## LONG-TERM DEBT SUPPORTED BY PROPERTY TAXES

Gross long-term debt (Note 4)	-	-	-	-	-
Net long-term debt (Note 4)	-	-	-	-	-

## DEBT REPAYMENT LIMIT (as determined by the Province of Ontario)

	\$94,913	\$160,443	\$81,632	\$78,840	\$71,271
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# Five Year Review Summary

(Not subject to audit; all dollar amounts are in thousands except per capita figures. See accompanying notes and schedules to financial statements.)

	2011	2010	2009	2008	2007
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<b>TAXES COLLECTED</b>					
City collection	\$285,549	\$268,345	\$252,367	\$231,037	\$211,340
Taxes transferred to the region	281,703	270,706	258,050	244,343	228,128
Taxes transferred to the school boards	243,813	240,504	231,450	227,972	233,654
<b>Total</b>	<b>\$811,065</b>	<b>\$779,555</b>	<b>\$741,867</b>	<b>\$703,352</b>	<b>\$673,122</b>
<b>Trust Funds Balance End of year</b>	<b>\$30,523</b>	<b>\$39,548</b>	<b>\$17,490</b>	<b>\$11,214</b>	<b>\$9,978</b>

<b>CONSOLIDATED REVENUES BY SOURCE</b>					
Property taxation	\$283,457	\$266,211	\$250,247	\$228,745	\$208,770
Taxation from other governments	2,092	2,134	2,120	2,293	2,570
User charges	93,057	81,566	69,713	69,476	77,473
Government grants	29,095	26,708	5,702	1,117	2,614
Development levies earned and other restricted capital contributions	73,073	171,131	133,413	74,745	39,519
Investment income	9,292	6,749	10,155	16,783	19,159
Penalties, fines and interest	19,850	18,883	16,734	15,875	14,411
Interest earned on reserves	6,756	11,618	27,024	23,196	21,768
Developer contributed tangible capital assets	43,492	94,807	133,296	50,710	
Other	5,040	2,802	950	2,397	1,237
<b>Total</b>	<b>\$565,205</b>	<b>\$682,608</b>	<b>\$649,353</b>	<b>\$485,337</b>	<b>\$387,520</b>

	2011	2010	2009	2008	2007
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<b>CONSOLIDATED EXPENSES BY FUNCTION</b>					
General government	\$32,232	\$32,160	\$29,102	\$26,242	\$32,808
Protection to persons and property	78,986	66,399	64,695	60,920	59,530
Transportation services	155,719	137,052	130,466	128,910	185,425
Environment services	4,146	3,299	3,069	1,720	1,458
Health services (cemeteries)	661	597	966	505	508
Social and family services	2,170	1,850	2,192	1,757	1,474
Recreation and cultural services	116,832	111,142	103,531	95,755	153,288
Planning and development	20,171	27,752	28,848	27,943	26,925
Amortization expense	94,167	78,279	58,119	59,290	-
Other	206	290	787	859	-
<b>Total</b>	<b>\$505,289</b>	<b>\$458,818</b>	<b>\$421,775</b>	<b>\$403,901</b>	<b>\$461,416</b>

<b>CONSOLIDATED EXPENSES BY OBJECT</b>					
Salaries, wages and employee benefits	\$276,318	\$255,659	\$241,959	\$216,276	\$198,383
Long term debt payments			-	-	-
Goods and services	134,599	124,590	120,910	127,476	263,033
Amortization	94,167	78,279	58,119	59,290	-
Other	206	290	787	859	-
<b>Total</b>	<b>\$505,289</b>	<b>\$458,818</b>	<b>\$421,775</b>	<b>\$403,901</b>	<b>\$461,416</b>

# Five Year Review Summary

(Not subject to audit; all dollar amounts are in thousands except per capita figures. See accompanying notes and schedules to financial statements.)

	2011	2010	2009	2008
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Accumulated surplus, beginning of year	\$3,342,642	\$3,118,852	\$2,891,274	\$548,471
Restatement, tangible capital assets (Note 2)				2,261,368
Annual surplus	59,916	223,790	227,579	81,436
<b>Accumulated Surplus, end of year</b>	<b>\$3,402,558</b>	<b>\$3,342,642</b>	<b>\$3,118,852</b>	<b>\$2,891,274</b>

Total financial assets	\$738,865	\$735,836	\$754,169	\$830,297
Total financial liabilities	308,425	253,020	279,951	325,086
<b>Net Financial Assets</b>	<b>\$430,440</b>	<b>\$482,816</b>	<b>\$474,218</b>	<b>\$505,211</b>

<b>TANGIBLE CAPITAL ASSET NET BOOK VALUE</b>				
Land	\$1,594,558	\$1,586,181	\$1,563,744	\$1,496,078
Buildings and building improvements	364,859	295,172	290,226	275,495
Furniture, computer and office equipment	46,581	27,126	34,382	15,859
Infrastructure	726,759	630,335	537,129	387,687
Land improvements	37,483	26,551	28,415	17,300
Vehicles and machinery	107,497	91,865	84,721	53,940
Assets under construction	90,728	199,086	101,813	135,127
<b>Total</b>	<b>\$2,968,464</b>	<b>\$2,856,317</b>	<b>\$2,640,429</b>	<b>\$2,381,485</b>

	2011	2010	2009	2008
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<b>TANGIBLE CAPITAL ASSET COST</b>				
Assets, beginning of year	\$3,737,541	\$3,445,865	\$3,136,179	\$2,959,744
Additions	477,478	391,693	346,348	263,369
Disposals and transfers	(275,537)	(100,017)	(36,661)	(86,934)
<b>Assets, end of year</b>	<b>\$3,939,483</b>	<b>\$3,737,541</b>	<b>\$3,445,865</b>	<b>\$3,136,179</b>

<b>TANGIBLE CAPITAL ASSET AMORTIZATION</b>				
Accumulated amortization, beginning of year	\$881,224	\$805,436	\$754,693	\$698,376
Current year expense	94,888	78,279	58,119	59,290
Accumulated amortization on disposals	(5,094)	(2,491)	(7,376)	(2,973)
<b>Accumulated Amortization, end of year</b>	<b>\$971,018</b>	<b>\$881,224</b>	<b>\$805,436</b>	<b>\$754,693</b>

<b>Tangible Capital Asset Net Book Value</b>	<b>\$2,968,464</b>	<b>\$2,856,317</b>	<b>\$2,640,429</b>	<b>\$2,381,485</b>
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# 10 Largest Corporate Property Taxpayers in Brampton - 2011

Rank	Owner	Assessment Value \$
1	Morguard Corporation	266,335,500
2	Orlando Corporation	231,360,013
3	Riotrin Properties (Brampton)	146,020,251
4	1388688 Ontario Limited	143,433,750
5	Loblaw Properties Limited	140,392,091
6	Industrial 5000 Real Estate	132,444,000
7	Investors Group Trust Co Ltd	123,421,588
8	The Great-West Life Assuranc	122,121,003
9	Airport 407 Business Campus	118,514,443
10	Daimlerchrysler Canada Inc	113,591,000
<b>Top Ten - Assessment Total</b>		<b>1,537,633,639</b>
	% of Total Industrial and Commercial Assessment	14.70%
	% of Total	2.95%

	Total Residential Assessment	41,675,471,669
	Total Industrial and Commercial Assessment	10,462,769,848
	<b>Total</b>	<b>52,138,241,517</b>

## Cover Design

**The City of Brampton's QR Code\* embossed over a photo of the Mount Pleasant Square, where heritage blends seamlessly with a smart, future-friendly cosmopolitan community.**

\*QR Code (abbreviated from Quick Response Code) is the trademark for a type of two-dimensional code first designed for the automotive industry. In recent years, QR Codes have become common in mainstream advertising since they provide quick and effortless access to a company's website from a smart phone.

## Photo Captions

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For more information visit [www.brampton.ca](http://www.brampton.ca)



Alternate formats available upon request

## Description

Ron Baird's sculpture the 'Ghost Train' in Mount Pleasant Square represents the actual size and type of steam engine that plied the rails to Brampton in the 1800s

Environment and Infrastructure: Dial-a-Bus service of yesteryear and the new state-of-the-art Brampton Transit fleet; (right) Lakelands park, part of the seven-kilometre interconnected Esker Park System

Heritage and Urban Design: An artist's rendering of the Southwest Quadrant Renewal Plan inset against the existing Brampton City Hall; (right) historic CP station at Mount Pleasant Square

Community and Economy: The image of the historic 'Four Corners' blends into the current Downtown Brampton; (right) The Rose Theatre Brampton



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