

The Corporation of the City of Brampton  
Annual Report 2008





2008 has been a year of maintaining our momentum in strategic planning, responsible growth management and financial prudence, while adapting our perspectives to the new realities that are before us.

Brampton is Canada's eleventh largest city and one of the pre-eminent municipalities in the country. We have a strong financial foundation, and our fiscal management policies and practices have helped Brampton remain debt-free, an achievement few municipalities in Canada can claim today. Standard & Poor's, the world's most rigorous and respected rating agency, has assigned the City of Brampton the prestigious Triple 'A' rating for the third consecutive year! It is the highest credit rating a municipality can receive and we are one of only seven Canadian cities to have earned it.

# Mayors Message

In 2008, Brampton won the International Communities in Bloom title for the first time ever, competing against the likes of Aberdeen, Scotland; Prince George, British Columbia; Stockton-on-Tees, England; Strathcona, Alberta; and Toronto. This comes as a result of all community stakeholders working together in giving this beautiful city a truly spectacular 'look and feel.' With the grand opening of the state-of-the-art Cassie Campbell Community Centre, we have added another feather to our cap. This 165,000 square-foot, multi-use community centre is the largest and most modern in Brampton.

Our Brampton Transit ridership continues to grow in leaps and bounds. With funds from the Federal and Provincial government, our Rapid Bus Transit system is on schedule with service expected to begin in Fall 2010. Our vision of a transit-oriented Brampton, with a pedestrian-friendly downtown core, well-preserved valuable green spaces, and well-connected pathways is on its way to fruition.

Our success lies in our ability to be strategic. We remain focused on the health of our economy, on the responsible and effective management of our city, and on maintaining and protecting the quality of life of our citizens and businesses who call this city home.

Our comprehensive long-term plans have helped focus our efforts on creating the conditions for success and prosperity for our businesses and citizens. With our newly formed rapid response SWAT team that includes staff from our Economic Development and Planning departments, we aim to attract and fast-track new businesses considering locating in Brampton by competing aggressively and effectively to get them to move here.

In Brampton, we always have a plan. At the same, we are also well aware that planning is a continuous process of review and revision that will help us work together towards our common goals. So while the global economy continues to be marked with uncertainty, Brampton is continuing to be purposeful and strategic in its progress towards planning for a new economy and a bright future, and maintaining our city as a great place in which to live, work and succeed.

**Mayor Susan Fennell**

# Message



(Seated left to right) Vicky Dhillon, City Councillor, Wards 9 & 10; Mayor Susan Fennell; John Sanderson, Regional Councillor, Wards 3 & 4

(Standing left to right) Paul Palleschi, Regional Councillor, Wards 2 & 6; Grant Gibson, Regional Councillor, Wards 1 & 5; Sandra Hames, City Councillor, Wards 7 & 8; Gael Miles, Regional Councillor, Wards 7 & 8; John Sprovieri, Regional Councillor, Wards 9 & 10; Elaine Moore, Regional Councillor, Wards 1 & 5; Bob Callahan, City Councillor, Wards 3 & 4; and John Hutton, City Councillor, Wards 2 & 6



The City of Brampton has a very diverse and talented group of professionals and skilled employees and I am immensely proud to be working with such a phenomenal team. Our staff exemplify what makes our employees second-to-none: a sense of pride, commitment and responsibility to the job and the community.

In 2008, we witnessed several extraordinary and successful milestones. We received national and international accolades and awards giving Brampton much-deserved recognition.

The Brampton rapid transit bus system received nearly \$200 million in Federal and Provincial grants and the project is progressing at a fast pace. We are all excited by it and look forward to launching the first phase in Fall 2010. This new project is key to our vision of a transit-oriented, pedestrian-friendly, green community.

# Message

## Manager's Message

The grand opening celebration of the Cassie Campbell Community Centre was aptly named "Dare to Dream." And dream we did! Staff from across this corporation demonstrated that we not only set the bar high, we delivered on all fronts – making us the envy of other municipalities.

The community centre is an amazing facility and has set a benchmark in the region. Building on the success of the Brampton Soccer Centre that opened in 2007, Brampton residents now have yet another reason to celebrate.

Customer service is of utmost importance in this City where more than 450,000 residents, representing 175 distinct ethnic backgrounds and speaking 70 different languages, live, work and play. As we set new and exciting strategic directions for our City, we have continued our outreach to the community, interacting with them on a number of key issues on how to maintain Brampton as a premier city in Ontario.

Our win in the International Communities in Bloom competition is a great example of City staff working in tandem with community stakeholders to promote the creation of green spaces within urban areas. It not only pays testimony to our commitment to the environment, but also to community relationships.

On the economic front, for the third straight year, we have retained our Standard & Poor's Triple 'A' rating. It takes a great deal of financial acumen to achieve this and I congratulate staff and Council for their prudent fiscal management.

Our City has enormous potential, and our organization tremendous opportunities. And the key to unleashing this potential is community input and our dedicated staff. We have it all and I am sure we will continue to showcase our successes in the years to come.

**City Manager Deborah Dubenofsky**



Brampton's diverse landscape is a natural resource supporting tourism, heritage, business and a great quality of life. The key to a vibrant community and a robust economy is a healthy environment.

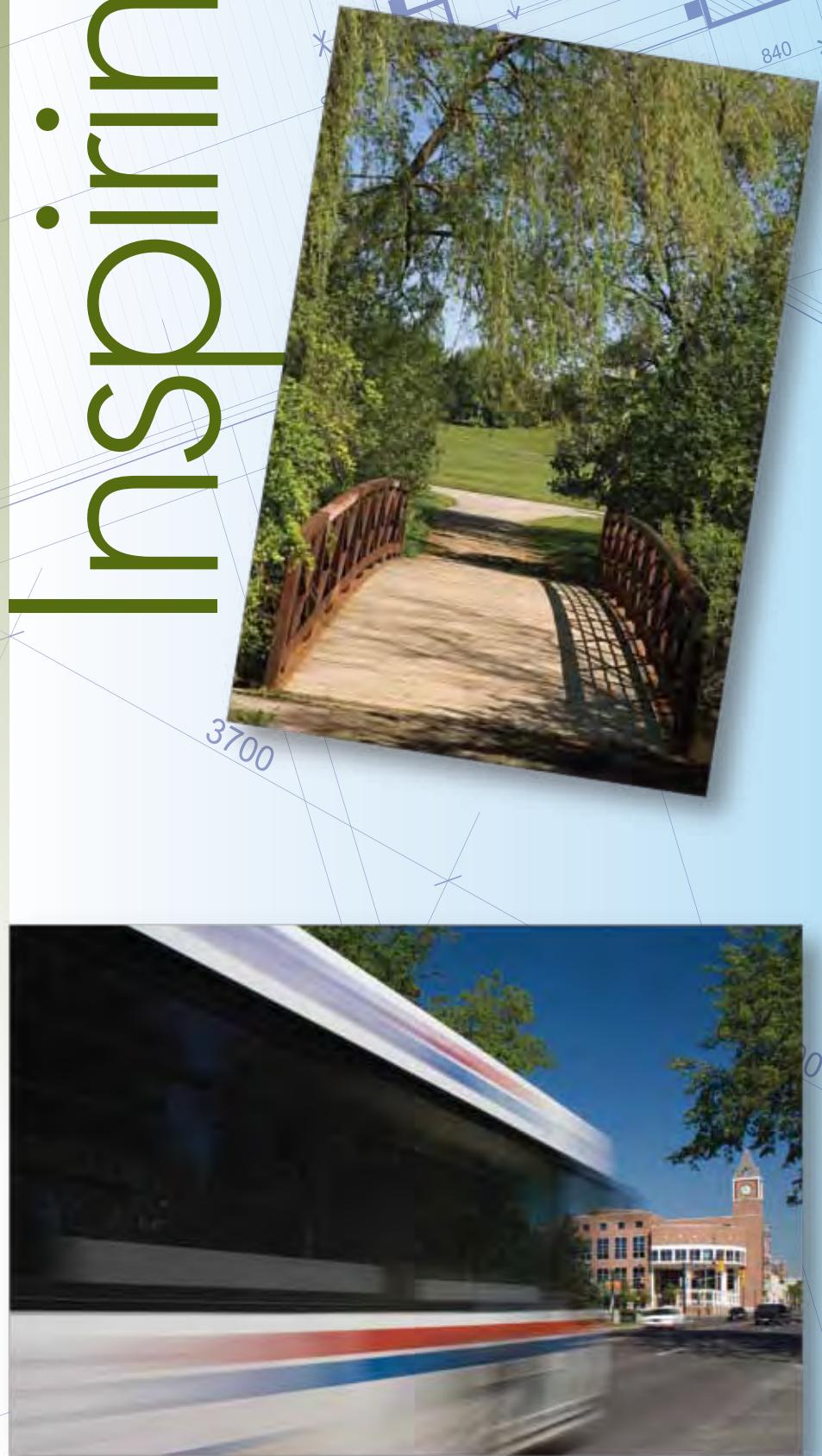
In creating a lasting legacy for the future and addressing the need for environmental, social and economic sustainability, the city has invested heavily in numerous projects.

These include the development of rapid bus transit, a valley re-naturalization program, the acquisition of a 140-acre parkland and investing in Partners in Project Green, a growing community of businesses working together to green their bottom line by creating an internationally-recognized 'eco-business zone' around Pearson International Airport.

With more than 6,000 acres of parkland and green spaces, Brampton takes great pride in creating a truly inspirational environment for residents and visitors alike. Ensuring a convenient, safe, healthy and beautiful way to get around the city are 120 kms of trails and pathways, including a new 16-kilometre multi-use path connecting destinations throughout the city from two major transit terminals to a hospital and a regional shopping centre.

Brampton's integrated approach to environmental management clearly establishes a commitment to sustainability.

# Inspiring



# Environment



Brampton Transit, Etobicoke trail, and 'green cover': a commitment to a sustainable environment

From Flowntown to a city with leading-edge industries, Brampton's success can be traced to its heritage and diversity. The foundations that were laid almost 200 years ago today support a diverse, cosmopolitan city with an extraordinary vitality. Ours is a dynamic city representing people from more than 175 distinct ethnic backgrounds who speak 70 different languages. The key to our success: constant interaction with residents through community events such as the Flower City Parade and Communities in Bloom; diverse programming at our community centres; and an openness to a wide spectrum of cultures and traditions through our Multilingual Services program, heritage preservation and our strategic vision.

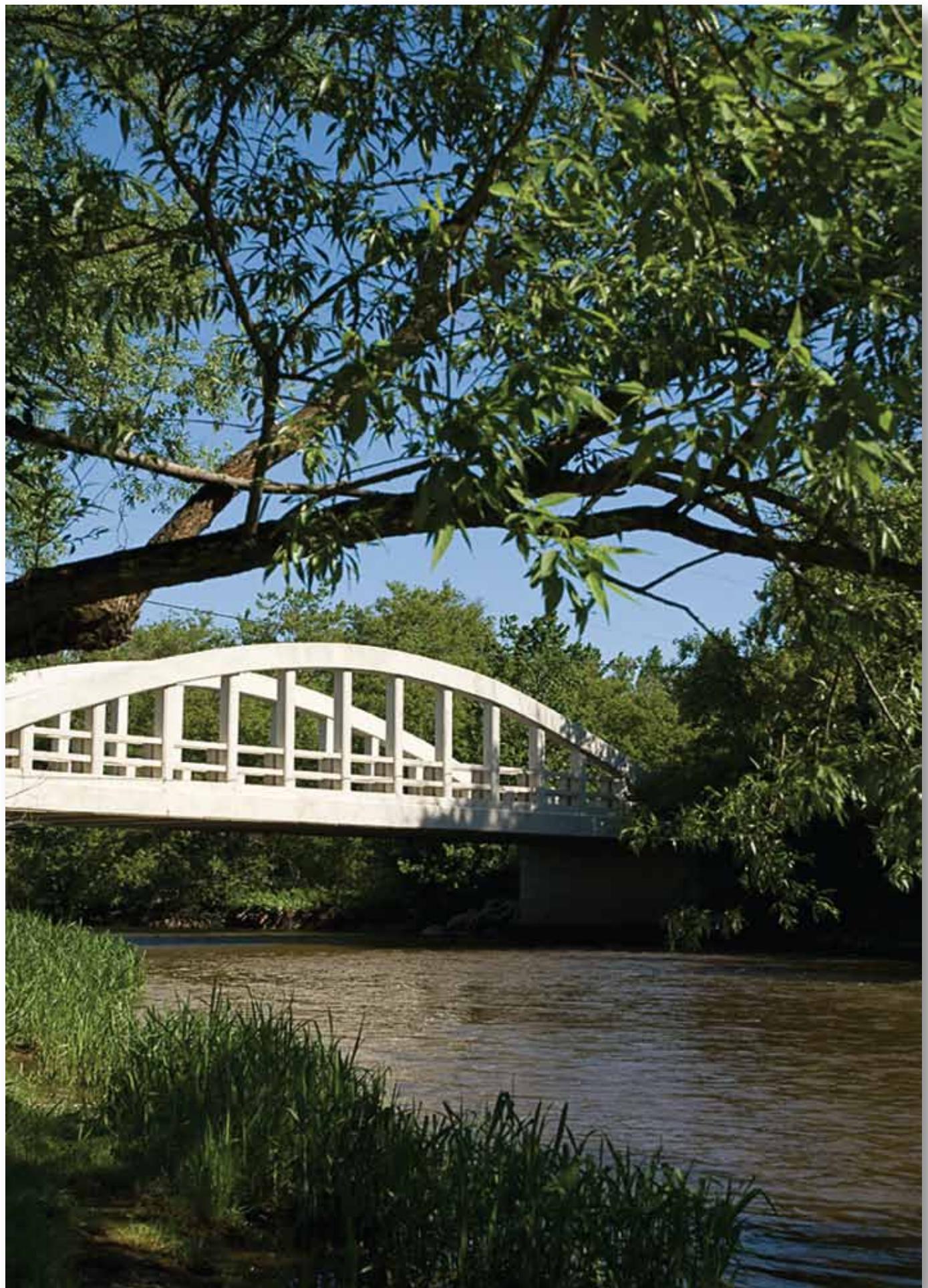
Enriching our modern day lifestyle are nearly 400 properties listed in Brampton's Municipal Inventory of Heritage Resources. These include not only historic properties but also a broad range of other resources such as significant cultural heritage landscapes, cemeteries, engineering features, areas of significant archaeological potential, trees and other natural elements.

In short, Brampton not only celebrates, but also personifies, the culture and heritage that surround us.

# Vibrant



# Diversity



Colourful Flower City Parade, historic Bovaird House and Credit View Heritage Bridge: enriching our modern lifestyle

Brampton is one of the largest urban centres in Canada with a population of more than 450,000 people. Minutes away from one of the busiest international airports in North America, growth is inevitable. However, responsible growth plays a key element in maintaining the unique charms of our city, building an economically strong and liveable community and protecting our natural resources for generations to come.

Striking a balance between a variety of residential, commercial and industrial developments and tourism, recreation, community well-being and the environment, Brampton continues to steadily weave its way onto the global playing field.

The opening of the new, first-of-its-kind and state-of-the-art Cassie Campbell Community Centre, the continuing momentum of downtown revitalization and the resounding success of The Rose Theatre Brampton are intelligent developments that benefit the needs of both present and future generations.

Awarded a Standard & Poor's Triple 'A' rating for the third consecutive year, Brampton continues to maintain a debt-free position, exceptional liquidity levels and excellent economy.

# Responsible



# Growth

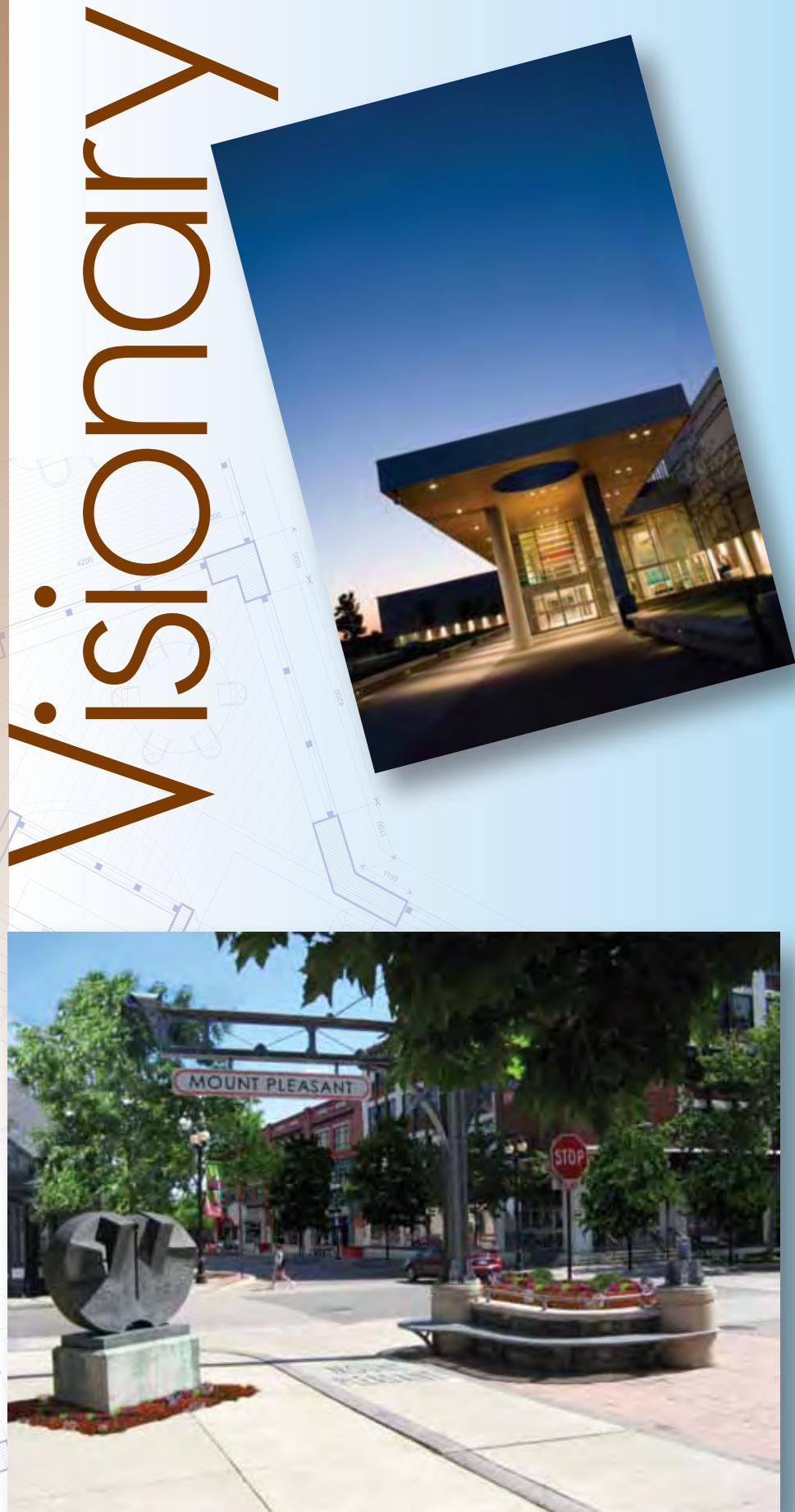


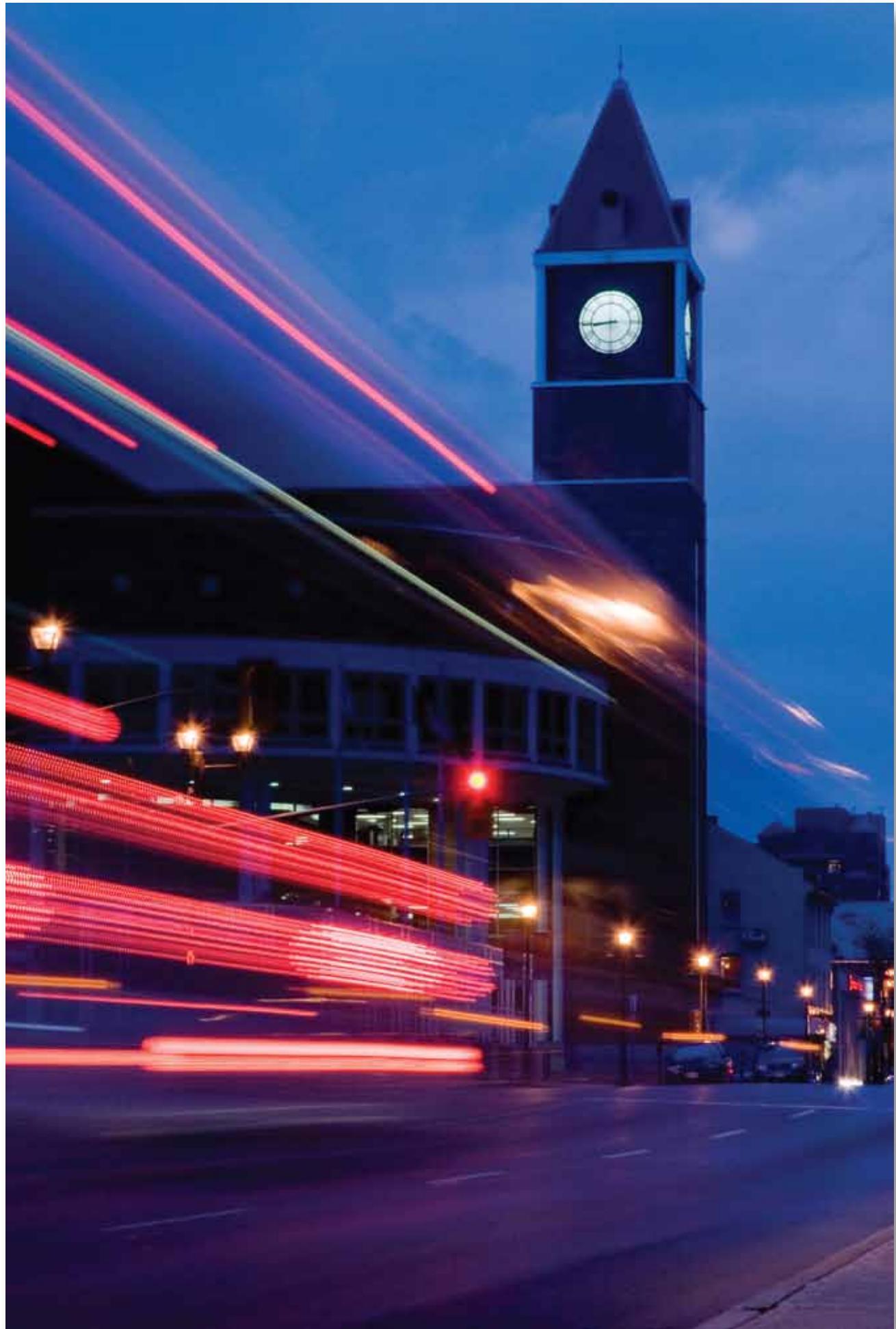
Downtown Brampton, Loafer's Lake and the Rose Theatre Brampton: unique charms of a liveable community

Strategically planned growth areas, open spaces, pedestrian-friendly communities, transportation corridors and mobility hubs and a smart marketing plan define Brampton as we lay the building blocks for the future. Demonstrating viable approaches for a sustainable future, Brampton's downtown revitalization, rapid bus transit and Mount Pleasant development plans are elements in nurturing a new innovative community that thrives on, and is inspired by, intense entrepreneurial activity, social pursuits and cultural diversity.

A growth in knowledge economy, a surge in arts, culture and entertainment and a strong sense of "belonging" are the cornerstones of development in this modern and forward-looking city. Building on our strategic assets such as state-of-the-art community centres, sports arenas, park and valleylands, heritage buildings and The Rose Theatre Brampton, our city is positioning itself to become the model municipality both regionally and nationally.

With support from community stakeholders, from business leaders to neighbourhood residents, Brampton is committed to urban design integration that offers convenient and accessible options for living, working, learning, shopping and playing.





Mount Pleasant, Brampton Soccer Centre and City Hall: cornerstones of development

# Milestones

## January

- Brampton's bus rapid transit system moves forward as the Government of Canada formalizes its \$95 million investment by signing a federal-municipal contribution agreement with the City of Brampton.

## February

- The City of Brampton's Economic Development Office wins first place for its magazine BramFact-Blueprint for Success at the 51st Annual Economic Developers Council of Ontario (EDCO) Conference in the category of Business Development.
- Brampton receives a five-star rating for its 2007-2008 WinterLights Celebration and is designated as "a caring city".

## March

- Brampton's display picks up two awards at Canada Blooms for: Best Use of Colour and Outstanding Use of Annuals and Perennials.



Canada Blooms 2008

## May

- Brampton's unique and innovative 15,000 square feet concrete skate park opens in Donald M. Gordon Chinguacousy Park. Local youth were consulted during the design process and many of their ideas were included in the final design.

- Brampton Soccer Centre wins a Design Excellence award and is nominated for a People's Choice Award by the Ontario Association of Architects.

## June

- Brampton Transit opens its new facility at Sandalwood Parkway. Spanning 285,000 square feet, the Sandalwood facility is built with strict environment control measures.

- For the second consecutive year, Brampton receives a Youth Friendly Community Recognition Award from Play Works, a partnership of organizations concerned about youth development.

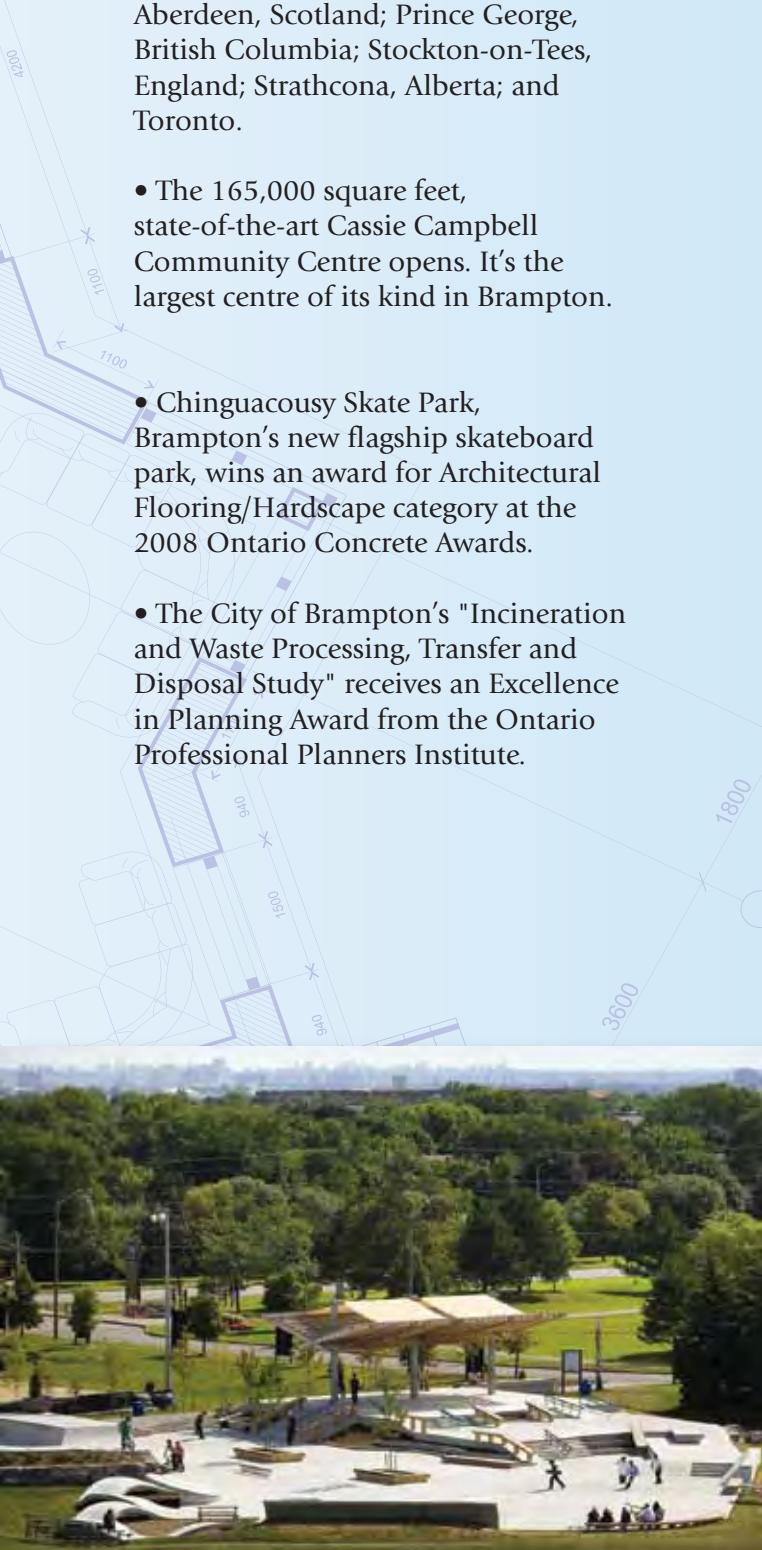
- Brampton Soccer Centre wins an Innovation Architecture & Design Award from Recreation Management, an American recreation management publication.

## July

- Brampton Soccer Centre wins a Best of Canada Award for Interior Design from Canadian Interiors Magazine.

## September

- Brampton wins the International Communities in Bloom title for the first time ever, competing against Aberdeen, Scotland; Prince George, British Columbia; Stockton-on-Tees, England; Strathcona, Alberta; and Toronto.
- The 165,000 square feet, state-of-the-art Cassie Campbell Community Centre opens. It's the largest centre of its kind in Brampton.
- Chinguacousy Skate Park, Brampton's new flagship skateboard park, wins an award for Architectural Flooring/Hardscape category at the 2008 Ontario Concrete Awards.
- The City of Brampton's "Incineration and Waste Processing, Transfer and Disposal Study" receives an Excellence in Planning Award from the Ontario Professional Planners Institute.



Chinguacousy Skate Park

## October

- The grand re-opening of Century Gardens Recreation Centre marks the final instalment of the "Making Great Things Happen" initiative. The new, improved Century Gardens has doubled in size and includes many enhanced and new facilities.
- Brampton Transit's innovative web-based trip planner, eRide, receives the 2008 Silver Medal Distinction Award in the Municipal Category for Service Delivery to Citizens and Businesses at GTEC 2008 National Technology Conference.

## December

- As part of the 2009 International Ice Hockey Federation (IIHF) World Junior Hockey Championships, Brampton hosts Team Czech Republic for a pre-competition camp, as well as for an exhibition game between Team Czech Republic and Team Sweden.



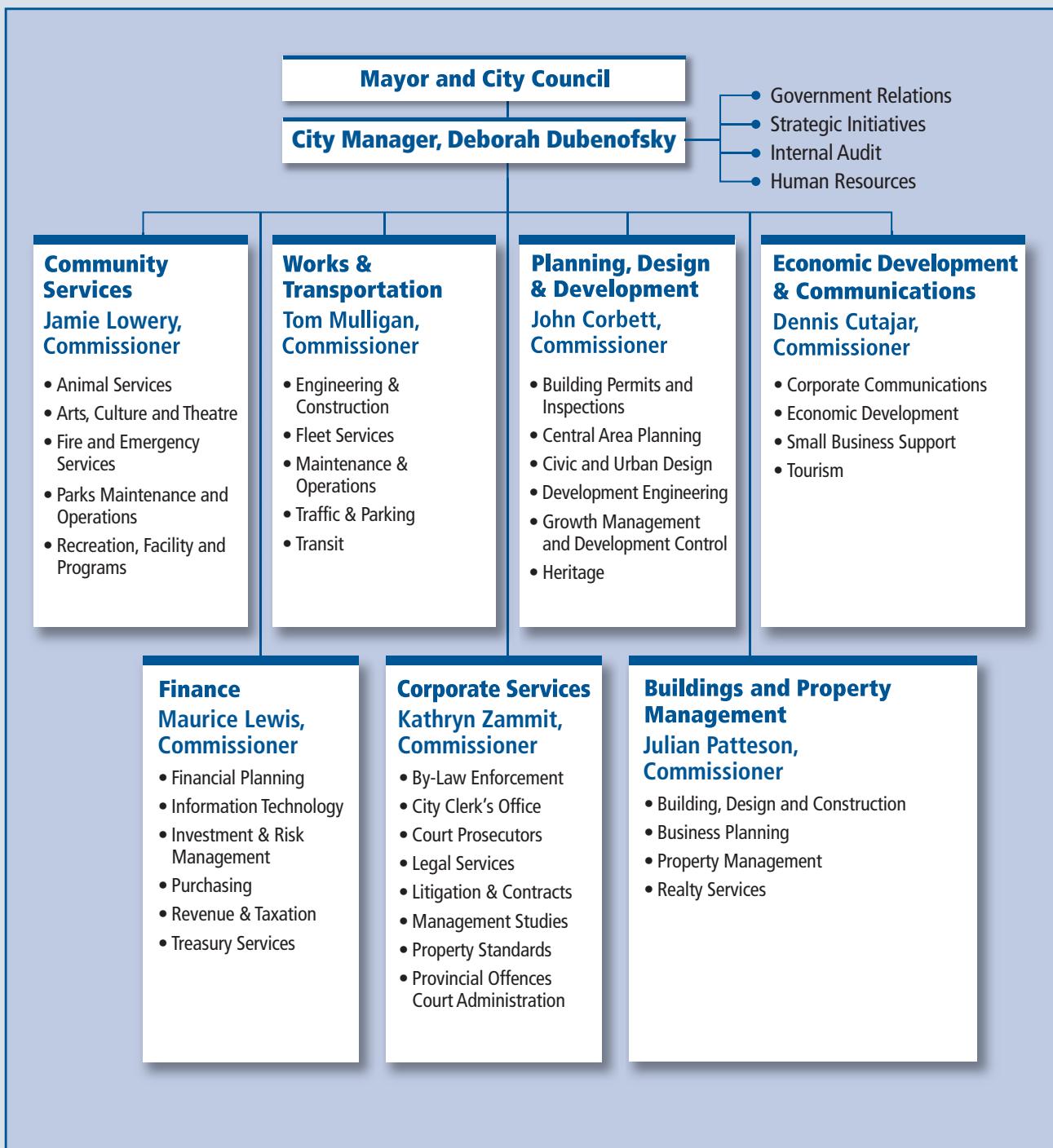
Cassie Campbell Community Centre



# **Financial Report for the fiscal year ended December 31, 2008**

The Corporation of the City of Brampton  
Province of Ontario

# CITY OF BRAMPTON CORPORATE ORGANIZATIONAL CHART





## Message from Commissioner of Finance and Treasurer

Maurice (Mo) Lewis

## MESSAGE FROM THE COMMISSIONER OF FINANCE AND TREASURER

Maurice (Mo) Lewis

I am pleased to present the Financial Report for the City of Brampton for the 2008 fiscal year. This report provides taxpayers, residents, business leaders and other interested parties with an overview of the City's finances.



Municipalities across Canada continue to face the challenge of balancing their annual budgets, particularly in this current economic climate. This is further exacerbated by the municipal infrastructure deficit within Ontario, which is estimated at \$25 billion. These challenges are heightened in Brampton given that it is one of the fastest growing cities in the country.

The City of Brampton takes its responsibilities seriously, starting with Brampton's City Council setting the strategic direction and key priorities. The City has implemented prudent fiscal management and strict growth management policies to ensure growth is managed effectively. Fiscal policies balance the need to provide infrastructure for a growing city, with the provision of continued quality service for citizens. The City is faced with the cost of operating the new infrastructure in addition to the cost of acquiring or building it. Currently, these new operating costs are outpacing the additional taxes generated by the expanding property tax base.

Like all other municipalities, Brampton is facing a growing deficit in the financial resources available to maintain its expanding infrastructure base in a state of good repair. All of this combined is increasing the amount of effort that must be devoted to longer-term financial planning, strategic use of reserve funds, identifying new revenue sources and demonstrating to the Provincial and Federal Governments the need for more appropriate financial support. Despite the challenges, the City continues to enjoy a Standard & Poor's Triple 'A' rating, the highest credit rating a municipality can receive.

## FINANCIAL MANAGEMENT POLICIES

The City of Brampton has established a number of financial management policies. Together, these financial policies provide a framework for the City's overall fiscal planning and management.

## REPORTING FOR TANGIBLE CAPITAL ASSETS

The Public Sector Accounting Board (PSAB) Handbook Section PS 3150 requires municipal governments to account for, and report, tangible capital assets effective January 1, 2009. The City has identified seven major asset categories: Building; Land and Land Improvements; Vehicles and Machinery; Furniture; Computer and Office Equipment; Infrastructure; and, Library Collections. In 2008, a physical inventory and valuation of all of these assets were completed. Business processes and computer technology are being put in place to maintain the ongoing inventories for future reporting purposes to fulfill the Section 3150 requirements.

## BUDGET PROCESS

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

The initial stages in the process involve:

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

## **MESSAGE FROM THE COMMISSIONER OF FINANCE AND TREASURER**

Maurice (Mo) Lewis

Separate Capital and Current budgets are prepared in parallel, but are closely linked in recognition of the impact that each of these budgets has on the other. The capacity to fund, deliver and operate the enormous quantity of new capital infrastructure needed to accommodate growth continued to be a major consideration in the 2008 budget process.

Budget submissions are consolidated and supported by the analysis of budget drivers and justification of all proposed new initiatives. Senior Management then determines a recommended set of 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.

### **AUDIT SUB-COMMITTEE**

The Audit Sub-Committee comprises three members of City Council, who are appointed by Council. It provides a forum for communication between Council, the external auditor, the internal auditor and management. The Audit Sub-Committee facilitates an impartial, objective and independent review of management practices through the internal and external audit functions.

### **FINANCIAL STATEMENTS**

The accompanying consolidated financial statements and all other information included in this financial report are the responsibility of the management of the City of Brampton. The City's Financial Statements contained in this report have been prepared in accordance with the accounting principles and disclosure requirements of the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. In 2008, the City adopted PS 2700 of a new PSAB requirement to disclose divisional operating and capital financial results.

### **EXTERNAL AUDIT**

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

The audit of the 2008 fiscal year resulted in KPMG LLP issuing an unqualified audit opinion, meaning that in the opinion of the Auditor, the City's financial statements present fairly the financial position of the Corporation of the City of Brampton as at December 31, 2008 and results of its operations and its cash flows for the year then ended. The receipt of an unqualified audit opinion from the City's auditors is consistent with all prior fiscal years.

### **FINANCIAL HIGHLIGHTS**

The 2008 financial statements of the City of Brampton have been completed on a fund basis. Three fund types make up the City's financial statements: Operating Fund, Capital Fund and Reserve Funds. The results of these funds have been consolidated to report the overall financial position and financial activities of the City. The following is a financial summary for each fund type.

### **CURRENT FUND**

Revenues of \$335.7 million reported in 2008 were lower than the budget by \$8.6 million or 2.6%. A major factor contributing to the shortfall in budgeted revenues was the impact of the downturn in the Canadian economy in the second half of 2008 on several of the City's growth related revenue sources. Revenues in 2008 were higher than 2007 by \$12.1 million largely due to the combined impact of growth in property assessment, increased tax rates and investment earnings.

Current year operating expenditures of \$318.0 million in 2008 were higher than the budgeted amount by \$0.8 million or 0.2% due to slightly higher winter control maintenance and spring cleanup costs as well as higher fuel costs. The current year operating expenditures were \$33.3 million, higher than 2007 due to the continued high growth rate in Brampton, targeted service level increases as directed by City Council, and inflation.

## **MESSAGE FROM THE COMMISSIONER OF FINANCE AND TREASURER**

Maurice (Mo) Lewis

Transfers to the Capital Fund, Reserves, and Reserve Funds amounted to \$22.1 million in 2008. The net deficit at the end of the year was \$130,399. This deficit will be treated as expense for the 2009 fiscal year in accordance with the requirements of Section 290 of the Municipal Act, 2001.

### **CAPITAL FUND**

Capital expenditures of \$155.2 million reported in 2008 were \$21.7 million lower than the capital expenditures reported in 2007. Major capital projects included road improvements and major road repairs, parkland acquisition and development, purchase of new buses, completion of the new Sandalwood transit facility and construction/expansion of recreation facilities including the Cassie Campbell Community Center.

Capital projects were primarily financed by tax revenues, government grants and development charges. In compliance with City Council's strategic direction of no external debt financing, capital works are financed on a "pay-as-you-go" or internally-financed basis.

### **RESERVE FUNDS**

The City of Brampton has established a number of reserve funds to fund long term liabilities, eliminate/minimize tax rate fluctuations, smooth expenditures and fund capital projects.

As at December 31, 2008, the City of Brampton's Reserves and Reserve Fund Balances totalled \$246.0 million as compared to \$266.1 million in 2007, representing a net decrease of \$20.1 million or 8.2%.

Included in the City's Statement of Financial Position are deferred revenues from gas taxes, Provincial and Federal transfer payments, development charges and other contributions from developers for future necessary growth-related capital works. These deferred revenues totalled \$223.9 million as at December 31, 2008 as compared to \$198.4 million in 2007, a net increase of \$25.5 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 and Workers' Safety Insurance payouts and other city-related costs.

Staff continues to review reserve balances on a multi-year basis based on all known requirements in order to ensure the City is well positioned to meet future challenges and opportunities.

### **FINAL COMMENTS**

During 2008, for the seventh consecutive year, the Government Finance Officers Association of the United States and Canada formally recognized the City's excellence in financial reporting with the "Canadian Award For Financial Reporting" for the City's 2007 Annual Report.

I would like to acknowledge the City of Brampton Finance Department staff for their leadership and their efforts to put in place robust financial management policies and reporting systems that provide a solid base for sound fiscal management and effective stewardship of public funds.

The City of Brampton's 2008 achievements outlined in this Annual Report were predicated on the leadership provided by City Council and the support and dedication of staff. Going forward, the City will continue to be faced with a number of challenges and opportunities including growth management, aging municipal infrastructure, environmental stewardship, the global economic downturn and the shortfall of the City's Development Charge revenues. To sustain a high level of service to Brampton citizens, we must continue to focus on strategic financial management as well as advocate to senior levels of government for an equitable level of financial support.

Maurice (Mo) Lewis,  
Commissioner of Finance and Treasurer  
May 30, 2009

## CANADIAN FINANCIAL REPORTING AWARD

The City of Brampton was awarded the Government Finance Officers Association (GFOA) - Canadian Award for Financial Reporting (CanFR) for the sixth consecutive year for its annual financial report for the fiscal year ended December 31, 2007.

The Canadian Award for Financial Reporting Program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government organization must publish an easily readable and efficiently organized annual financial report, whose contents conform to the program standards. Such reports should be in conformity with the Public Sector Accounting Board (PSAB) Standards as issued by The Canadian Institute of Chartered Accountants (CICA). The financial report should clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address users' needs.

The Canadian Award for Financial Reporting recognizes excellence in government accounting and financial reporting and represents a significant accomplishment by a municipal government and its management.

# Canadian Award for Financial Reporting

Presented to

**The Corporation of the City  
of Brampton, Ontario**

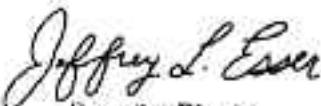
For its Annual  
Financial Report  
for the Year Ended

**December 31, 2007**

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



  
President

  
Executive Director

# Consolidated Financial Statements

The Corporation of the City of Brampton

For the fiscal year ended December 31, 2008



The Corporation of the City of Brampton, Ontario, Canada

Financial Report 2008

# **RESPONSIBILITY FOR FINANCIAL REPORTING**

## **MANAGEMENT'S REPORT**

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

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

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

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

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

Deborah Dubenofsky  
City Manager

Maurice (Mo) Lewis  
Commissioner of Finance & Treasurer

Brampton, Canada  
May 30, 2009

## AUDITORS' REPORT



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

Telephone (416) 228-7000  
Fax (416) 228-7123  
Internet [www.kpmg.ca](http://www.kpmg.ca)

### AUDITORS' REPORT

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

We have audited the consolidated statement of financial position of the Corporation of the City of Brampton as at December 31, 2008 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Brampton as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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

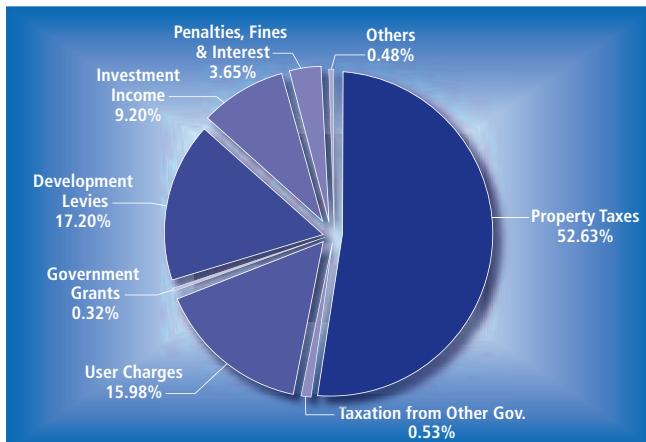
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Chartered Accountants, Licensed Public Accountants

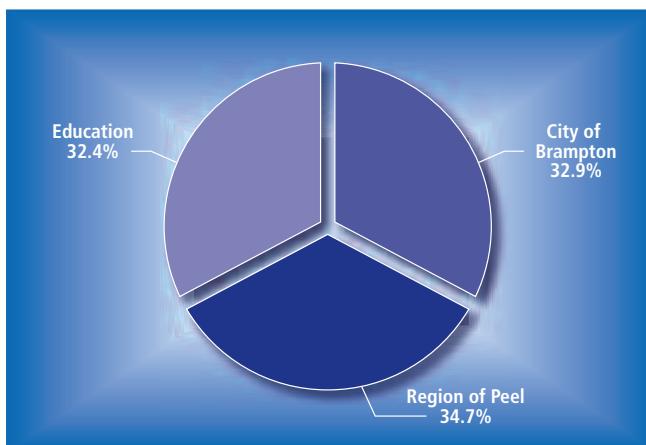
Toronto, Canada  
March 27, 2009

## FINANCIAL HIGHLIGHTS

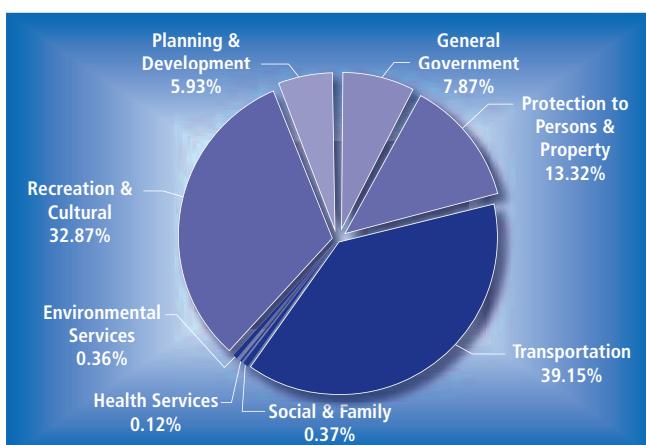
For the year ended December 31, 2008



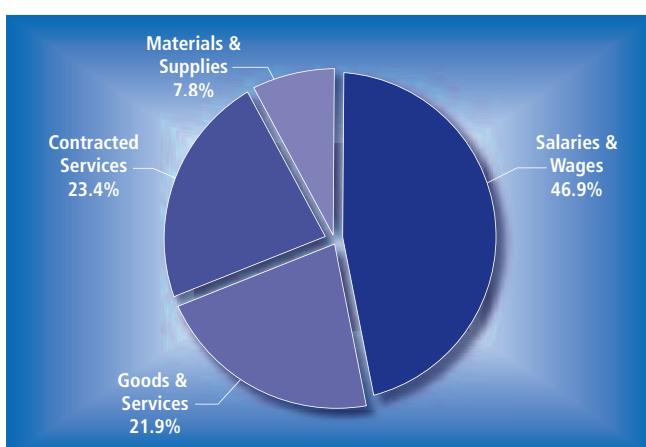
**CONSOLIDATED REVENUE  
BY TYPE - 2008**



**WHERE DOES YOUR TAX  
DOLLAR GO?**



**CONSOLIDATED EXPENSES  
BY SERVICE - 2008**



**CONSOLIDATED EXPENDITURE  
BY TYPE - 2008**

Source : Consolidated Statement of Financial Activities

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended December 31, 2008

	Budget 2008 \$ (Unaudited) (note 1(n))	Actual 2008 \$	Actual 2007 \$ (Restated) (note 15)
<b>REVENUES</b>			
Property taxation (Note 3)	229,873,441	228,744,509	208,769,641
Taxation from other governments	2,171,200	2,292,679	2,570,317
User charges	83,407,348	69,475,808	77,472,604
Government grants	12,321,946	1,409,499	2,614,071
Development levies earned and other restricted capital contributions	191,924,559	74,745,210	192,312,553
Investment income	22,340,213	39,985,138	40,927,318
Penalties, fines and interest	15,268,227	15,875,185	14,410,788
Other	1,283,654	2,104,982	1,236,765
<b>TOTAL REVENUES</b>	<b>558,590,588</b>	<b>434,633,010</b>	<b>540,314,057</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
General government	21,476,438	22,539,853	22,288,268
Protection to persons and property	63,099,048	60,842,556	56,277,394
Transportation services	107,864,793	112,615,930	92,424,826
Environmental services	1,677,016	1,720,103	1,457,982
Health services (cemeteries)	555,860	504,595	430,934
Social and family services	1,550,892	1,756,867	1,473,549
Recreation and cultural services	90,783,084	91,151,400	84,218,272
Planning and development	30,271,629	27,390,706	25,926,708
<b>TOTAL CURRENT EXPENDITURES</b>	<b>317,278,760</b>	<b>318,522,010</b>	<b>284,497,933</b>
<b>Capital</b>			
General government	15,556,947	14,560,254	10,520,182
Protection to persons and property	4,163,081	2,203,037	3,252,214
Transportation services	137,597,330	73,080,622	93,000,044
Environmental services	-	167	-
Health Services (cemeteries)	-	77,616	78,100
Social and Family services	-	4,752	-
Recreation and cultural services	101,407,665	64,614,586	69,070,091
Planning and development	905,407	671,103	997,526
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>259,630,430</b>	<b>155,212,137</b>	<b>176,918,157</b>
<b>TOTAL EXPENDITURES</b>	<b>576,909,190</b>	<b>473,734,147</b>	<b>461,416,090</b>
<b>Increase (decrease) in Net Financial Resources</b>	<b>(39,101,137)</b>	<b>78,897,967</b>	
Increase in amounts to be recovered	3,865,993	2,744,750	
Increase (decrease) in non-financial assets	480,462	(228,543)	
<b>INCREASE (DECREASE) IN FUND BALANCES</b>	<b>(34,754,682)</b>	<b>81,414,174</b>	

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended December 31, 2008

	2008 \$	2007 \$ (Restated) (note 15)
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and short-term investments (Note 2)	386,878,179	435,882,651
Taxes receivable	46,264,631	48,464,787
User charges receivable (Note 16)	2,544,239	4,246,547
Accounts receivable (Note 16)	23,256,802	20,454,575
Long-term investments (Note 2)	363,375,326	352,865,949
Other assets (Note 11)	7,984,176	7,984,110
<b>TOTAL FINANCIAL ASSETS</b>	<b>830,303,353</b>	<b>869,898,619</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	66,421,759	90,085,137
Deferred revenue - general (Note 4 (a))	3,209,243	9,365,034
Deferred revenue - obligatory reserve funds (Note 4 (b))	223,905,490	198,446,441
Employee benefits and other liabilities (Note 5)	31,494,641	27,628,650
<b>TOTAL LIABILITIES</b>	<b>325,031,133</b>	<b>325,525,262</b>
<b>Net Financial Resources</b>	<b>505,272,220</b>	<b>544,373,357</b>
<b>Other Non-Financial Assets</b>		
Inventory and prepaids	4,578,288	4,097,826
<b>TOTAL NET ASSETS</b>	<b>509,850,508</b>	<b>548,471,183</b>
<b>MUNICIPAL POSITION</b>		
<b>Amounts to be recovered</b>		
From reserves and reserve funds on hand	(12,408,397)	(11,180,098)
From future revenues (note 5)	(19,086,246)	(16,448,552)
<b>TOTAL AMOUNTS TO BE RECOVERED</b>	<b>(31,494,643)</b>	<b>(27,628,650)</b>
<b>Fund Balances (Note 7)</b>		
Current fund	(130,399)	409,639
Capital fund	295,477,410	309,589,328
Reserve funds	223,014,834	234,240,810
Reserves	22,983,306	31,860,056
<b>TOTAL FUND BALANCES</b>	<b>541,345,151</b>	<b>576,099,833</b>
<b>TOTAL MUNICIPAL POSITION</b>	<b>509,850,508</b>	<b>548,471,183</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**  
Year ended December 31, 2008

	2008 \$	2007 \$ (Restated) (note 15)
<b>OPERATIONS</b>		
<b>Increase (decrease) in Net Financial Resources</b>	<b>(39,101,137)</b>	<b>78,897,967</b>
<b>Sources (uses):</b>		
Decrease (increase) in taxes receivable	2,200,156	(3,553,617)
Decrease (increase) in user charges receivable	1,702,308	(2,788,647)
Increase in accounts receivable and other assets	(2,802,293)	(386,405)
Increase (decrease) in accounts payable and accrued liabilities	(23,663,378)	12,095,905
Decrease (increase) in deferred revenue - general	(6,155,791)	7,085
Decrease in deferred revenue - obligatory reserve fund	25,459,049	(73,443,270)
Increase in employee benefits and other liabilities	3,865,991	2,744,750
<b>TOTAL SOURCES (USES)</b>	<b>(38,495,095)</b>	<b>13,573,768</b>
<b>INVESTMENTS</b>		
Decrease (increase) in long-term investments	(10,509,377)	100,376,645
<b>Net change in cash and short-term investments</b>	<b>(49,004,472)</b>	<b>113,950,413</b>
Opening cash and short-term investments	435,882,651	321,932,238
<b>CLOSING CASH AND SHORT-TERM INVESTMENTS</b>	<b>386,878,179</b>	<b>435,882,651</b>

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

# **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2008

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

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

The consolidated financial statements of The Corporation of the City of Brampton (the "City") are prepared by management in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

### **a) Reporting Entity:**

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

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

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

### **b) Non consolidated entities:**

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

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

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

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of The Regional Municipality of Peel and the school boards are not reflected in the municipal fund balances of these financial statements.

### **d) Fund Accounting:**

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

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

### **e) Basis of Accounting:**

The City follows the accrual method of accounting. The accrual basis of accounting recognizes revenues, as they become measurable. Expenditures are the cost of goods or services acquired in the period whether or not payment has been made or invoices received.

### **f) Capital assets:**

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

# **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2008

## **1. Significant accounting policies (Continued...)**

### **g) Reserves and reserve funds:**

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

### **h) Government transfers:**

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

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

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

### **j) Deferred Revenue – Obligatory Reserve Funds**

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

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

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

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

### **l) Investment Income:**

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

### **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 defined contribution plan. Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the City's 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.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2008

### **1. Significant accounting policies (Continued...)**

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 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.

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

#### **n) Budget Figures:**

Brampton City Council completes separate budget reviews for its operating and capital budgets each year. The approved operating budget for 2008 is reflected on the Consolidated Schedule of Current Fund Operations and is included in budget figures shown in Consolidated Statement of Financial Activities.

Budgets established for the Capital Fund are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years. The budget reflected in the Consolidated Schedule of Capital Fund Operations and included in the budget figures shown in the Consolidated Statement of Financial Activities is an annual projected spending budget only. During 2008, Council approved transfers totaling \$62,943,588 (2007-\$52,034,114) from reserve funds for capital projects.

#### **o) Segment Disclosure:**

A new reporting requirement for Municipal Governments was established under CICA PS 2700 on Segment Disclosures and is effective for fiscal years beginning on or after April 1, 2007. A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City of Brampton has adopted this Public Sector Accounting Board Standard section for the fiscal year ending December 31, 2008 and has provided definitions of segments used by the City as well as presented financial information in segmented format in Note 14.

#### **p) Use of Estimates:**

The preparation of financial statements requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates.

### **2. Investments:**

Included in cash and short-term investments are short-term investments of **\$336,427,128 (2007 - \$431,067,024)** with a market value of **\$340,139,690 (2007 - \$439,174,540)**, at the end of the year.

Long-term investments of **\$363,375,326 (2007-\$352,865,949)** have a market value of **\$380,845,762 (2007-\$353,522,403)**, at the end of the year.

### **3. Tax Revenues:**

Property tax billings are prepared by the City based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"). All assessed property values in the City were reviewed and values established based on a common valuation date of January 1, 2005, which was used by the City in computing the property tax bills. However, the property tax revenue and tax receivables of the City are subject to measurement uncertainty as a number of appeals submitted by ratepayers for adjustments to assessment have yet to be heard by the Assessment Review Board. A significant allowance has been recorded to provide for possible negative adjustments. Further, changes to assessed value reflecting new construction is included in supplementary assessments prepared by "MPAC". Any billing adjustments made necessary by

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2008

## 3. Tax Revenues (Continued...)

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.

## 4. (a) Deferred revenue – General:

Deferred Revenue – General is comprised primarily of program registration fees for Parks & Recreation programs, Transit Advertising revenues applicable for the following year and unspent Provincial funding for capital projects. As at December 31, 2008 the deferred revenue – general amounted to \$3,209,243 (2007-\$9,365,034).

## (b) Deferred revenue – Obligatory Reserve Funds:

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as Federal / Provincial legislation and other City By-Laws/ agreements may restrict how these funds may be used and under certain circumstances these funds may possibly be refunded.

As at December 31, 2008 obligatory reserve funds amounted to \$223,905,490 (restated 2007-\$198,446,441). This balance includes unspent development charges, gas tax receipts as well as 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, 2008 unamortized downtown incentive charges were \$12,790,572 (2007-\$4,362,497).

## 5. Employee benefits and other liabilities:

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

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

	<b>2008</b>	<b>2007</b>
WSIB	\$5,301,056	\$4,489,327
Accumulated Sick Leave Benefit Plan entitlements	7,304,718	6,572,919
Vacation Pay	7,522,495	6,748,209
Other Liabilities	11,366,374	9,818,195
<b>SUBTOTAL</b>	<b>\$31,494,643</b>	<b>\$27,628,650</b>
Less: Recoverable from reserves and reserve funds on hand	12,408,397	11,180,098
<b>AMOUNT TO BE FUNDED FROM FUTURE REVENUES</b>	<b>\$19,086,246</b>	<b>\$16,448,552</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2008

## 5. Employee benefits and other liabilities (Continued...)

Actuarial valuations: The following table sets out the actuarial results for each of the plans as at December 31, 2008.

Item	Non-Pension Post Employment benefits	Vested sick leave benefits	Worker's compensation	2008 Total \$	2007 Total \$
Accrued Benefit obligation (ABO), beginning of year	\$11,710,244	\$8,164,873	\$5,742,245	\$25,617,362	\$22,314,878
Add: Current service costs	638,433	758,694	1,568,326	2,965,453	2,521,444
Add: Interest Cost	593,293	412,864	296,725	1,302,882	1,363,124
Less: Current Benefit Payments	327,217	555,572	1,183,812	2,066,601	1,695,339
<b>Expected Accrued Benefit Obligation (ABO) - end of the year</b>	<b>\$12,614,753</b>	<b>\$8,780,859</b>	<b>\$6,423,484</b>	<b>\$27,819,096</b>	<b>\$24,504,107</b>
Unamortized actuarial gain/(loss)	(4,276,265)	(1,476,141)	(1,122,428)	(6,874,834)	(6,936,906)
<b>Liability for Benefits, at the end of the year, as determined by actuarial valuation</b>	<b>\$8,338,488</b>	<b>\$7,304,718</b>	<b>\$5,301,056</b>	<b>\$20,944,262</b>	<b>\$18,107,473</b>

As recommended by PSAB, the projected benefit method pro-rated on service has been adopted to attribute the cost of non-pension post employment benefits to the periods of employee service.

## 6. Pension Agreements:

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

The amount contributed to OMERS for 2008 was **\$11,226,595 (2007-\$ 9,722,703)** for current service and is included as an expenditure on the "Consolidated Statement of Financial Activities". Employee contributions totaled **\$11,226,595 (2007- \$9,722,703)**.

## 7. Municipal fund balances at the end of the year:

Municipal fund balances at the end of the year reported on the "Consolidated Statement of Financial Position" are comprised of the following:

	2008 \$	2007 \$
<b>CURRENT FUND</b>	<b>(\$130,399)</b>	<b>\$409,639</b>
Unexpended capital financing (or capital operations not yet permanently financed) is comprised of:		
Taxation funds within terms of Council	-	(23,702)
Capital expenditures to be recovered through reserve funds	(1,047,908)	(866,691)
Capital expenditures to be recovered from existing projects, provincial subsidy, cost recovery and government grants	(2,026,825)	(1,621,518)
Funds available for the completion of capital projects	298,552,143	311,691,600
<b>CAPITAL</b>	<b>295,477,410</b>	<b>309,589,328</b>
Reserves	223,014,834	234,240,810
Reserve Funds	22,983,306	31,860,056
<b>TOTAL MUNICIPAL FUND BALANCES</b>	<b>\$541,345,151</b>	<b>\$576,099,833</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2008

### 8. Expenditures by Object:

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

	<b>2008</b> \$	<b>2007</b> \$
Salaries, wages and fringe benefits	\$214,948,990	\$191,882,393
Materials and supplies	52,136,329	46,372,861
Contracted services	43,708,691	36,908,819
Rents and financial expenses	7,046,965	8,273,060
Transfer payments	681,035	1,060,800
<b>TOTAL CURRENT EXPENDITURES</b>	<b>\$318,522,010</b>	<b>\$284,497,933</b>
Salaries, wages and fringe benefits	\$7,375,190	\$6,500,684
Materials and supplies	36,778,147	25,913,054
Contracted services	111,058,800	144,504,419
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$155,212,137</b>	<b>\$176,918,157</b>

### 9. Trust funds:

Trust funds administered by the City amounted to **\$11,213,766 (2007-\$9,978,460)** are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's financial position or financial activities.

### 10. Public liability insurance:

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

The City has created a reserve fund for self-insurance which as at December 31, 2008 amounted to **\$935,389 (2007-\$783,787)** and is reported on the "Consolidated Statement of Financial Position". Claims settled during the year amounting to **\$1,699,993 (2007-\$1,434,550)** have been provided for from the reserve fund, and are accordingly reported as an expenditure on the "Consolidated Statement of Financial Activities".

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

### 11. Brampton Centre for Sports and Entertainment (as of April 2005 known as Powerade Centre):

In 1998, the City advanced \$6,000,000 towards the construction of the Brampton Centre for Sports and Entertainment (BCSE). This amount, defined as the "City Loan", has been reported as part of the "Other Assets" on the Consolidated Statement of Financial Position and is secured by a second mortgage with a due date of August 31, 2034. In addition, the City has guaranteed a first mortgage with a due date of January 1, 2019 with an outstanding principal balance of **\$10,095,140** as at December 31, 2008 (**2007 - \$10,797,206**), which is defined as the "Project Loan".

The City has further agreed to fund any deficiencies of operating cash-flow under the "Project Loan" over 20 years as "Priority Advances" up to an annual maximum of \$600,000 per year until \$6,000,000 is reached, thereafter, at \$300,000 per year. Should there continue to be cash-flow deficiencies after the operator, Real-Star, has contributed 50% of its annual management fees under the Complex Management Agreement with BSCE, the City is also liable for one-half of

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2008

### **11. Brampton Centre for Sports and Entertainment (as of April 2005 known as Powerade Centre) (Continued...)**

the remaining cash flow deficiencies. Included under Other Assets in the Consolidated Statement of Financial Position is \$1,984,110 (2007 - \$1,984,110) representing amounts advanced under this agreement to December 31, 2008. In addition, included in the Consolidated Statements of Financial Activities for the year ended December 31, 2008 and prior years, there has been further "Priority Advances" of **\$5,857,257** paid under this agreement. The amount advanced in 2008 is **\$415,079 (2002 to 2007- \$ 458,068)**.

### **12. Provincial Offences Administration:**

Effective June 28, 1999 the City of Brampton assumed the responsibilities of the Provincial Offences Act (POA) from the Ministry of the Attorney General.

The 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 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 \$5,067,172 for the year ended December 31, 2008. (2007- \$4,787,830)

The operating costs for the administration of the Provincial Offences Act for year ending December 31, 2008 amounted to \$4,660,332 (2007-\$4,382,038), resulting in a net contribution of \$406,840 (2007- \$405,792) exclusive of capital costs.

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

### **13. Tangible Capital Assets:**

Effective January 1, 2007, the City adopted Public Sector Accounting Guideline 7 (PSG 7) of the Public Sector Accounting Handbook of the CICA with respect to the disclosure of tangible capital assets. The PSG 7 provides transitional guidance with respect to reporting information related to Tangible Capital Assets prior to Section 3150, which becomes mandatory January 1, 2009. The provisions in Section 3150 require all local governments to recognize and report tangible capital assets in the consolidated statements of financial position. Any amortization of TCA, gain and losses on disposal and impairments currently not being recognized will be required to be reported in the consolidated statements of operations. The City has identified seven major asset categories: Building; Land; Land Improvements; Vehicles and Machinery; Furniture, Computer and Office Equipment; Infrastructure and Library Collections. Physical inventory and valuation of all of these assets were completed. Business processes and computer technology are being put in place to maintain the ongoing inventories for future reporting purposes to fulfill the Section 3150 requirements effective January 1, 2009.

### **14. Segmented Information:**

The City of Brampton is a multifaceted municipal government that delivers a wide range of services that enhance quality of life to its citizens.

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

#### **General Government**

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

# **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2008

## **14. Segmented Information (Continued...)**

### **Protection Services**

Protection Services deliver Fire Emergency Services, By-law and Enforcement and Provincial Offences Act (POA) administration. The mandate of Fire department is to provide fire protection and emergency response but also superior level of Fire Prevention and Public Education. By-law and Enforcement assist in maintaining Brampton as a safe, healthy and attractive City by responding to public concerns, patrolling City property and enforcing the City's by-laws. POA's mandate encompass the administration and prosecution of provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences.

### **Works and Transportation Services**

Works division 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 and Social Services**

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

### **Parks, Recreation and Cultural Services**

The Community Services department is responsible for the delivery of Parks, Recreation and Cultural services. 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.

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.

### **Planning, Design and Development Services**

The Planning, Design and Development Department's 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.

## **15. Development levies:**

In the current year, management noted that the amount of development levies reported as earned income in 2007 was understated by \$152,793,778 as a result of the method of accounting for development levies allocated to capital projects in process. Accordingly the amounts previously reported for development levies earned and the capital fund balance in the statement of financial activities and the schedule of capital fund operations have been increased and the amounts previously reported as deferred revenue - obligatory reserve funds has been decreased by this amount.

## **16. Comparative Figures:**

Certain 2007 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

# CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the year ended December 31, 2008

	General Government	Protection Services	Works and Transportation Services	Environmental Services	Health and Social Services
<b>REVENUES</b>					
<b>Current</b>					
Property taxation	231,037,188	-	-	-	-
User charges	4,031,110	329,226	28,391,038	-	531,545
Government grants	3,124	192,234	-	-	73,015
Licenses, permits, rent	3,579,533	725,976	-	-	66,650
Investment income (including Reserves and Reserve Funds)	41,038,612	-	-	-	-
Penalties, fines and interest	7,212,848	8,662,337	-	-	-
Other	375,615	32,133	-	-	16
<b>TOTAL CURRENT REVENUES</b>	<b>287,278,030</b>	<b>9,941,906</b>	<b>28,391,038</b>	-	<b>671,226</b>
<b>TOTAL CAPITAL REVENUES</b>	<b>7,013,870</b>	<b>5,693,674</b>	<b>43,989,594</b>	-	<b>140,082</b>
<b>TOTAL REVENUES</b>	<b>294,291,900</b>	<b>15,635,580</b>	<b>72,380,632</b>	-	<b>811,308</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Salaries and benefits	36,506,590	49,610,333	59,666,670	607,336	1,311,893
Materials	13,614,945	1,889,046	18,960,030	79,293	180,200
Contracted services	13,103,914	1,852,157	17,116,470	1,002,881	391,874
Rents and financial expenses	3,126,842	405,474	1,053,817	-	2,398
Intersegment elimination including program support	(43,812,438)	7,085,546	15,818,943	30,593	375,097
<b>TOTAL CURRENT EXPENDITURES</b>	<b>22,539,853</b>	<b>60,842,556</b>	<b>112,615,930</b>	<b>1,720,103</b>	<b>2,261,462</b>
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>14,560,254</b>	<b>2,203,037</b>	<b>73,080,622</b>	<b>167</b>	<b>82,368</b>
<b>TOTAL EXPENDITURES</b>	<b>37,100,107</b>	<b>63,045,593</b>	<b>185,696,552</b>	<b>1,720,270</b>	<b>2,343,830</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL RESOURCES</b>	<b>257,191,793</b>	<b>(47,410,012)</b>	<b>(113,315,921)</b>	<b>(1,720,270)</b>	<b>(1,532,522)</b>

*(continued on next page...)*

# CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the year ended December 31, 2008

	Parks, Recreation and Cultural Services	Planning Design and Development	2008 Total	2007 Total
<b>REVENUES</b>				
<b>Current</b>				
Property taxation	-	-	231,037,188	211,339,958
User charges	14,376,959	4,610,894	52,270,772	58,360,798
Government grants	465,938	141,954	876,265	600,203
Licenses, permits, rent	5,148,580	7,684,297	17,205,036	19,111,807
Investment income (including Reserves and Reserve Funds)	-	-	41,038,612	40,504,163
Penalties, fines and interest	-	-	15,875,185	14,410,788
Other	176,157	13,980	597,901	996,408
<b>TOTAL CURRENT REVENUES</b>	<b>20,167,634</b>	<b>12,451,125</b>	<b>358,900,959</b>	<b>345,324,125</b>
<b>TOTAL CAPITAL REVENUES</b>	<b>18,871,562</b>	<b>23,269</b>	<b>75,732,051</b>	<b>194,989,932</b>
<b>TOTAL REVENUES</b>	<b>39,039,196</b>	<b>12,474,394</b>	<b>434,633,010</b>	<b>540,314,057</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Salaries and benefits	48,233,670	18,532,038	214,468,530	190,422,628
Materials	15,629,825	2,134,953	52,488,292	47,422,340
Contracted services	9,585,106	656,289	43,708,691	36,997,493
Rents and financial expenses	2,109,589	348,845	7,046,965	8,266,989
Intersegment elimination including program support	15,593,210	5,718,581	809,532	1,388,483
<b>TOTAL CURRENT EXPENDITURES</b>	<b>91,151,400</b>	<b>27,390,706</b>	<b>318,522,010</b>	<b>284,497,933</b>
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>64,614,586</b>	<b>671,103</b>	<b>155,212,137</b>	<b>176,918,157</b>
<b>TOTAL EXPENDITURES</b>	<b>155,765,986</b>	<b>28,061,809</b>	<b>473,734,147</b>	<b>461,416,090</b>
<b>INCREASE (DECREASE) IN NET FINANCIAL RESOURCES</b>	<b>(116,726,790)</b>	<b>(15,587,416)</b>	<b>(39,101,137)</b>	<b>78,897,967</b>

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

# CONSOLIDATED SCHEDULE OF CURRENT FUND OPERATIONS

For the year ended December 31, 2008

	2008 Budget \$ (Unaudited) (note 1(n))	2008 Actual \$	2007 Actual \$
<b>REVENUES</b>			
Property taxation	229,873,441	\$228,744,509	208,769,641
Taxation from other governments	2,171,200	2,292,679	2,570,317
User charges	83,407,348	69,475,808	77,472,604
Government grants	491,946	668,923	600,203
Investment income	11,761,500	16,543,006	18,735,747
Penalties, Fines and Interest	15,268,227	15,875,185	14,410,788
Other	1,283,654	2,104,982	996,408
<b>TOTAL REVENUES</b>	<b>344,257,316</b>	<b>335,705,092</b>	<b>323,555,708</b>
<b>EXPENDITURES</b>			
General government	21,476,438	22,681,799	22,055,123
Protection to persons and property	63,099,048	60,842,556	56,277,394
Transportation services	107,864,793	112,194,805	92,607,177
Environmental services	1,677,016	1,720,103	1,457,982
Health services (cemeteries)	555,860	504,595	430,934
Social and family services	1,550,892	1,756,867	1,473,549
Recreation and cultural services	90,783,084	90,950,115	84,497,609
Planning and development	30,271,629	27,390,706	25,926,708
<b>TOTAL EXPENDITURES</b>	<b>317,278,760</b>	<b>318,041,546</b>	<b>284,726,476</b>
<b>NET REVENUE</b>		<b>17,663,546</b>	<b>38,829,232</b>
<b>FINANCING AND TRANSFERS</b>			
Employee benefits and other liabilities		3,865,991	2,744,750
Transfers to Reserves and Reserve funds		(19,644,995)	(39,311,514)
Transfers to Capital fund		(2,424,580)	(2,149,309)
<b>NET FINANCING AND TRANSFERS</b>		<b>(18,203,584)</b>	<b>(38,716,073)</b>
<b>CHANGE IN CURRENT FUND BALANCE</b>		<b>(540,038)</b>	<b>113,159</b>
Opening Current Fund Balance		409,639	296,480
<b>CLOSING CURRENT FUND BALANCE</b>		<b>(130,399)</b>	<b>409,639</b>

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

# CONSOLIDATED SCHEDULE OF CAPITAL FUND OPERATIONS

For the year ended December 31, 2008

	2008 Budget \$ (Unaudited) (note 1(n))	2008 Actual \$	2007 Actual \$ (Restated) ( note 15)
<b>REVENUES</b>			
<b>Grants:</b>			
Government of Canada	11,268,000	180,266	299,932
Province of Ontario	562,000	268,242	1,713,936
Donations	-	292,068	185,802
<b>TOTAL GRANTS</b>	<b>11,830,000</b>	<b>740,576</b>	<b>2,199,670</b>
Investment Income	-	246,265	423,155
Other income earned	-	-	54,554
Development levies earned and other restricted capital contributions	191,924,559	74,745,210	192,312,553
<b>TOTAL REVENUES</b>	<b>203,754,559</b>	<b>75,732,051</b>	<b>194,989,932</b>
<b>EXPENDITURES</b>			
General Government	15,556,947	14,560,254	10,520,182
Protection to persons and property	4,163,081	2,203,037	3,252,214
Transportation services	137,597,330	73,080,622	93,000,044
Environmental Services	-	167	-
Health Services (cemeteries)	-	77,616	78,100
Social & Family services	-	4,752	-
Recreation and cultural services	101,407,665	64,614,586	69,070,091
Planning and development	905,407	671,103	997,526
<b>TOTAL EXPENDITURES</b>	<b>259,630,430</b>	<b>155,212,137</b>	<b>176,918,157</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>(79,480,086)</b>	<b>18,071,775</b>	
<b>FINANCING AND TRANSFERS</b>			
Transfers from Current Fund	2,424,580	2,149,309	
Transfers from Reserves and Reserve Funds	62,943,588	52,034,114	
Net transfers	65,368,168	54,183,423	
<b>CHANGE IN CAPITAL FUND BALANCE</b>	<b>(14,111,918)</b>	<b>72,255,198</b>	
Opening Capital Fund Balance	309,589,328	237,334,130	
<b>CLOSING CAPITAL FUND BALANCE</b>	<b>295,477,410</b>	<b>309,589,328</b>	

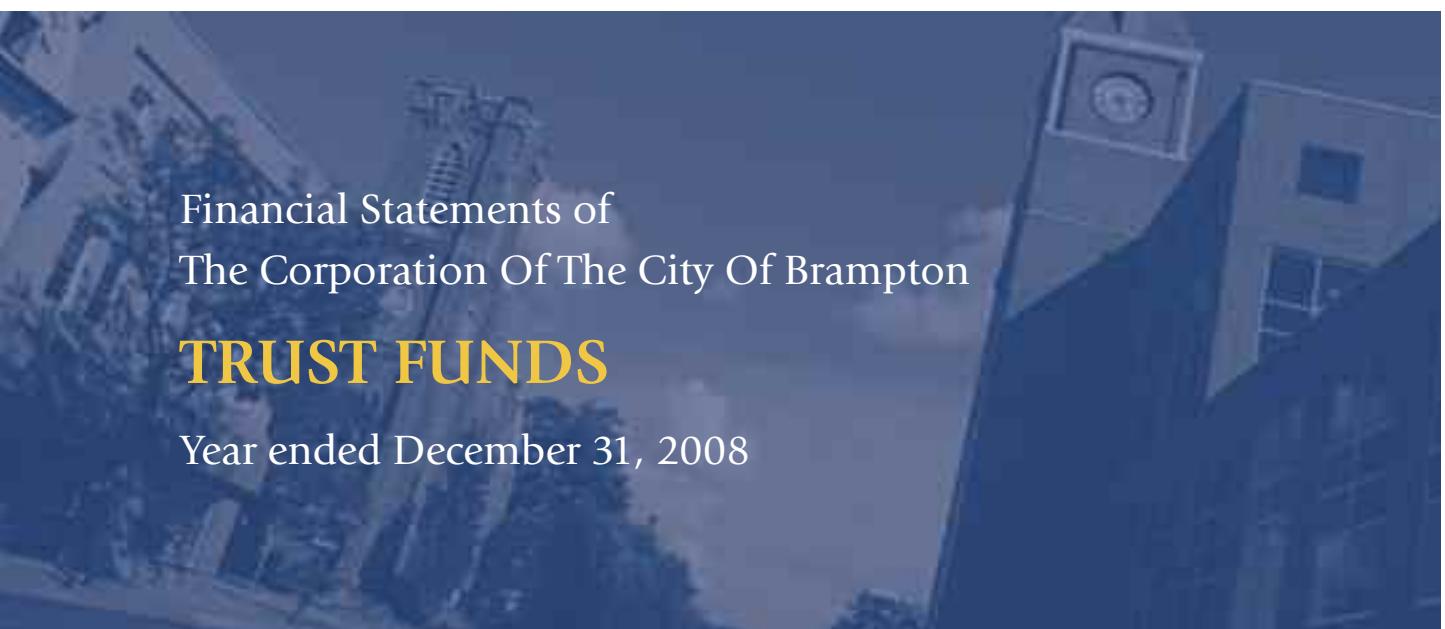
The accompanying notes are an integral part of these consolidated financial statements.

# CONSOLIDATED SCHEDULE OF RESERVE AND RESERVE FUNDS

For the year ended December 31, 2008

	2008 Actual \$	2007 Actual \$
<b>REVENUES</b>		
Investment income	23,195,867	21,768,416
<b>TOTAL REVENUE</b>	<b>23,195,867</b>	<b>21,768,416</b>
<b>NET TRANSFER FROM / (TO) OTHER FUNDS</b>		
Transfers from / (to) Current fund	19,644,995	39,311,514
Transfers from / (to) Capital fund	(62,943,588)	(52,034,114)
<b>TOTAL NET TRANSFER</b>	<b>(43,298,593)</b>	<b>(12,722,600)</b>
<b>CHANGE IN RESERVES AND RESERVE FUND BALANCE</b>	<b>(20,102,726)</b>	<b>9,045,816</b>
Opening Reserves and Reserve Fund Balance	266,100,866	257,055,050
<b>CLOSING RESERVES AND RESERVE FUND BALANCES</b>	<b>245,998,140</b>	<b>266,100,866</b>
<b>ANALYZED AS FOLLOWS:</b>		
<b>Reserves set aside for specific purposes by Council:</b>		
Library board contingencies	1,354,904	700,854
Fire and Emergency Capital	319,011	470,000
Downtown Improvement	30,000	30,000
General Rate Stabilization	21,279,391	30,659,202
<b>TOTAL RESERVES</b>	<b>22,983,306</b>	<b>31,860,056</b>
<b>Reserves Funds set aside for specific purposes by Council:</b>		
Lot Levies	1,240,699	1,185,731
Recreation facilities repairs and renovations	348,823	310,214
Acquisition or replacement of Assets	19,642,324	24,643,586
Conversion of employee sick leave credit plan	6,069,560	5,906,985
Self insurance	935,389	783,787
Omex	-	287,457
Corporate properties	1,896,136	1,952,566
Firefighter's 27th bi-weekly Pay Date	504,507	482,136
Transportation Initiatives Res.Fund	17,976,465	7,549,532
Rate stabilization	11,197,151	14,213,330
Employee benefit rate stabilization	9,030,875	8,531,702
Worker's compensation	7,828,464	7,241,701
Community Investment/Community Dividend/Legacy	143,352,232	156,536,688
Multi-year non-capital projects	869,979	470,000
Other purposes	2,122,230	4,145,397
<b>TOTAL RESERVE FUNDS</b>	<b>223,014,834</b>	<b>234,240,810</b>
<b>TOTAL RESERVE AND RESERVE FUNDS</b>	<b>245,998,140</b>	<b>266,100,866</b>

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



Financial Statements of  
The Corporation Of The City Of Brampton

## TRUST FUNDS

Year ended December 31, 2008

## AUDITORS' REPORT



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

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## AUDITORS' REPORT

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

We have audited the statement of financial position of the Corporation of the City of Brampton Trust Funds as at December 31, 2008 and the statements of financial activities and changes in fund balances for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2008 and the results of their operations and their cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads "KPMG LLP". Below the signature is a single horizontal line.

Chartered Accountants, Licensed Public Accountants

Toronto, Canada  
March 27, 2009

## STATEMENT OF FINANCIAL POSITION

December 31, 2008, with comparative figures for 2007

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	BMB, GTA and GTMA Trust Funds	2008 Total	2007 Total
<b>FINANCIAL ASSETS AND LIABILITIES</b>						
<b>Assets</b>						
Cash	\$157,243	\$10,003,708	\$283,439	\$48,098	\$10,492,488	\$9,199,480
Accounts receivable	300	9,951	456	77	10,784	386,469
Due from City Revenue Fund	3,723	-	-	-	3,723	-
<b>SUBTOTAL</b>	<b>161,266</b>	<b>10,013,659</b>	<b>283,895</b>	<b>48,175</b>	<b>10,506,995</b>	<b>9,585,949</b>
<b>INVESTMENTS, AT COST (MARKET - \$713,675 2007 - \$597,672):</b>						
Federal	99,018	-	-	-	99,018	99,018
Canada Bonds - Corporate	-	-	-	-	-	42,000
Provincial Bonds	-	-	-	-	-	129,774
Municipal Bonds	615,157	-	-	-	615,157	382,512
<b>SUBTOTAL</b>	<b>714,175</b>	-	-	-	<b>714,175</b>	<b>653,304</b>
<b>TOTAL ASSETS</b>	<b>875,441</b>	<b>10,013,659</b>	<b>283,895</b>	<b>48,175</b>	<b>11,221,170</b>	<b>10,239,253</b>
<b>Liabilities</b>						
Accounts payable	-	7,404	-	-	7,404	22,822
Due to City Revenue Fund	-	-	-	-	-	248,329
Due to City Capital Fund	-	-	-	-	-	(10,358)
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>7,404</b>	-	-	<b>7,404</b>	<b>260,793</b>
<b>NET FINANCIAL RESOURCES</b>	<b>\$875,441</b>	<b>\$10,006,255</b>	<b>\$283,895</b>	<b>\$48,175</b>	<b>\$11,213,766</b>	<b>\$9,978,460</b>
<b>FUND BALANCES</b>	<b>\$875,441</b>	<b>\$10,006,255</b>	<b>\$283,895</b>	<b>\$48,175</b>	<b>\$11,213,766</b>	<b>\$9,978,460</b>

See accompanying notes to financial statements.

**STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN FUND BALANCES**  
 Year Ended December 31, 2008, with comparative figures for 2007

	Cemeteries Care and Maintenance	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	BMB, GTA and GTMA Trust Funds	2008 Total	2007 Total
<b>REVENUE</b>						
Monuments and markers deposits	\$4,150	-	-	-	\$4,150	\$4,200
Perpetual Care deposits	33,291	-	-	-	33,291	36,247
Other deposits - Trusts	-	22,807	-	-	22,807	18,000
Gain on sale of investments	326	-	-	-	326	-
Performance deposits received	-	3,060,017	-	-	3,060,017	3,379,615
Deposit-Base Castlemore	-	-	-	-	-	40,509
<b>SUBTOTAL</b>	<b>37,767</b>	<b>3,082,824</b>	-	-	<b>3,120,591</b>	<b>3,478,571</b>
Interest Income	35,041	4,657	8,585	1,457	49,740	55,583
<b>TOTAL REVENUES</b>	<b>72,808</b>	<b>3,087,481</b>	<b>8,585</b>	<b>1,457</b>	<b>3,170,331</b>	<b>3,534,154</b>
<b>EXPENDITURES</b>						
<b>TRANSFERS TO CITY REVENUE FUND:</b>						
Maintenance Contribution	34,967	-	-	-	34,967	36,452
Interest Transfer	-	4,657	-	-	4,657	6,452
Administration Charges	74	-	-	-	74	42
<b>SUBTOTAL</b>	<b>35,041</b>	<b>4,657</b>	-	-	<b>39,697</b>	<b>42,946</b>
Return of performance deposits	-	1,866,116	-	-	1,866,116	14,312,565
Payments on behalf of developers	-	29,213	-	-	29,213	579,274
<b>TOTAL EXPENDITURES</b>	<b>35,041</b>	<b>1,899,985</b>	-	-	<b>1,935,026</b>	<b>14,934,785</b>
Increase (decrease) in net financial resources	37,767	1,187,496	8,585	1,457	1,235,305	(11,400,631)
Fund balances, beginning of year	837,674	8,818,759	275,309	46,718	9,978,461	21,379,091
<b>FUND BALANCES, END OF YEAR</b>	<b>\$875,441</b>	<b>\$10,006,255</b>	<b>\$283,895</b>	<b>\$48,175</b>	<b>\$11,213,766</b>	<b>\$9,978,460</b>

See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

Year ended December 31, 2008

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

#### **Revenue recognition:**

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

### **2. Cemeteries Care and Maintenance Trust Funds:**

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

### **3. Developers' Performance Deposits Trust:**

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

- (a) To hold performance deposits made by individual parties to the City as assurance that specific obligations agreed upon are fulfilled. Once fulfilled, the deposit held is returned to the respective party.
- (b) When a party develops a property in the City, generally a letter of credit is obtained from the party's bank, which provides a guarantee to the City that the contract will be completed as specified. Otherwise, the City is able to draw upon the letter of credit and to deposit the funds in the Trust to be later used to pay a third party to complete the contract.
- (c) As amounts are not significant enough to warrant their own trust, municipal election campaign surpluses of registered candidates are held in this Trust. In accordance with the Municipal Election Law Section 132(a)(i), the surplus should be held in trust until "the next regular election." At December 31, 2008, \$7,404 of campaign surpluses are held in this Trust (2007 - \$7,404).

### **4. Developer Front End Financing Trust Fund:**

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

### **5. Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance:**

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

## FIVE YEAR REVIEW SUMMARY

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

	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Population - (Note 1)	487,230	452,039	436,000	422,600	400,965
Households - (Note 2)	138,505	136,049	130,415	125,560	119,325
Areas in hectares	27,138	27,138	27,138	27,138	27,138
Full-time employees	2,238	2,097	1,947	1,868	1,706
Housing Starts	1,072	5,881	4,552	2,360	9,477
<b>Building Permit Values</b>	<b>\$749,657</b>	<b>\$2,130,486</b>	<b>\$1,209,605</b>	<b>\$1,235,359</b>	<b>\$2,730,395</b>

### TAXABLE ASSESSMENT UPON WHICH TAX RATES WERE SET (Note 3)

Residential and farm	\$35,660,551	\$34,645,657	\$31,776,103	\$26,592,402	\$24,499,699
Commercial and industrial	7,981,100	7,715,948	8,485,055	7,345,217	7,188,493

<b>TOTAL</b>	<b>\$43,641,651</b>	<b>\$42,361,605</b>	<b>\$40,261,158</b>	<b>\$33,937,619</b>	<b>\$31,688,192</b>
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Total per capita	89,571	93,712	92,342	80,307	79,030
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### TAX RATES/MILL RATES (URBAN AREA) - (Note 3)

#### RESIDENTIAL AND FARM

City purposes	0.474094%	0.445272%	0.417771%	0.442458%	0.418558%
Region purposes	0.505959%	0.486147%	0.463556%	0.501431%	0.482364%
School board purposes	0.264000%	0.264000%	0.264000%	0.296000%	0.296000%
<b>TOTAL</b>	<b>1.244053%</b>	<b>1.195419%</b>	<b>1.145327%</b>	<b>1.239889%</b>	<b>1.196922%</b>

#### Commercial

City purposes	0.614947%	0.577563%	0.541891%	0.573912%	0.542912%
Region purposes	0.656279%	0.630581%	0.601278%	0.650406%	0.625674%
School board purposes	1.553938%	1.553938%	1.553938%	1.737545%	1.737545%
<b>TOTAL</b>	<b>2.825164%</b>	<b>2.762082%</b>	<b>2.697107%</b>	<b>2.961863%</b>	<b>2.906131%</b>

#### Industrial

City purposes	0.696918%	0.654551%	0.614123%	0.650413%	0.615281%
Region purposes	0.743759%	0.714636%	0.681427%	0.737103%	0.709075%
School board purposes	1.777496%	1.781118%	1.781118%	1.984482%	1.984482%
<b>TOTAL</b>	<b>3.218173%</b>	<b>3.150305%</b>	<b>3.076668%</b>	<b>3.371998%</b>	<b>3.308838%</b>

### TAXES RECEIVABLE, END OF THE YEAR

Amount	\$46,265	\$48,465	\$44,911	\$53,133	\$60,811
Per capita	\$95	\$107	\$103	\$126	\$152
Percentage of years' levy	6.59%	7.33%	7.29%	9.26%	11.31%

### NET LONG-TERM LIABILITIES, END OF YEAR

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

### CHARGES FOR NET LONG-TERM LIABILITIES

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

## 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.)

	2008	2007	2006	2005	2004
<b>LONG-TERM DEBT SUPPORTED BY PROPERTY TAXES</b>					
Gross Long-Term Debt (Note 4)	-	-	-	-	-
Net Long-Term Debt (Note 4)	-	-	-	-	-
<b>DEBT REPAYMENT LIMIT</b>	<b>\$78,840</b>	<b>\$71,271</b>	<b>\$62,455</b>	<b>\$59,647</b>	<b>\$54,466</b>
(as determined by the Province of Ontario)					
<b>TAXES COLLECTED</b>					
City collection	\$231,037	\$211,340	\$190,813	\$173,759	\$155,858
Taxes Transferred to the Region	244,343	228,128	209,480	195,482	179,482
Taxes Transferred to the School Boards	227,972	233,654	215,255	205,829	204,023
<b>TOTAL</b>	<b>\$703,352</b>	<b>\$673,122</b>	<b>\$615,548</b>	<b>\$575,070</b>	<b>\$539,363</b>
<b>TRUST FUNDS BALANCE -</b>					
<b>END OF YEAR</b>	<b>\$11,214</b>	<b>\$9,978</b>	<b>\$21,379</b>	<b>\$8,489</b>	<b>\$7,201</b>
<b>CURRENT FUND OPERATIONS:</b>					
<b>REVENUES BY SOURCE</b>					
Property taxation	\$228,745	\$208,770	\$189,353	\$172,217	\$154,369
Taxation from other governments	2,293	2,570	1,461	1,542	1,489
User charges	69,476	77,473	74,157	59,653	70,851
Government grants	669	600	609	549	600
Other	34,523	34,143	26,403	22,702	19,234
<b>TOTAL</b>	<b>\$335,705</b>	<b>\$323,556</b>	<b>\$291,983</b>	<b>\$256,663</b>	<b>\$246,543</b>
<b>CURRENT EXPENDITURES BY FUNCTION</b>					
General government	\$22,682	\$22,055	\$18,375	\$10,550	\$8,309
Protection to persons and property	60,843	56,277	53,638	51,359	46,375
Transportation services	112,195	92,607	81,277	77,698	62,858
Environment services	1,720	1,458	1,663	2,103	1,701
Health services (cemeteries)	505	430	366	358	452
Social and family services	1,757	1,474	1,211	1,078	296
Recreation and cultural services	90,950	84,498	77,696	74,277	63,929
Planning and development	27,391	25,927	24,221	25,753	22,009
<b>TOTAL</b>	<b>\$318,042</b>	<b>\$284,726</b>	<b>\$258,447</b>	<b>\$243,176</b>	<b>\$205,929</b>
Financing raised less expenditures	17,663	38,830	33,536	13,487	40,614
Net transfers from (to) other City Funds	(18,204)	(38,716)	(33,340)	(13,961)	(40,385)
<b>CURRENT FUND BALANCE - BEGINNING OF YEAR</b>	<b>\$410</b>	<b>\$296</b>	<b>\$100</b>	<b>\$574</b>	<b>\$345</b>
<b>CURRENT FUND BALANCE - END OF YEAR</b>	<b>(\$130)</b>	<b>\$410</b>	<b>\$296</b>	<b>\$100</b>	<b>\$574</b>
<b>CURRENT EXPENDITURES BY OBJECT</b>					
Salaries, wages and employee benefits	\$214,949	\$191,882	\$176,873	\$163,431	\$141,794
Long term debt payments	-	-	-	-	-
Goods and services	103,573	92,616	82,969	79,733	64,308
<b>TOTAL</b>	<b>\$318,522</b>	<b>\$284,498</b>	<b>\$259,842</b>	<b>\$243,164</b>	<b>\$206,102</b>

## FIVE YEAR REVIEW SUMMARY

(Not subject to audit; all dollar amounts are in thousands except per capita figures.)  
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	2008	2007	2006	2005	2004
<b>CAPITAL FUND OPERATIONS:</b>					
<b>REVENUES BY SOURCE</b>					
Financing raised					
Grants	\$741	\$2,199	\$2,517	\$3,539	\$5,375
Development levies (Note 5)	74,745	192,313	92,358	88,751	71,260
Other	246	478	296	188	198
<b>TOTAL</b>	<b>\$75,732</b>	<b>\$194,990</b>	<b>\$95,171</b>	<b>\$92,478</b>	<b>\$76,833</b>
<b>CAPITAL EXPENDITURES BY FUNCTION</b>					
General government	\$14,560	\$10,520	\$10,792	\$18,917	\$11,838
Protection to persons and property	2,203	3,252	3,268	2,499	10,789
Transportation services	73,081	93,000	80,032	52,349	42,006
Environmental services (storm water management)	-	-	-	-	177
Health services (cemeteries)	78	78	114	725	62
Social and Family services	5	-	-	40	-
Recreation and cultural services	64,615	69,070	68,059	65,799	41,518
Planning and development	671	998	365	962	293
<b>TOTAL</b>	<b>\$155,212</b>	<b>\$176,918</b>	<b>\$162,630</b>	<b>\$141,291</b>	<b>\$106,683</b>
Financing raised less expenditures	(79,480)	18,072	(67,459)	(48,813)	(29,850)
Net transfers from (to) other City funds	65,368	54,183	64,544	54,160	80,123
<b>CAPITAL FUND BALANCE -</b>					
<b>BEGINNING OF YEAR</b>	<b>309,589</b>	<b>237,334</b>	<b>240,249</b>	<b>234,902</b>	<b>184,629</b>
<b>CAPITAL FUND BALANCE -</b>					
<b>END OF YEAR</b>	<b>\$295,477</b>	<b>\$309,589</b>	<b>\$237,334</b>	<b>\$240,249</b>	<b>\$234,902</b>