

# Financial Report for the Fiscal Year Ended December 31, 2016

**Prepared by the Finance Division, Corporate Services Department  
of the Corporation of the City of Brampton, Province of Ontario**

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# City of Brampton Corporate Organizational Chart

## Mayor and City Council

Mayor Linda Jeffrey

## Chief Administrative Officer

Harry Schlange

- City Clerk
- Human Resources
- Internal Audit
- Service Innovation and Corporate Performance
- Strategic Communications
- Strategic Development

## Corporate Services

Commissioner Joseph Pittari

- By-law Enforcement
- Finance
- IT
- Legal
- Purchasing

## Community Services

Commissioner Al Meneses

- Animal Services
- Building Design and Construction
- Facilities, Operations and Maintenance
- Realty Services
- Recreation
- Service Brampton

## Public Works and Engineering

Commissioner Joe Pitushka

- Capital Works
- Development Engineering
- Parks
- Road Maintenance, Operations and Fleet
- Transportation Special Projects

## Planning and Development Services

Commissioner Heather MacDonald - Interim

- Building
- Development Services
- Policy Planning
- Transportation Planning
- Urban Design

## Economic Development and Culture

Director Bob Darling

- Cultural Services
- Economic Development
- Festivals and Special Events
- Office of the Central Area

## Fire and Emergency Services

Chief Michael Clark

## Brampton Transit

General Manager Sue Connor

## **Message from the City Treasurer**



I am pleased to present the City of Brampton's consolidated financial statements for the 2016 fiscal year.

2016 was a year of significant change at the City. We embarked on a new vision for a Future-Ready Brampton and will continue to build on our new foundation to provide the best services to our residents and businesses moving forward.

As one of Canada's fastest-growing cities, Brampton continues to face the challenge of balancing growth with expectations. We remain committed to managing growth while remaining fiscally responsible.

Our continued strong financial management, recent changes to the organization and a forward-thinking view to the future have collectively strengthened Brampton's financial position now and into the future.

In addition to key financial results, this report provides an overview of the local economic climate, financial policies and performance related to the delivery of the City's programs and services.

### **Consolidated Financial Statements**

Management is responsible for the preparation of the City's consolidated financial statements. These consolidated financial statements have been prepared in accordance with the reporting standards established for municipalities by the Public Sector Accounting Board (PSAB), and included within the CPA Canada Accounting Handbook. We are confident that controls are in place in the City's accounting and financial reporting systems that ensure accuracy of the consolidated financial statements being presented.

The 2016 consolidated financial statements have been audited by KPMG LLP, Chartered Professional Accountants (KPMG) in accordance with Canadian Generally Accepted Auditing Standards and their unqualified report is included with the consolidated financial statements. 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 auditors have expressed the opinion that the City's consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Brampton as at December 31, 2016, and comply with PSAB municipal financial reporting requirements.

Similar to the private sector, these consolidated financial statements are prepared using the full accrual basis of accounting: revenues are recorded when they are earned and expenses are recorded upon receipt of goods or services. Tangible capital asset reporting - including the City's investments, consumption (amortization) and contributions by developers - enables all levels of government to track municipal infrastructure across the country.

### **Overview of Economic Climate and Financial Strategies**

Brampton continues to prosper, led by sustained economic growth. The Province of Ontario has recognized our potential as one of the youngest, fastest growing and most diverse cities in the country. Our new Economic Development and Culture office is building on a history of client service and is now positioning Brampton as a significant competitor to other Canadian and global cities.

Some key economic indicators in Brampton:

- Population increased to 593,638 in 2016 from 580,600 in 2015, and is expected to increase to 900,000 by the year 2041.
- Number of households increased to 168,120 in 2016 from 164,680 in 2015, and is projected to be more than 200,000 by 2031.
- The Region of Peel unemployment rate increased to 7.1 per cent in 2016 (6.8 per cent in 2015), reflecting global economic pressures. However, it still remains lower than the 10-year average for the region.
- New businesses increased by 4.8 per cent from 2015, and those businesses provided 2,400 additional jobs within the community.
- Brampton placed 7th in the country for total construction value in 2016, generating \$2 billion in investment.

Brampton City Council is committed to transparency in government and engagement with its community. Council strives to balance the expectations of residents for programs and services with the need to insulate taxpayers where possible, to ensure ongoing value for money.

In addition to responding to the infrastructure needs of a growing community, the City is also committed to maintaining its existing infrastructure base in a state of good repair. In 2016, City Council approved the 'Corporate Asset Management Plan' which provides a framework for a strategic plan for managing our assets in an effective and efficient manner while complying with applicable regulations. The City continues to pursue federal and provincial financial support for infrastructure projects to reduce the property tax burden to the residents, while the Mayor and City Council advocate on behalf of Brampton.

#### **Financial Management Policies**

The City of Brampton has established a number of financial management policies that provide a framework for the Corporation's overall fiscal planning and financial management. This includes proactive financial planning and financial reporting processes.

The City of Brampton is in compliance with the reporting guidelines required by the Ministry of Municipal Affairs and Housing.

The City's rigorous financial reporting on both operating and capital results exceeds the requirements of both the federal and provincial governments. Staff regularly provide financial reports to City Council in various forms, including financial status reports. These reports are prepared and submitted to City Council, four times per year for operating and two times per year for capital, and clearly compare budgets with results and provide comments on variances from budget and forecasts. These comprehensive, easy-to-read reports enable City Council and the public to understand how their tax dollars are spent and how the City has performed against budget.

Through its risk management program, the City proactively protects the Corporation's assets against financial losses and ensures preservation of public service capacities. In addition, the City purchases insurance to ensure financial protection is available should a large loss occur. The City has continued with the implementation of an Enterprise Risk Management program. This initiative will incorporate a consistent approach to risk into the culture and strategic planning processes of the City.

#### **The Government Finance Officers Association of the United States and Canada (the "GFOA") Award for Financial Reporting**

In 2016, for the fifteenth consecutive year, the GFOA formally recognized Brampton for its excellence in financial reporting with the "Canadian Award for Financial Reporting" for the City's 2015 Annual Report.

The GFOA established the Canadian Award for Excellence in Financial Reporting Program to encourage Canadian local governments to go beyond the minimum requirement of generally accepted accounting principles to communicate the municipal government's finances in a comprehensive manner, based on a set of consistent reporting requirements established for all local government.

The City of Brampton's achievements demonstrated the high standards in financial reporting supported by evidence of transparency and full disclosure.

## **Message from the City Treasurer**

## Message from the City Treasurer

### Other Financial Industry Achievements and Recognition

In 2016, the City continued to make improvements in our overall financial management process resulting in increased transparency, accountability and fiscal responsibility. The success of these initiatives has been recognized by several external agencies.

#### Standard & Poor's

Since 2006, Brampton has enjoyed a Standard & Poor's 'AAA' credit rating. The strengthening of the City's financial policies and its solid financial position is reinforced by the maintenance of its AAA stable rating and stable outlook in 2016. This makes the City one of only six municipalities in Canada to have this rating.

The rating reflects "the City's very strong economy and budgetary performance, very low debt burden, and exceptional liquidity" as well as "the "very predictable and well-balanced local government framework".

#### C.D. Howe Institute

In 2016, the City of Brampton has received the highest rank of A- as accorded by CD Howe Institute to any municipality in Canada for financial reporting. It is one of only five municipalities in the country to have received this recognition.

#### The GFOA Distinguished Budget Presentation Award

The City's Approved Business Plan and Budget 2016-2018 has received 'The Distinguished Budget Presentation Award' from the GFOA which is the only national awards program in governmental budgeting. This is the first year the City applied for and received the award and it represents a significant achievement due to the stringent requirements for effective budget presentation.

#### Budget Process

The City's budget is prepared by setting priorities that reflect strategic objectives and service standards, while balancing the need for prudent financial management. Priority setting takes place at all levels of the organization by departmental staff, senior management, executive leadership and, ultimately, City Council. Throughout the process, public input is taken into account, as expressed through public participation in regular and special open meetings and numerous online tools.

Separate Capital and Operating budgets are prepared in parallel, but are closely linked in recognition of the impact that each has on the other.

Commencing in 2015, the City adopted full accrual basis (PSAB) budgeting which strengthens the City's commitment to transparency in financial reporting. The full accrual PSAB based budget methodology does not change how the tax levy is calculated, or how funding decisions are made by City Council. The 2016 Financial Statements reflects full accrual budget figures for comparison purpose.

Also commencing in 2015, the capital budget methodology changed from full project budgeting to capital contract budgeting. This methodology only allows budgeting for contracts (purchase orders) with vendors that are anticipated to be issued in the budget year. This aligns annual funding requirements with the City's capacity to deliver capital projects.

Budget submissions are consolidated and supported by the analysis of budget drivers and justification of all proposed new initiatives. Senior management and executive leadership teams then determine 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.

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 2016 budget process. The 2016 budget reflected a balance between priorities of the community and a fiscally responsible approach to running the City.

Key budget objectives included in the 2016 budget were:

- Delivering a shared vision and direction for Brampton's next phase of growth
- Continuing and expanding community engagement
- Seeking out national and foreign investment opportunities
- Maintaining and developing corporate infrastructure
- Ensuring continued value for money in the provision of all City services
- Insulating taxpayers to the extent possible

## Audit Committee

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

## Financial Results

The City of Brampton's accumulated surplus at the end of 2016 was \$4.0 billion (2015: \$4.0 billion), of which \$3.6 billion reflects investments in tangible capital assets. This increase reflects the City's continuing commitment to invest in capital infrastructure to support current City services and future growth.

### Revenues

Revenues totalled \$780 million in 2016. The sources were:

- \$425 million from property taxes
- \$167 million from user fees, fines, interest income and other
- \$12 million from federal and provincial government grants
- \$146 million from development levies and other restricted capital contributions (i.e. development charges and government transfer payments for restricted purposes being applied to applicable capital works)
- \$30 million of developer contributed tangible capital assets

Total revenues reported in 2016 were \$51 million lower than 2015. Major factors contributing to this decrease include:

- a \$46 million decrease in developer contributed tangible capital assets due to lower number of subdivision agreements being executed by the developers
- a \$37 million decrease in development levies earned and other capital contributions due to the lower development charges receipts

These decreases were partially offset by a \$28 million increase in property taxation as a result of assessment growth and budgetary increases. The majority of the growth is realized from new construction, particularly residential, and

new plans of subdivision. Also contributing to the increase is the increased supplementary assessment received from the Municipal Property Assessment Corporation.

## Expenses

The operating expenses totalled \$734 million, including:

- General government - \$112 million
- Protection to persons and property - \$101 million
- Transportation services - \$292 million
- Environmental and health services - \$18 million
- Social and family services - \$4 million
- Recreation and cultural services - \$179 million
- Planning and development services - \$28 million

Total operating expenses of \$734 million (2015: \$652 million) increased by \$82 million. \$6 million reflects an increase in amortization expense, representing the value of tangible capital assets that was consumed during the year. The amortization expense increased due to the impact of the \$216 million in new tangible capital assets that were added during 2016. This increase in tangible capital assets is mainly due to the infrastructure assets assumed from developers through subdivision agreements, construction of the Williams Parkway Administrative Building Phase 2, Gore Meadows Phase 2, Sandalwood Works Yard expansion, purchase of transit buses and road construction activities.

Amortization expense does not require an outlay of cash and is not directly included in the determination of the annual property tax levy.

The remaining \$76 million in increased expenses include:

- One-time payment of \$40 million to the Peel Memorial Centre for Integrated Health and Wellness
- \$4 million increase in post-employment and other liabilities
- Operating and maintenance of the City's growing infrastructure investment as well as robust Transit service
- One time costs associated with City transformation costs

## Message from the City Treasurer

## Message from the City Treasurer

### 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, 2016, the City of Brampton's reserves and reserve fund balances totalled \$324 million, compared to \$289 million in 2015. These funds are reported as a component of the accumulated surplus (see Note 9 of the consolidated 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 \$323 million as at December 31, 2016 as compared to \$317 million in 2015, an increase of \$6 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 an 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

We have made great strides in our commitment to accountability, transparency, credibility and clarity in financial reporting. We continue to explore long-term strategies to help with prioritization and decision-making.

As a rapidly growing city, Brampton's ongoing challenge is to balance service delivery, infrastructure building and maintenance, while remaining fiscally responsible. We are investing in our infrastructure priorities to help address the needs of our community - now and into the future. Our aim is to manage that future investment with prudent financial policy, while continuing to provide the best possible service to our residents and businesses.

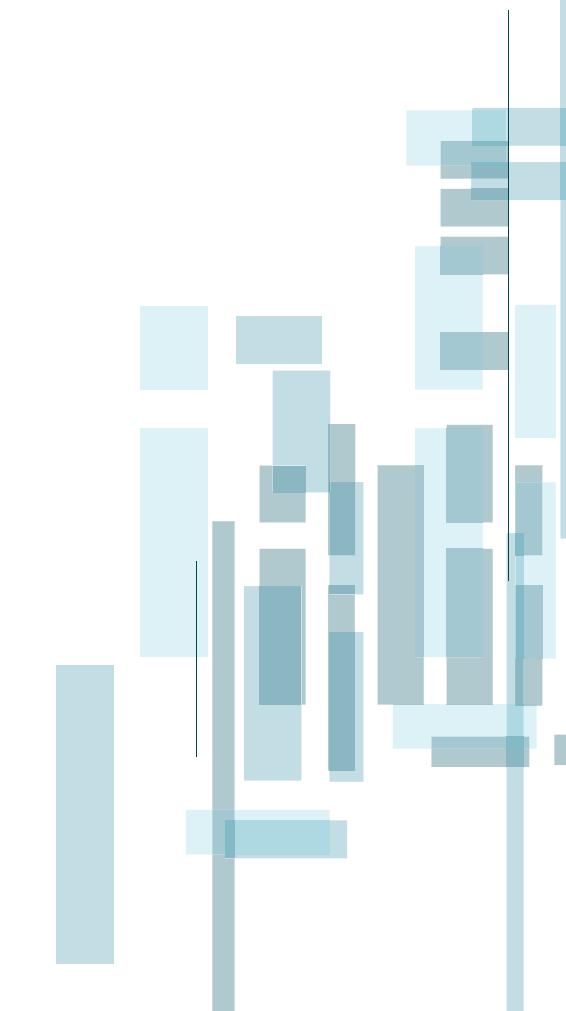
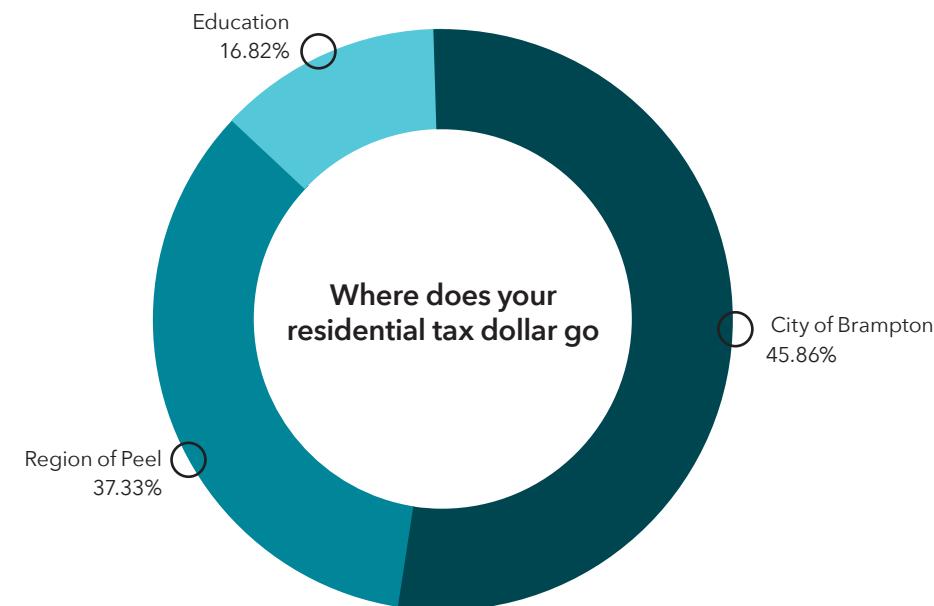
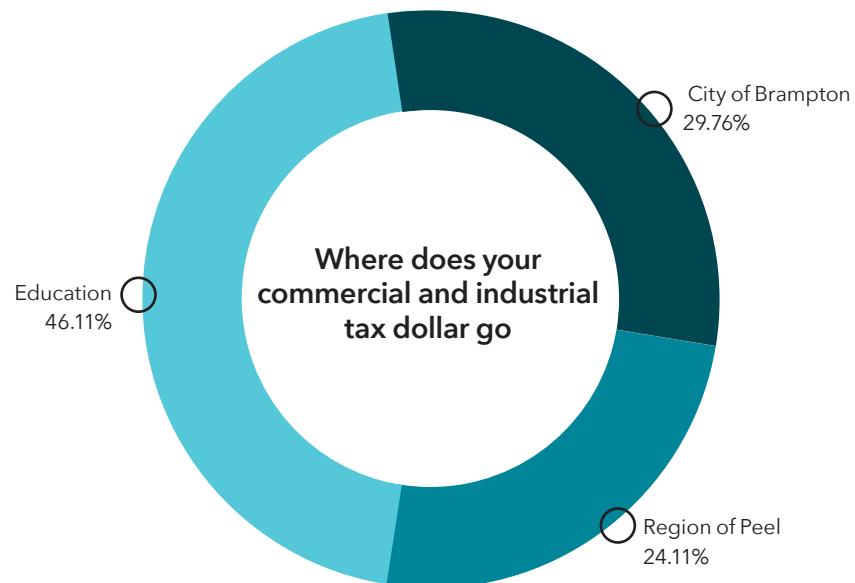
Brampton is a strong, inclusive city, with smart, passionate people. It is one of the most diverse cities in the country. We're building change in Brampton and we are committed to working as a team to position Brampton as an emergent global city of the future.



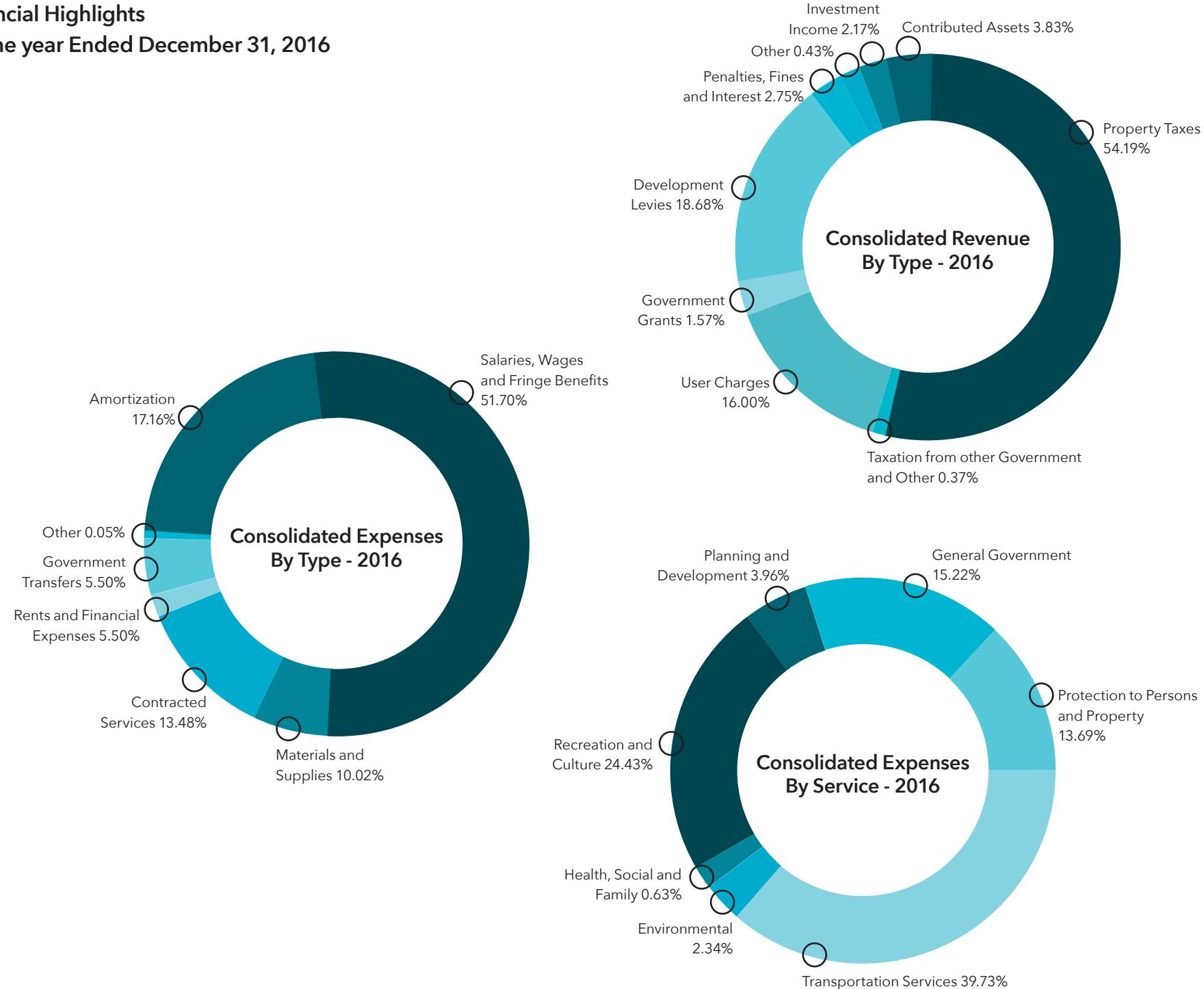
Dave Sutton,  
City Treasurer

June 13, 2017

**Financial Highlights**  
for the year Ended December 31, 2016



**Financial Highlights**  
for the year Ended December 31, 2016





Government Finance Officers Association

## 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, 2015**

A handwritten signature in black ink, appearing to read "Jeffrey R. Enner".

Executive Director/CEO

# Consolidated Financial Statements

**The Corporation of the City of Brampton for the Fiscal Year Ended December 31, 2016**

### 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 fulfills its responsibility for financial reporting through The City Council and its Audit Committee. The City Council consists of the Mayor and ten Councillors. The Audit Committee consists of five Councillors.

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



Harry Schlange  
Chief Administrative Officer



David Sutton  
Treasurer

Brampton, Canada  
May 24, 2017

## Auditors' Report



KPMG LLP  
Vaughan Metropolitan Centre  
100 New Park Place, Suite 1400  
Vaughan ON L4K 0J3  
Canada  
Tel 905-265-5900  
Fax 905-265-6390

### INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of The Corporation of the City of Brampton, which comprise the consolidated statement of financial position as at December 31, 2016, 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 the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

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.



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#### *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, 2016, 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

May 24, 2017  
Vaughan, Canada

## Consolidated Statement of Financial Position

as at December 31, 2016

(All dollar amounts in \$000)

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments (Note 3)	\$ 425,801	\$ 513,235
Taxes receivable	41,257	44,289
User charges receivable	3,725	3,419
Accounts receivable	29,101	35,430
Long-term investments (Note 3)	538,644	456,143
Other assets (Note 4)	8,361	8,344
<b>Total financial assets</b>	<b>1,046,889</b>	<b>1,060,860</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	148,448	127,453
Capital lease obligation (Note 5)	90,165	91,619
Deferred revenue - general (Note 6 (a))	3,744	3,339
Deferred revenue - obligatory reserve funds (Note 6 (b))	323,282	316,710
Employee benefits and other liabilities (Note 7)	72,837	68,363
<b>Total financial liabilities</b>	<b>638,476</b>	<b>607,484</b>
<b>Net Financial Assets</b>	<b>408,413</b>	<b>453,376</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 15)	3,598,234	3,508,415
Inventory and prepaids	6,071	5,395
<b>Total non-financial assets</b>	<b>3,604,305</b>	<b>3,513,810</b>
Guarantee (Note 4)		
Contingencies (Note 13)		
Commitments (Note 16)		
<b>Accumulated surplus (Note 9)</b>	<b>\$ 4,012,718</b>	<b>\$ 3,967,186</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, 2016  
(All dollar amounts in \$000)

	2016 Budget (notes 1 (n) and 17)	2016	2015
<b>REVENUES</b>			
Property taxation (Note 10)	\$ 419,905	\$ 422,459	\$ 393,608
Taxation from other governments	2,794	2,903	2,874
User charges	124,031	124,722	114,620
Government grants	1,939	12,252	13,468
Development levies earned and other restricted capital contributions	167,810	145,597	182,628
Investment income	6,717	7,641	9,955
Interest earned on reserves	9,602	9,286	9,728
Penalties, fines and interest	21,544	21,474	21,688
Developer contributed tangible capital assets (Note 15 (b))	78,913	29,856	76,271
Other	4,354	3,363	5,792
<b>Total revenues</b>	<b>837,609</b>	<b>779,553</b>	<b>830,632</b>
<b>EXPENSES</b>			
General government	108,947	111,689	60,798
Protection to persons and property	102,885	100,510	100,656
Transportation services	291,839	291,662	272,824
Environmental services	16,642	17,141	20,181
Health services (cemeteries)	707	759	840
Social and family services	3,783	3,879	2,832
Recreation and cultural services	174,956	179,336	166,159
Planning and development services	35,157	29,045	27,423
<b>Total expenses</b>	<b>734,916</b>	<b>734,021</b>	<b>651,713</b>
<b>Annual Surplus</b>	<b>\$ 102,693</b>	<b>\$ 45,532</b>	<b>\$ 178,919</b>
Accumulated surplus, beginning of year		3,967,186	3,788,267
<b>Accumulated surplus, end of year (Note 9)</b>	<b>\$ 4,012,718</b>	<b>\$ 3,967,186</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, 2016  
(All dollar amounts in \$000)

	2016 Budget (notes 1 (n) and 17)	2016	2015
<b>ANNUAL SURPLUS</b>	\$ 102,693	\$ 45,532	\$ 178,919
Acquisition of tangible capital assets	-	(216,140)	(248,028)
Amortization of tangible capital assets	124,670	125,971	119,939
Net book value of disposed tangible capital assets	-	350	261
Acquisition of inventory and prepaids	-	(8,438)	(7,060)
Use of inventory and prepaids	-	7,762	7,232
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>227,363</b>	<b>(44,963)</b>	<b>51,263</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>453,376</b>	<b>453,376</b>	<b>402,113</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 680,739</b>	<b>\$ 408,413</b>	<b>\$ 453,376</b>

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

## Consolidated Statement of Cash Flows

for the year ended December 31, 2016

(All dollar amounts in \$000)

	2016	2015
<b>OPERATING ACTIVITIES</b>		
<b>Cash provided by (used in):</b>		
Annual surplus	\$ 45,532	\$ 178,919
<b>Change in non-cash assets and liabilities:</b>		
Taxes receivable	3,032	8,681
User charges receivable	(306)	(602)
Accounts receivable and other assets	6,312	12,877
Accounts payable and accrued liabilities	20,995	2,368
Deferred revenue - general	405	64
Deferred revenue - obligatory reserve fund	6,572	10,260
Employee benefits and other liabilities	4,474	4,081
Inventory and prepaids	(676)	172
	<b>40,808</b>	<b>37,901</b>
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	125,971	119,939
Loss on disposal of tangible capital assets	350	261
Developer contributed tangible capital assets	(29,856)	(76,271)
<b>NET CHANGE IN CASH FROM OPERATIONS</b>	<b>182,805</b>	<b>260,749</b>
<b>FINANCING ACTIVITIES</b>		
Réparation of capital lease obligation	(1,454)	(1,348)
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(186,284)	(171,757)
<b>INVESTING ACTIVITIES</b>		
Decrease in long-term investments	(82,501)	(52,028)
	<b>(270,239)</b>	<b>(225,133)</b>
<b>INCREASE IN CASH AND SHORT-TERM INVESTMENTS</b>	<b>(87,434)</b>	<b>35,616</b>
Cash and short-term investments, beginning of year	513,235	477,619
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<b>\$ 425,801</b>	<b>\$ 513,235</b>

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

The Corporation of the City of Brampton (the "City") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Municipal Affairs Act, Development Charges Act and related legislation.

### **1. Significant accounting policies:**

The consolidated financial statements of 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 Chartered Professional Accountants of Canada ("CPA Canada"). 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 comprising 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 consolidated financial statements include:

- Brampton Public Library Board
- Downtown Brampton Business Improvement Area

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 DufferinPeel 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 consolidated 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 ("Region of Peel") and the school boards are not

reflected in the accumulated surplus of these consolidated 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) Investments:**

Cash and short-term investments include short-term highly liquid investments with terms to maturity of 90 days or less. Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss of value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

#### **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.

#### **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
Land	Unlimited
Buildings and building improvements (asset under capital lease)	10 - 40
Furniture, computer and office equipment	2 - 20
Infrastructure	10 - 40
Land improvements	10 - 30
Vehicles and machinery	7 - 15

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.

## **Notes to Consolidated Financial Statements**

Year ended December 31, 2016  
(All dollar amounts are in 000s)

## Notes to Consolidated Financial Statements

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- (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 consolidated 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 consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.
- 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 period 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:**  
Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The City may receive supplementary assessment rolls over the course of the year from Municipal Property Assessment Corporation ("MPAC"), identifying new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then billed according to the approved tax rate for the property class.
- 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.
- 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 Act ("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 budgets for the following items on the consolidated statement of operations: interest earned on reserves, developer contributed tangible capital assets 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 projects 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 these consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the year. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, carrying value of tangible capital assets, provisions accrued liabilities and obligations related to employee future benefits. Actual results could differ from these estimates.

**2. Future Accounting Pronouncements:**

These standards and amendments were not effective for the year ended December 31, 2016, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

(i) PS 3210, Assets, provides a definition of assets and further expands that definition as it relates to control. The standard also includes some disclosure requirements related to economic resources that are not recorded as assets to provide the user with better information about the types of resources available to the public sector entity. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year-end).

(ii) PS 3320, Contingent Assets, defines contingent assets and outlines two basic characteristics of contingent assets: (a) an existing condition or situation that is unresolved at the financial statement date, (b) an expected future event that will resolve the uncertainty as to whether an asset exists. The

standard also has specific disclosure requirements for contingent assets when the occurrence of the confirming event is likely. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year-end).

(iii) PS 3380, Contractual Rights, defines contractual rights to future assets and revenue. The standard requires that a public sector entity's contractual rights to certain types of revenue for a considerable period into the future or revenues that are abnormal in relation to the financial position or usual business operations should be disclosed in notes or schedules to the financial statements and should include descriptions about their nature and extent and timing. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year-end).

(iv) PS 2200, Related Party Disclosures, establishes related party disclosure requirements and defines related parties. This standard also specifies the information required to be disclosed including the type of transactions, amounts classified by financial statement category, the basis of measurement, and the amounts of any outstanding items, any contractual obligations and any contingent liabilities. The standard also requires disclosure of related party transactions that have occurred where no amounts have been recognized. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year-end).

(v) PS 3430, Restructuring Transactions, requires that assets and liabilities in restructuring transactions to be measured at their carrying amount. It also prescribes financial statement presentation and disclosure requirements. This standard is effective for fiscal periods beginning on or after April 1, 2018 (the City's December 31, 2019 year-end).

(vi) PS 3420, Inter-Entity Transactions, relates to the measurement of related party transactions and includes a decision tree to support the standard. Transactions are recorded at carrying amounts other than certain exceptions. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year-end).

(vii) PS 1201, Financial Statement Presentation, was issued in June, 2011. This standard requires entities to present a new statement of remeasurement gains and losses separate from the consolidated statement of operations and accumulated surplus. This new statement includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other

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comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This section is effective for fiscal years beginning on or after April 1, 2019 and applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted.

(viii) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has recently been deferred and is now effective for fiscal periods beginning on or after April 1, 2019 (the City's December 31, 2020 year-end).

(ix) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. The effective date of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2019 (the City's December 31, 2020 year-end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.

### 3. Cash and Investments:

Cash and short-term investments of \$425,801 (2015 - \$513,235) includes short-term investments of \$33,102 (2015 - \$2,000) with a market value \$33,295 (2015 - \$2,022) at the end of the year.

Long-term investments of \$538,644 (2015 - \$456,143) have a market value of \$540,873 (2015 - \$462,057), at the end of the year.

### 4. Other Assets:

Included under other assets in the consolidated statement of financial position is \$7,984 (2015 - \$7,984) consisting of a construction loan of \$6,000 advanced by the City towards the construction of the Powerade Centre with a due date of August 31, 2034 and a further \$1,984 representing advances under the Loan and Priorities Agreement established in 1998.

The City of Brampton is also the guarantor for the Powerade Centre Term Loan (previously a mortgage) held by the Royal Bank of Canada (RBC) expiring on March 21, 2017. Subsequent to year-end, the Term Loan, which has an amortization period ending in August 2034, was renegotiated with a 5-year term ending on March 21, 2022. The Term Loan has an outstanding balance of \$8,594 on December 31, 2016 (2015 - \$8,911).

### 5. Capital Lease Obligation:

In 2014, the City entered into a capital lease arrangement (the "agreement") on a building in downtown Brampton as part of the Southwest Quadrant Renewal Plan.

The agreement requires equal monthly lease payments over a period of 25 years until 2039. At the expiry of the agreement, the legal title of the building will be transferred to the City

Annual lease payments under the agreement are as follows:

2017	\$ 8,354
2018	8,354
2019	8,354
2020	8,354
2021	8,354
2022 and Thereafter	146,885
Total minimum lease payments	\$ 188,655
Less amount representing implicit interest at 7.59%	98,490
Capital lease obligation	\$ 90,165

In 2016, the interest expense of \$6,900 (2015 - \$7,005) is reported in the consolidated statement of operations.

### 6. (a) Deferred revenue - general:

Deferred revenue - general comprised 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, 2016 the deferred revenue - general amounted to \$3,744 (2015 - \$3,339).

### (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, 2016, obligatory reserve funds amounted to \$323,282 (2015 - \$316,710). 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, 2016, unamortized downtown incentive charges were \$11,050 (2015 - \$11,690).

Details of these deferred revenues are as follows:

	Opening	Amount received	Amount recognized as revenue	Other	Closing
Developers	\$ 127,214	100,737	88,942	-	\$ 139,009
Federal gas tax	47,224	29,149	44,401	-	31,972
Provincial gas tax	2,885	10,467	10,099	-	3,253
Other	139,387	11,176	2,155	640	149,048
Total	\$ 316,710	151,529	145,597	640	\$ 323,282

#### 7. 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 WSIB, 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 consolidated financial statements.

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

	2016	2015
WSIB	\$ 10,114	\$ 9,713
Vested sick leave benefits	17,145	16,293
Vacation pay	11,801	11,375
Non-pension post employment benefits	20,721	19,102
Self insurance liability	4,826	4,630
Legal liability	8,230	7,250
Total	\$ 72,837	\$ 68,363

As at December 31, 2016, the City has allocated reserves and reserve funds of \$28,216 (2015 - \$26,225) to fund these obligations. The most recent full actuarial valuation was performed as at December 31, 2013.

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

Item	Non-Pension Post Employment Benefits	Vested Sick Leave Benefits	WSIB	2016 Total	2015 Total
Accrued Benefit obligation ("ABO"), beginning of year	\$ 22,307	\$ 20,126	\$ 8,929	\$ 51,362	\$ 49,457
Add: Current benefit costs	1,147	1,635	1,208	3,990	3,769
Add: Interest Cost	1,060	940	402	2,402	2,318
Less: Current Benefit Payments	1,141	2,323	1,214	4,678	4,182
<b>ABO, end of the year</b>	<b>\$ 23,373</b>	<b>\$ 20,378</b>	<b>\$ 9,325</b>	<b>\$ 53,076</b>	<b>\$ 51,362</b>
Unamortized actuarial gain/(loss)	(2,652)	(3,233)	789	(5,096)	(6,254)
Liability for Benefits, end of the year	<b>\$ 20,721</b>	<b>\$ 17,145</b>	<b>\$ 10,114</b>	<b>\$ 47,980</b>	<b>\$ 45,108</b>

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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:

	Non-Pension	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%	4.50%
Dental premium rate increase	4.00%	n/a	n/a
Health care premium rates increase	5.07%	n/a	6.00%
Expected average remaining service life	15 years	14 years	12 years

### 8. Pension agreements:

The City makes contributions to OMERS, which is a multi-employer plan, on behalf of all permanent, fulltime 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 City accounts for its participation in OMERS, as a defined contribution plan.

The amount contributed to OMERS for 2016 was \$25,332 (2015 - \$24,408) for current service and is included as an expense on the consolidated statement of operations. Employee contributions totaled \$25,332 (2015 - \$ 24,408).

The City is current with all payments to OMERS, therefore, there is neither a surplus nor deficit with the pension plan contributions. However, the OMERS pension plan had a deficit at December 31, 2016 of \$5.7 billion based on actuarial valuation of plan assets.

### 9. Accumulated Surplus:

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

	2016	2015
Tangible capital assets	\$ 3,598,234	\$ 3,508,415
Surplus funds from committed capital projects and other	90,140	169,834
Reserves	3,688,374	3,678,249
Reserve Funds	76,323	67,676
Total	\$ 4,012,718	\$ 3,967,186

### 10. Tax Revenues:

Property tax billings are prepared by the City based on the assessment roll as delivered by MPAC. MPAC is an independent body established by the Ontario Government's Municipal Property Assessment Corporation Act, 1997. A province wide re-assessment based on a January 1, 2008 market value was undertaken by MPAC for use in taxation years 2009 through 2012. During this four year period any assessment increases compared to the previous 2005 assessment were 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. An 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.

## 11. Expenses by object:

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

	2016 Budget	2016	2015
Salaries, wages and fringe benefits	\$ 373,640	\$ 379,483	\$ 345,602
Materials and supplies	74,174	73,531	69,802
Contracted services	105,585	98,931	98,350
Rents and financial expenses	16,487	15,370	16,832
Government transfers	40,360	40,385	927
Amortization	124,670	125,971	119,939
Other	-	350	261
<b>Total expenses</b>	<b>\$ 734,916</b>	<b>\$ 734,021</b>	<b>\$ 651,713</b>

## 12. Trust funds:

Trust funds administered by the City amounted to \$29,179 (2015 - \$29,748) are presented in the separate financial statements of trust funds 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.

The City administers the following trust funds:

- **Cemeteries Care and Maintenance Trust**
- **Developers' Performance Deposits Trust**
- **Developer Front End Financing Trust**
- **Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance**
- **Brampton Sports Hall of Fame**

## 13. Public liability insurance:

The City is self-insured for all lines of coverage including public liability, errors and omissions and Brampton Transit claims up to \$500. 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, 2016 had a \$12,980 balance (2015 - \$10,727) and is reported on the consolidated statement of financial position. Claims settled during the year amounting to \$3,757 (2015 - \$2,864) have been provided for from the reserve fund, and are accordingly reported as expenses on the consolidated statement of operations.

In the normal course of its operations, the City is subject to various litigation and claims. Where management has as-

sessed 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 consolidated 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 consolidated financial position.

## 14. 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 \$7,890 for the year ended December 31, 2016. (2015 - \$8,218).

The operating costs for the administration of the POA for the year ended December 31, 2016 amounted to \$6,055 (2015 - \$5,557), resulting in a net contribution of \$1,835 (2015 - \$2,661) 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

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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.

### 15. Tangible capital assets:

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

Cost	December 31, 2015	Additions	Disposals	Transfers	December 31, 2016
Land	\$ 1,628,129	\$ 2,646	\$ -	\$ -	\$ 1,630,775
Asset under capital lease	93,500	-	-	-	93,500
Buildings and building improvements	625,084	32,375	-	-	657,459
Furniture, computer and office equipment	104,997	13,184	(30,436)	-	87,745
Infrastructure	1,889,885	71,888	-	-	1,961,773
Land improvements	80,032	8,550	(122)	-	88,460
Vehicles and machinery	294,713	28,107	(8,741)	-	314,079
Assets under construction	105,894	184,192	-	(124,802)	165,284
<b>Total</b>	<b>\$ 4,822,234</b>	<b>\$ 340,942</b>	<b>\$ (39,299)</b>	<b>\$ (124,802)</b>	<b>\$ 4,999,075</b>

Accumulated amortization	December 31, 2015	Disposals	Amortization expense	December 31, 2016
Land	\$ -	\$ -	\$ -	\$ -
Asset under capital lease	5,298	-	3,740	9,038
Buildings and building improvements	228,945	-	25,277	254,222
Furniture, computer and office equipment	63,306	(30,259)	13,910	46,957
Infrastructure	829,015	-	56,460	885,475
Land improvements	32,049	(40)	4,172	36,181
Vehicles and machinery	155,206	(8,650)	22,412	168,968
<b>Total</b>	<b>\$ 1,313,819</b>	<b>\$ (38,949)</b>	<b>\$ 125,971</b>	<b>\$ 1,400,841</b>

Net book value	December 31, 2015	December 31, 2016
Land	\$ 1,628,129	\$ 1,630,775
Asset under capital lease	88,202	84,462
Buildings and building improvements	396,139	403,237
Furniture, computer and office equipment	41,691	40,789
Infrastructure	1,060,870	1,076,300
Land improvements	47,983	52,279
Vehicles and machinery	139,507	145,111
Assets under construction	105,894	165,284
<b>Total</b>	<b>\$ 3,508,415</b>	<b>\$ 3,598,234</b>

#### a) Assets under construction

Assets under construction having a value of \$165,284 (2015 - \$105,894) 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. Contributed capital assets are comprised of infrastructure assets acquired through subdivision assumptions. The value of contributed assets received during the year is \$29,856 (2015 - \$76,271).

#### 16. Commitments:

The City leases facilities and equipment under operating leases expiring beyond 2022. In addition, 2018 amount includes \$20,000 grant for the local share for construction of new Peel Memorial Centre for Integrated Health and Wellness. The minimum amounts payable under these arrangements are as follows:

2017	\$ 2,274
2018	21,674
2019	1,441
2020	1,058
2021	979
2022 and thereafter	17,763
	<b>\$ 45,189</b>

Excluded from these amounts is the capital lease obligation outlined in Note 5.

#### 17. Budget Data:

Budget data presented in these consolidated financial statements are based upon the 2015 operating and capital budgets as approved by Council and adopted by the City at the December 9, 2015 meeting. Adjustments to budgeted

values were required to provide comparative budget values based on the components of full accrual basis of accounting. The chart below reconciles the approved operating budget with the budget figures presented in these consolidated financial statements.

#### Revenue:

Approved operating budget	\$ 647,054
Less: Contributions from reserve funds	67,624
Add: Other	488
Add: Development levies earned and other restricted capital contributions	167,810
Add: Project budget for grants and subsidies	1,366
Add: Interest earned on reserves	9,602
Add: Developer contributed assets	78,913
<b>Total reported on Consolidated Financial Statements</b>	<b>\$ 837,609</b>

#### Expenses:

Approved operating budget	\$ 647,054
Less: Contributions to reserve funds	74,475
Add: Other	4,533
Add: Operating projects budget	33,134
Add: Amortization	124,670
<b>Total reported on Consolidated Financial Statements</b>	<b>\$ 734,916</b>

#### 18. 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 the 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.

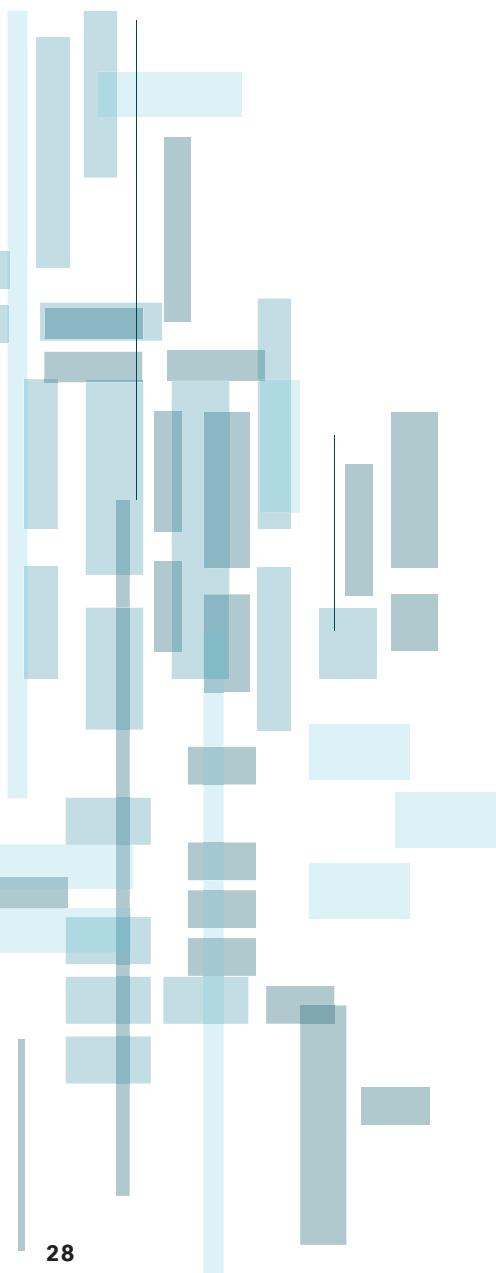
The departments within Corporate Management and Support sections are responsible for adopting bylaws and administrative policies; risk management; providing effective financial reporting, planning and controls; developing and maintaining flexible computer networks and resources to deliver information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

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### Protection to persons and property

Protection Services delivers Fire Emergency Services, By-law and Enforcement and POA administration. The mandate of the 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 comprised 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.

## Consolidated Schedule of Segment Disclosure

for the year ended December 31, 2016

(All dollar amounts in \$000)

	General government	Protection to persons and property	Transportation services	Environmental services	Health, social and family services	Recreation and cultural services	Planning and development services	2016 Total	2015 Total
<b>Revenues</b>									
Property taxation and taxation from other governments	\$ 424,977	-	-	-	-	-	385	\$ 425,362	\$ 396,482
User charges	9,965	19,866	61,150	-	947	28,418	4,376	124,722	114,620
Government grants	-	-	11,335	-	193	408	316	12,252	13,468
Development levies earned	47	4,557	112,340	-	-	25,942	2,711	145,597	182,628
and other restricted capital contributions	-	-	-	-	-	-	-	-	-
Investment income (including Reserves and Reserve Funds)	16,840	-	-	-	-	82	5	16,927	19,683
Penalties, fines and interest	9,661	11,285	-	-	-	528	-	21,474	21,688
Developer contributed tangible capital assets	-	-	29,856	-	-	-	-	29,856	76,271
Other	309	21	2,508	-	17	402	106	3,363	5,792
<b>Total Revenues</b>	<b>461,799</b>	<b>35,729</b>	<b>217,189</b>	<b>-</b>	<b>1,157</b>	<b>55,780</b>	<b>7,899</b>	<b>779,553</b>	<b>830,632</b>
<b>Expenses</b>									
Salaries, wages and fringe benefits	70,820	80,910	125,562	981	2,313	79,057	19,840	379,483	345,602
Materials	15,658	2,626	37,777	36	550	15,162	1,722	73,531	69,802
Contracted services	24,556	3,356	40,623	1,594	229	25,635	2,938	98,931	98,350
Rents and financial expenses	13,327	132	1,386	-	7	431	87	15,370	16,832
Government transfers	(22,189)	8,417	19,324	436	900	31,197	2,300	40,385	927
Amortization	9,517	5,069	66,979	14,094	640	27,514	2,158	125,971	119,939
Other	-	-	11	-	-	339	-	350	261
<b>Total Expenses</b>	<b>111,689</b>	<b>100,510</b>	<b>291,662</b>	<b>17,141</b>	<b>4,639</b>	<b>179,335</b>	<b>29,045</b>	<b>734,021</b>	<b>651,713</b>
<b>Annual surplus (deficit)</b>	<b>\$ 350,110</b>	<b>\$ (64,781)</b>	<b>\$ (74,473)</b>	<b>\$ (17,141)</b>	<b>\$ (3,482)</b>	<b>\$ (123,555)</b>	<b>\$ (21,146)</b>	<b>\$ 45,532</b>	<b>\$ 178,919</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, 2016**



KPMG LLP  
Vaughan Metropolitan Centre  
100 New Park Place, Suite 1400  
Vaughan ON L4K 0J3  
Canada  
Tel 905-265-5900  
Fax 905-265-6390

## 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, 2016, the statement of operations and fund balances 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.

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.



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### *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, 2016, and its results of operations and fund balances for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

May 24, 2017  
Vaughan, Canada

## Statement of Financial Position

Trust Funds - December 31, 2016,  
with comparative figures for 2015

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	Brampton Sports Hall of Fame	Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance Trust Funds	2016 Total	2015 Total
<b>Financial Assets and Liabilities</b>							
<b>ASSETS</b>							
Cash	693,794	27,770,134	309,528	93,698	52,476	28,919,630	29,495,362
Accounts receivable	852	3,089	276	83	47	4,347	4,089
<b>Subtotal</b>	<b>694,646</b>	<b>27,773,223</b>	<b>309,804</b>	<b>93,781</b>	<b>52,523</b>	<b>28,923,977</b>	<b>29,499,451</b>
Investments, at cost (market - \$250,561 2015 - \$260,623):							
Municipal Bonds	257,544	-	-	-	-	257,544	257,544
<b>Subtotal</b>	<b>257,544</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257,544</b>	<b>257,544</b>
<b>Total Financial Assets</b>	<b>952,190</b>	<b>27,773,223</b>	<b>309,804</b>	<b>93,781</b>	<b>52,523</b>	<b>29,181,521</b>	<b>29,756,995</b>
<b>LIABILITIES</b>							
Accounts payable	-	2,196	-	-	-	2,196	2,196
Due to the City of Brampton	227	-	-	-	-	227	6,823
<b>Total Liabilities</b>	<b>227</b>	<b>2,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,423</b>	<b>9,019</b>
<b>Net financial resources</b>	<b>951,963</b>	<b>27,771,027</b>	<b>309,804</b>	<b>93,781</b>	<b>52,523</b>	<b>29,179,098</b>	<b>29,747,976</b>
<b>Fund balances</b>	<b>951,963</b>	<b>27,771,027</b>	<b>309,804</b>	<b>93,781</b>	<b>52,523</b>	<b>29,179,098</b>	<b>29,747,976</b>

See accompanying notes to financial statements.

## Statement of Financial Activities and Changes in Fund Balances

Trust Funds - December 31, 2016,  
with comparative figures for 2015

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	Brampton Sports Hall of Fame	Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance Trust Funds	2016 Total	2015 Total
<b>Revenue</b>							
Monuments and markers deposits	2,400	-	-	-	-	2,400	1,500
Perpetual care deposits	8,691	-	-	-	-	8,691	6,869
Other deposits - Trusts	-	68,000	-	-	-	68,000	127,226
Performance deposits received	-	6,654,352	-	-	-	6,654,352	3,163,267
<b>Subtotal</b>	<b>11,091</b>	<b>6,722,352</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,733,443</b>	<b>3,163,267</b>
Interest Income	19,544	108,811	3,193	1,010	561	133,119	46,286
<b>Total Revenues</b>	<b>30,635</b>	<b>6,831,163</b>	<b>3,193</b>	<b>1,010</b>	<b>561</b>	<b>6,866,562</b>	<b>3,345,148</b>
<b>Expenditures</b>							
Transfers to City Revenue Fund:							
Maintenance Contribution	16,522	-	-	-	-	16,522	15,961
Professional Services/Audit	-	-	-	3,837	-	3,837	5,785
Office Expenses	-	-	-	1,591	-	1,591	-
Computer Software/Maint	-	-	-	1,995	-	1,995	-
Interest Transfer	-	108,812	-	-	-	108,812	22,349
Administration Charges	3,022	-	-	-	-	3,022	3,511
<b>Subtotal</b>	<b>19,544</b>	<b>108,812</b>	<b>-</b>	<b>7,423</b>	<b>-</b>	<b>135,779</b>	<b>47,606</b>
Return of performance deposits	-	7,294,762	-	-	-	7,294,762	3,007,118
Payments on behalf of developers	-	4,900	-	-	-	4,900	72,942
<b>Total Expenditures</b>	<b>19,544</b>	<b>7,408,474</b>	<b>-</b>	<b>7,423</b>	<b>-</b>	<b>7,435,441</b>	<b>3,127,666</b>
Excess of revenues over expenditures	11,091	(577,311)	3,193	(6,413)	561	(568,879)	217,482
Fund balances, beginning of year	940,872	28,348,338	306,611	100,194	51,962	29,747,977	29,530,494
<b>Fund balances, end of year</b>	<b>951,963</b>	<b>27,771,027</b>	<b>309,804</b>	<b>93,781</b>	<b>52,523</b>	<b>29,179,098</b>	<b>29,747,976</b>

See accompanying notes to financial statements.

# Notes to the Financial Statements

Trust Funds - Year ended  
December 31, 2016

The financial statements of The Corporation of the City of Brampton 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 Chartered Professional Accountants of Canada ("CPA Canada"). Significant aspects of the accounting policies adopted by the City are as follows:

## 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 Corporation of the City of Brampton (the "City") funds. All other expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes expenses 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 amortized 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 Sports Hall of Fame:

The Brampton Sports Hall of Fame (the "BSHF") is a non-profit organization that was founded to recognize and honour the history of sport in the City of Brampton and in particular those persons who have made outstanding contributions and achievements in the development of sport within the community. The BSHF will collect, preserve, research, exhibit and promote all those objects, images and histories which are determined to be significant to the development of sport in the City of Brampton.

## 6. 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.

# Statistical Information

**Year Ended December 31, 2016**

## 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.)

	2016	2015	2014	2013	2012
Population	593,638	580,600	571,700	557,800	540,145
Households	168,120	164,680	160,710	156,403	152,837
Areas in hectares	27,138	27,138	27,138	27,138	27,138
Full-time employees	2,933	2,872	2,872	2,819	2,658
Housing Starts	4,044	5,449	4,366	2,714	5,372
<b>Building Permit Values</b>	<b>1,961,406</b>	<b>2,731,791</b>	<b>2,260,649</b>	<b>1,210,568</b>	<b>2,458,744</b>
<b>TAXABLE ASSESSMENT UPON WHICH TAX RATES WERE SET</b>					
Residential and farm	\$ 63,219,818	\$ 61,363,309	\$ 59,324,796	\$ 57,602,952	\$ 45,778,991
Commercial and industrial	13,639,517	13,498,302	13,035,512	12,870,830	11,442,405
<b>Total</b>	<b>\$ 76,859,335</b>	<b>\$ 74,861,611</b>	<b>\$ 72,360,308</b>	<b>\$ 70,473,782</b>	<b>\$ 57,221,396</b>
Total per capita	129,472	128,938	126,570	126,342	105,937
<b>TAX RATES/MILL RATES (URBAN AREA)</b>					
<b>Residential</b>					
City purposes	0.504409%	0.499812%	0.492340%	0.499550%	0.481609%
Region purposes	0.410616%	0.420315%	0.430992%	0.444781%	0.459138%
School board purposes	0.188000%	0.195000%	0.203000%	0.212000%	0.221000%
<b>Total</b>	<b>1.103025%</b>	<b>1.115127%</b>	<b>1.126332%</b>	<b>1.156331%</b>	<b>1.161747%</b>
<b>Commercial</b>					
City purposes	0.654269%	0.648306%	0.638614%	0.647966%	0.624695%
Region purposes	0.532610%	0.545191%	0.559040%	0.576926%	0.595548%
School board purposes	1.057399%	1.069252%	1.107083%	1.147477%	1.177386%
<b>Total</b>	<b>2.244278%</b>	<b>2.262749%</b>	<b>2.304737%</b>	<b>2.372369%</b>	<b>2.397629%</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.)

	2016	2015	2014	2013	2012
<b>Industrial</b>					
City purposes	0.741481%	0.734724%	0.723740%	0.734338%	0.707965%
Region purposes	0.603606%	0.617863%	0.633558%	0.653828%	0.674933%
School board purposes	1.292875%	1.325843%	1.361148%	1.399256%	1.421817%
<b>Total</b>	<b>2.637962%</b>	<b>2.678430%</b>	<b>2.718446%</b>	<b>2.787422%</b>	<b>2.804715%</b>
 <b>TAXES RECEIVABLE, END OF THE YEAR</b>					
Amount	\$ 46,567	\$ 50,150	\$ 57,768	\$ 53,493	\$ 51,818
Per capita	\$78	\$86	\$101	\$96	\$96
Percentage of years' levy	4.46%	5.05%	6.18%	5.97%	6.12%
 <b>NET LONG-TERM LIABILITIES, END OF YEAR</b>					
Amount	\$90,165	\$91,619	\$92,967	-	-
Per Capita	\$152	\$158	\$163	-	-
 <b>CHARGES FOR NET LONG-TERM LIABILITIES</b>					
Amount	\$6,900	\$7,005	\$2,948	-	-
Per capita	\$12	\$12	\$5	-	-
 <b>DEBT REPAYMENT LIMIT</b>	<b>\$ 132,609</b>	<b>\$ 124,718</b>	<b>\$ 101,068</b>	<b>\$ 111,795</b>	<b>\$ 102,527</b>
(as determined by the Province of Ontario)					

## 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.)

	2016	2015	2014	2013	2012
<b>TAXES COLLECTED</b>					
City collection	\$ 425,337	\$ 396,482	\$ 362,325	\$ 342,132	\$ 308,949
Taxes Transferred to the Region	345,653	331,371	315,094	302,695	292,146
Taxes Transferred to the School Boards	274,257	266,015	257,647	250,592	246,041
<b>Total</b>	<b>\$ 1,045,247</b>	<b>\$ 993,868</b>	<b>\$ 935,066</b>	<b>\$ 895,419</b>	<b>\$ 847,136</b>
<b>TAX LEVIES</b>					
City purposes	\$ 422,704	\$ 393,851	\$ 359,899	\$ 339,723	\$ 305,844
Region purposes	343,919	331,138	314,854	302,443	291,442
School board purposes	272,796	265,524	257,647	250,592	246,042
<b>Total</b>	<b>\$ 1,039,419</b>	<b>\$ 990,513</b>	<b>\$ 932,400</b>	<b>\$ 892,758</b>	<b>\$ 843,328</b>
<b>TRUST FUNDS BALANCE - End of year</b>	<b>\$ 29,179</b>	<b>\$ 29,748</b>	<b>\$ 29,530</b>	<b>\$ 29,979</b>	<b>\$ 31,974</b>
<b>CONTRIBUTION FROM DEVELOPERS AND OTHER OBLIGATORY RESERVES</b>					
Development charges	\$ 100,737	\$ 136,071	\$ 119,859	\$ 81,551	\$ 157,824
Gas tax - Province	10,467	10,047	11,837	8,710	8,144
Gas tax - Federal	29,149	27,761	28,117	24,352	24,352
Other obligatory reserves	11,176	18,369	13,772	25,021	19,700
<b>Total</b>	<b>\$ 151,529</b>	<b>\$ 192,248</b>	<b>\$ 173,585</b>	<b>\$ 139,634</b>	<b>\$ 210,020</b>
<b>DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS</b>					
Development charges	\$ 139,009	\$ 127,214	\$ 88,190	\$ 60,718	\$ 59,885
Gas tax - Province	3,253	2,885	3,572	1,559	1,110
Gas tax - Federal	31,972	47,224	56,674	31,227	22,532
Other obligatory reserves	149,048	139,387	158,014	136,064	111,414
<b>Total</b>	<b>\$ 323,282</b>	<b>\$ 316,710</b>	<b>\$ 306,450</b>	<b>\$ 229,568</b>	<b>\$ 194,941</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.)

	2016	2015	2014	2013	2012
<b>CONSOLIDATED REVENUES BY SOURCE</b>					
Property taxation	\$ 422,459	\$ 393,608	\$ 359,644	\$ 339,523	\$ 305,644
Taxation from other governments	2,903	2,874	2,681	2,611	3,305
User charges	124,722	114,620	111,357	101,023	107,411
Government grants	12,252	13,468	26,509	7,130	24,315
Development levies earned and other restricted capital contributions	145,597	182,628	97,344	102,824	173,685
Investment income	7,641	9,955	9,655	8,287	7,296
Penalties, fines and interest	21,474	21,688	21,259	20,750	19,551
Interest earned on reserves	9,286	9,728	8,021	7,480	8,373
Developer contributed tangible capital assets	29,856	76,271	115,410	59,995	80,861
Other	3,363	5,792	6,712	4,405	2,553
<b>Total</b>	<b>\$ 779,553</b>	<b>\$ 830,632</b>	<b>\$ 758,592</b>	<b>\$ 654,028</b>	<b>\$ 732,994</b>
<b>CONSOLIDATED EXPENSES BY FUNCTION</b>					
General government	\$102,172	\$51,649	\$52,003	\$38,266	\$40,511
Protection to persons and property	95,441	95,449	109,341	91,578	85,234
Transportation services	224,672	210,897	197,567	183,695	172,319
Environment services	3,047	6,792	3,288	2,173	2,500
Health services (cemeteries)	630	708	571	685	635
Social and family services	3,369	2,298	2,399	2,325	2,257
Recreation and cultural services	151,482	138,651	126,500	128,166	120,261
Planning and development	26,887	25,069	23,372	23,486	21,383
Amortization expense	125,971	119,939	118,399	105,189	101,373
Other	350	261	193	533	3,703
<b>Total</b>	<b>\$ 734,021</b>	<b>\$ 651,713</b>	<b>\$ 633,633</b>	<b>\$ 576,096</b>	<b>\$ 550,176</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.)

	2016	2015	2014	2013	2012
<b>CONSOLIDATED EXPENSES BY OBJECT</b>					
Salaries, wages and employee benefits	\$ 379,483	\$ 345,602	\$ 334,507	\$ 313,854	\$ 295,364
Long term debt payments	6,900	7,005	2,948		
Goods and services	221,317	178,906	177,586	156,520	149,736
Amortization	125,971	119,939	118,399	105,189	101,373
Other	350	261	193	533	3,703
Total	\$ 734,021	\$ 651,713	\$ 633,633	\$ 576,096	\$ 550,176
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>					
	\$3,967,186	\$3,788,267	\$3,663,308	\$3,585,376	\$3,402,558
ANNUAL SURPLUS	45,532	178,919	124,959	77,932	182,818
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 4,012,718</b>	<b>\$ 3,967,186</b>	<b>\$ 3,788,267</b>	<b>\$ 3,663,308</b>	<b>\$ 3,585,376</b>
<b>TOTAL FINANCIAL ASSETS</b>					
	\$1,046,889	\$1,060,860	\$994,172	\$916,510	\$829,980
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>638,476</b>	<b>607,484</b>	<b>592,059</b>	<b>416,271</b>	<b>349,672</b>
<b>NET FINANCIAL ASSETS</b>	<b>\$ 408,413</b>	<b>\$ 453,376</b>	<b>\$ 402,113</b>	<b>\$ 500,239</b>	<b>\$ 480,308</b>
<b>TANGIBLE CAPITAL ASSET NET BOOK VALUE</b>					
Land	\$ 1,630,775	\$ 1,628,129	\$ 1,608,632	\$ 1,603,576	\$ 1,595,418
Asset under capital lease	84,462	88,202	91,942	-	-
Buildings and building improvements	403,237	396,139	395,169	384,284	369,384
Furniture, computer and office equipment	40,789	41,691	44,955	47,313	49,098
Infrastructure	1,076,300	1,060,870	986,006	868,442	812,788
Land improvements	52,279	47,983	48,039	49,162	44,833
Vehicles and machinery	145,111	139,507	132,904	125,689	134,772
Assets under construction	165,281	105,894	72,940	80,145	94,646
<b>Total</b>	<b>\$ 3,598,234</b>	<b>\$ 3,508,415</b>	<b>\$ 3,380,587</b>	<b>\$ 3,158,611</b>	<b>\$ 3,100,939</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.)

	2016	2015	2014	2013	2012
<b>TANGIBLE CAPITAL ASSET COST</b>					
Assets - beginning of year	\$ 4,822,234	\$ 4,655,337	\$ 4,319,366	\$ 4,162,546	\$ 3,939,483
Additions	340,942	392,028	484,232	284,015	390,786
Disposals and transfers	(164,101)	(225,131)	(148,261)	(127,195)	(167,723)
<b>Assets - end of year</b>	<b>\$ 4,999,075</b>	<b>\$ 4,822,234</b>	<b>\$ 4,655,337</b>	<b>\$ 4,319,366</b>	<b>\$ 4,162,546</b>
<b>TANGIBLE CAPITAL ASSET AMORTIZATION</b>					
Accumulated amortization - beginning of year	\$ 1,313,819	\$ 1,274,750	\$ 1,160,755	\$ 1,061,607	\$ 971,018
Current year expense	125,971	119,939	118,399	105,189	101,371
Accumulated amortization on disposals	(38,949)	(80,870)	(4,404)	(6,041)	(10,782)
<b>Accumulated amortization - end of year</b>	<b>\$ 1,400,841</b>	<b>\$ 1,313,819</b>	<b>\$ 1,274,750</b>	<b>\$ 1,160,755</b>	<b>\$ 1,061,607</b>
<b>TANGIBLE CAPITAL ASSET NET BOOK VALUE</b>	<b>\$ 3,598,234</b>	<b>\$ 3,508,415</b>	<b>\$ 3,380,587</b>	<b>\$ 3,158,611</b>	<b>\$ 3,100,939</b>

## 10 Largest Corporate Property Taxpayers in Brampton - 2016

Rank	Owner Name	Assessment Value \$
1	Morguard Corporation	576,171,000
2	Orlando Corporation	358,444,000
3	1388688 Ontario Limited	200,153,000
4	Riotrin Properties (Brampton)	175,853,000
5	Industrial 5000 Real Estate	163,641,000
6	CP REIT Ontario Properties Ltd	158,615,000
7	Chiefton Investments Limited	132,264,000
8	Investors Group Trust Co Ltd	130,370,000
9	Concert Real Estate Corporate	126,923,000
10	DaimlerChrysler Canada Inc	125,451,000
<b>Top Ten - Assessment Total</b>		<b>2,147,885,000</b>
% of Total Industrial and Commercial Assessment		15.92%
% of Total		2.86%
Total Residential Assessment		61,543,869,896
Total Industrial and Commercial Assessment		13,493,609,464
<b>Total</b>		<b>75,037,479,360</b>