

Annual Report

2007

The Corporation of the City of Brampton

Flower City



brampton.ca

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This report was prepared by:
The Corporation of the City of Brampton
Finance Department and Economic Development
and Communications Department

This report was designed and produced by:
The City of Brampton Economic Development
and Communications Department



Brampton blooms on the world stage

The City of Brampton aims for excellence in all aspects of our economy and community by harnessing the energy and enthusiasm of our citizens. And, we have excelled. 2007 has been quite a year of achievements for us as the world turned its eyes on Brampton.

Our city has been designated as a global leader in community safety. We are the first municipality in the Greater Toronto Area, and one of only 10 in North America, to be designated as a World Health Organization International Safe Community. Brampton's committed community partners worked together to create a safe city for all citizens to 'live, work and play' in. Together, we demonstrated the ability to meet rigorous international standards. Congratulations to all!

There is much to celebrate. Our city continues to thrive and offer great opportunities for our residents and businesses in terms of economy, entertainment, culture, and recreation. Our five-bloom rating by Communities in Bloom International indicates the success of our Flower City Strategy. We continue to preserve our environment and heritage while beautifying our city and managing our growth responsibly.

The Province of Ontario has designated Brampton as an urban growth area. In order to ensure that we grow at a pace we can afford, we have in place one of the toughest growth management policies in the country. Our policy ensures services, facilities and infrastructure are in place when growth occurs, while protecting the balance between residential and commercial development.

As a finalist in the World Leadership Awards in the Town Planning category, we have successfully demonstrated that our strategic vision and our plans are in sync and aimed towards building a sustainable future. Our Official Plan is our blueprint for growth management and land use planning and development for the next 20 to 30 years.

Our vision is of a transit-oriented Brampton, with a pedestrian-friendly downtown core, preserved valuable green spaces, and well-connected pathways. Supporting it is Brampton Transit's AcceleRide, a rapid transit system that received federal go ahead and is under implementation. When completed by 2010, AcceleRide will provide a fully integrated transportation network that will enhance connectivity within and beyond Brampton's boundaries.

Keeping pace with growth in Brampton is a challenge that we have managed responsibly and with prudent fiscal management. This is reflected in our Triple 'A' Standard and Poor's credit rating. It is the highest credit rating a municipality can receive and reflects Brampton's debt-free position, exceptional liquidity levels and excellent economy. Brampton is one of seven municipalities in Canada and only four municipalities globally, excluding the United States, to have this rating, placing us among the elite.

Respecting the needs and aspirations of our citizens is at the heart of building a vital and sustainable community. Brampton has received international recognition for the achievements that have resulted from our disciplined and responsible planning and management. Our success has been a direct result of our commitment to engage our citizens in the process of planning and building a distinct community where we can all say with pride – "I am a Bramptonian."

Mayor Susan Fennell

Mayor's Message



Brampton City Council, 2006-2010, 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; John Hutton, City Councillor, Wards 2 & 6.

City Manager's Message



The City of Brampton has much to be proud of. While our City staff quietly went about their way providing dedicated service to our community, the rest of the world sat up and took notice.

We have been recognized as an International Safe Community by the World Health Organization; were a finalist in the Town Planning category at the World Leadership Awards; and received a five-bloom rating by Communities in Bloom International.

I am extremely proud to be working with such talented and devoted staff. Congratulations to all who worked diligently to achieve this recognition.

Apart from the international recognition, we had some major successes on our road to building our city. Brampton Transit's AcceleRide initiative, which is key to our vision of a transit-oriented community, has received almost \$200 million in federal and provincial funding. Apart from significantly improving the speed, efficiency and use of mass transit, this project is in complete harmony with the Province of Ontario's growth policy.

We believe it will have a significant future impact on Downtown Brampton by driving a variety of redevelopment projects along this key commercial corridor, including the construction of higher density commercial, office and residential projects. Downtown Brampton, which has historically been a commercial hub since 1853, today offers a variety of arts, culture, entertainment and dining experiences, thanks to our revitalization program.

Our rapid transformation from a satellite residential community to a multi-dimensional urban economy with a sophisticated marketplace is nothing short of remarkable. In 1981, our population was 149,000 people. In 2006, that number climbed to almost 435,000. We have virtually tripled our population in the past two decades, seeing an average of 12,000 people move into the city each year. Today, we are home to 8,000 businesses, employing over 140,000 workers. To be able to attract this kind of growth, we definitely are doing something right.

Very few cities and very few Councils have had this kind of success. Our success stems from bold and innovative strategy, effective management, dedicated staff and committed community and corporate partners. The City of Brampton is truly poised for great things. We are committed to building the community and quality of life amenities required to support residents, businesses and visitors to our city. Along with our dedicated staff, I am looking forward to working with Council to ensure that Brampton continues to respect the past, celebrate the present and invest in the future.

City Manager Deborah Dubenofsky



Respecting the past

Heritage and environment



Flower City Parade today



Flower City Parade in the 1960s

The quintessential nature of our flower town roots is visible at the very first glance, no matter where you go. In Brampton, heritage has been skillfully blended into a vibrant, modern community. In 2007, the city was awarded a five-bloom rating by Communities in Bloom International reflecting the flawless execution of our Flower City Strategy. A multi-faceted approach, our strategy continues to focus on the city's design, development, beautification and landscaping efforts. Our naturalization programs in Fletcher's Creek, Maitland Park, and the Community Forest initiative in Elgin Park not only beautify our community, but also nourish the natural environment, creating a legacy for future generations to come.

Our aim is to beautify Brampton; preserve our natural and cultural heritage; and protect the environment in collaboration with a very active community. A new, unified signage program that is being implemented citywide will take our efforts a step further, enhancing the understanding and appreciation of our unique Brampton landscape.



Celebrating the present

Diversity and Community



The Rose Theatre Brampton

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A celebration of culture



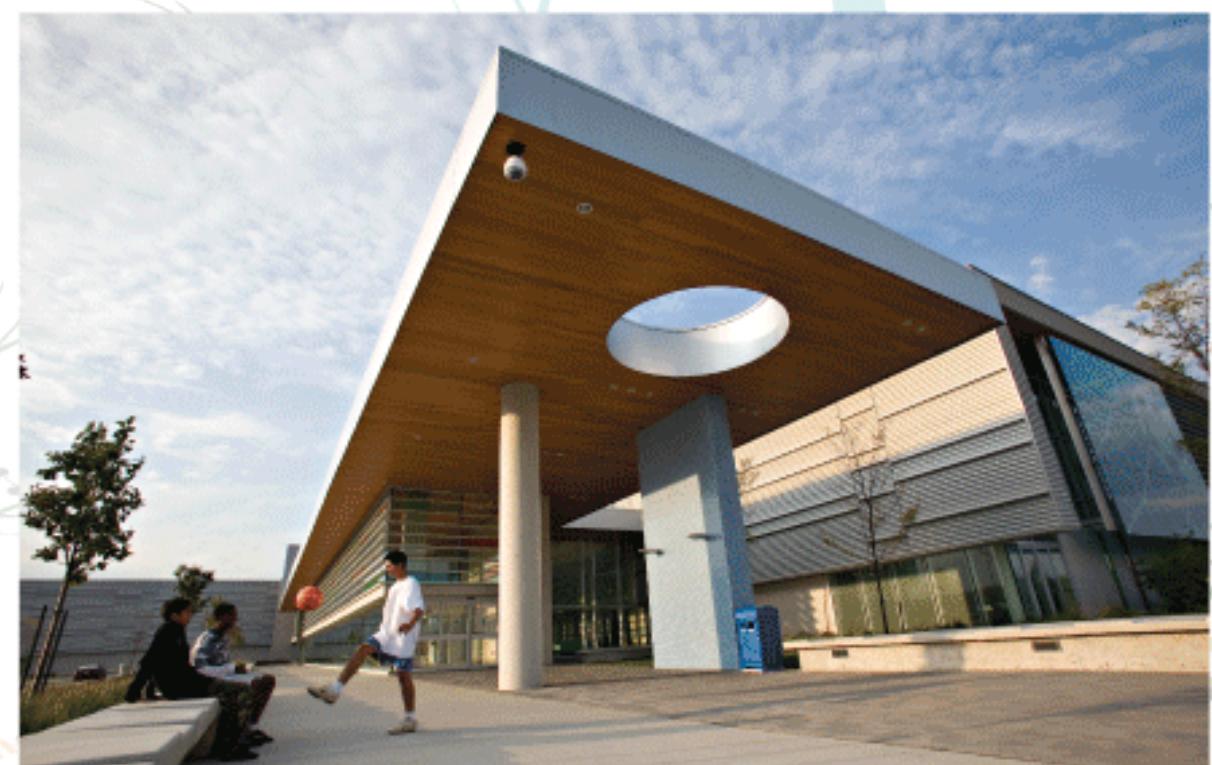
Investing in the future

Growth and planning



Artist's rendition of Mount Pleasant

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The award-winning Brampton Soccer Centre

Brampton is Canada's 2nd fastest growing city. Managing growth effectively is the key to sustainable development. Being short-listed as a finalist in the Town Planning category in the World Leadership Awards is a feather in our cap. Our community is dedicated to exploring and demonstrating viable approaches for a sustainable future.

The downtown revitalization; AcceleRide, Brampton's rapid transit system; and Mount Pleasant, an environment and pedestrian friendly development, are some of our long-term strategies that take into account the effects of accelerating change on modern society. A strong central corridor supported by a seamless transit system connecting to a pedestrian friendly green neighbourhood - herein lies the future of our city, Brampton. With the city continuing to enjoy a Standard & Poor's Triple 'A' rating, the foundations of the Flower City of Canada are strong and support our growth plans for the future.

January

- Brampton Transit breaks all previous records; welcomes its 10 millionth rider.

February

- Brampton wins top prize for its Business Directory from the Economic Development Council of Ontario (EDCO)
- The Ontario Good Roads Association (OGRA) recognizes Brampton's Slurry Seal Project and its use to reduce vehicle collisions with its Better Practices Award in the Innovative Service Delivery Category.
- The Heritage Canada Foundation and the Brampton Chapter of the Architectural Conservancy of Ontario present the City of Brampton with an Achievement Award for the Creditview Road Bowstring Arch Heritage Bridge Rehabilitation Project. The award recognizes the preservation of this heritage structure while meeting modern standards.

March

- Brampton wins three Awards at Canada Blooms:
 - CFRB People's Choice Award
 - Landscape Ontario Best Use of Colour Award
 - Landscape Ontario Best Use of Annuals and Perennials Award
- The Government of Canada gives green light for AcceleRide project, approves a \$95 million funding in addition to \$95 million previously committed by the Province of Ontario.
- Brampton receives a Youth Friendly Community Recognition Award from Play Works, a partnership of organizations concerned about youth development.



Mayor Fennell waves the WHO International Safe Community award



Creditview Road Heritage Bridge



Display at Canada Blooms

2007 Milestones

June

- Brampton Soccer Centre opens. Catering to the diverse needs of a multicultural community, today it is a hub of activity with more than 33,000 people using the centre each week. The Centre has since won four awards for design.

August

- Brampton retains a Communities in Bloom Five Bloom Rating at the international level. The five-bloom rating is achieved by having high scores in each of the eight evaluation categories, such as Floral Displays and Urban Forest Management

September

- Earnscliffe Recreation Centre reopens after extensive renovation and modernization.
- Brampton receives International Safe Community Designation from the World Health Organization. It is the first municipality in the Greater Toronto Area and one of only 10 in North America to receive this distinction.
- City of Brampton launches BizPal. It is one of the first municipalities in Ontario and Canada to join the BizPal online network.

October

- Brampton Transit exceeds 1 million riders in one month for the first time ever, reflecting a 15% increase over October 2006 figures. According to Canadian Urban Transit Association, Brampton Transit ridership is growing approximately three times the national average.

November

- Building permits in the city top more than \$2 billion.

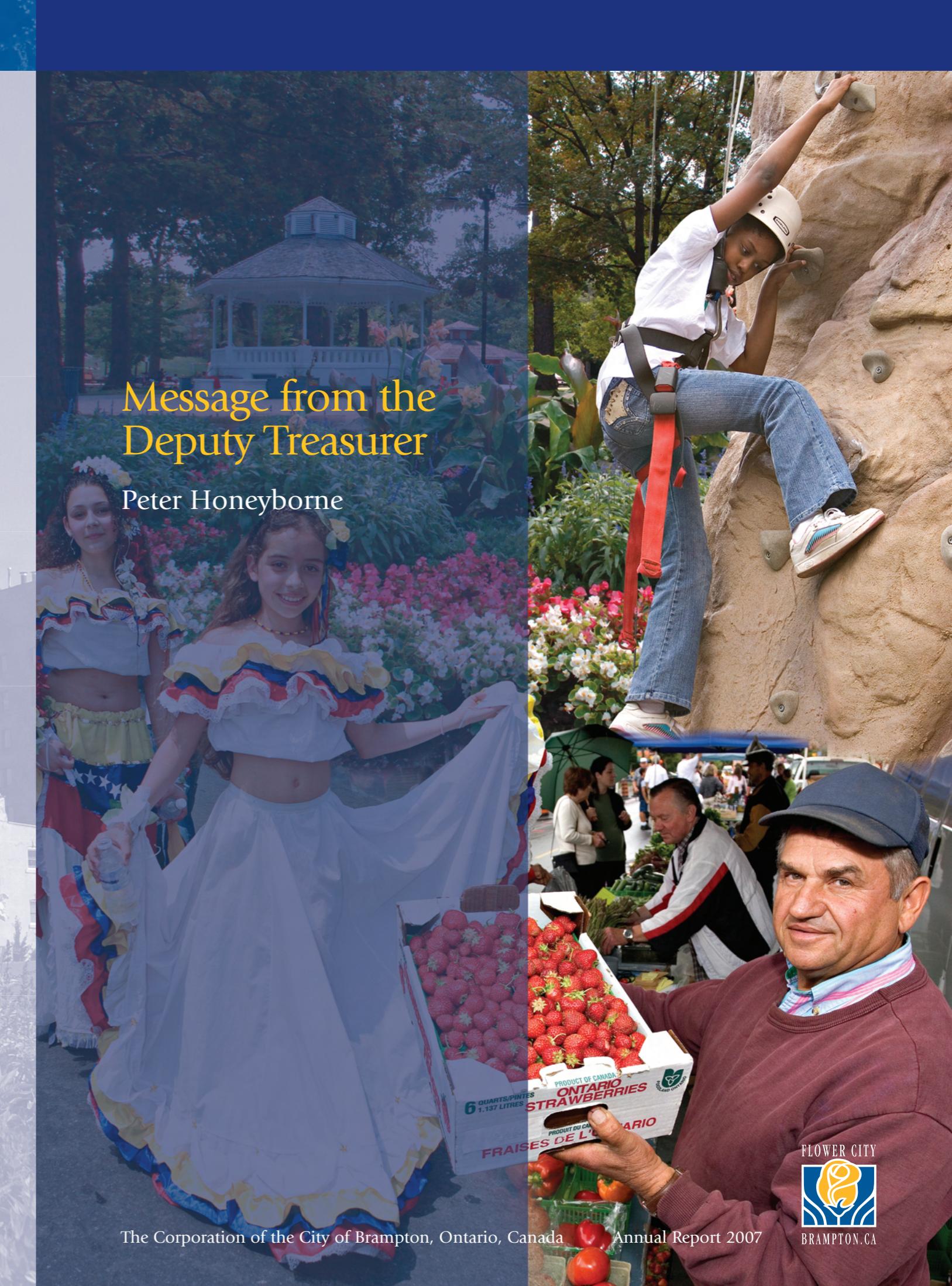
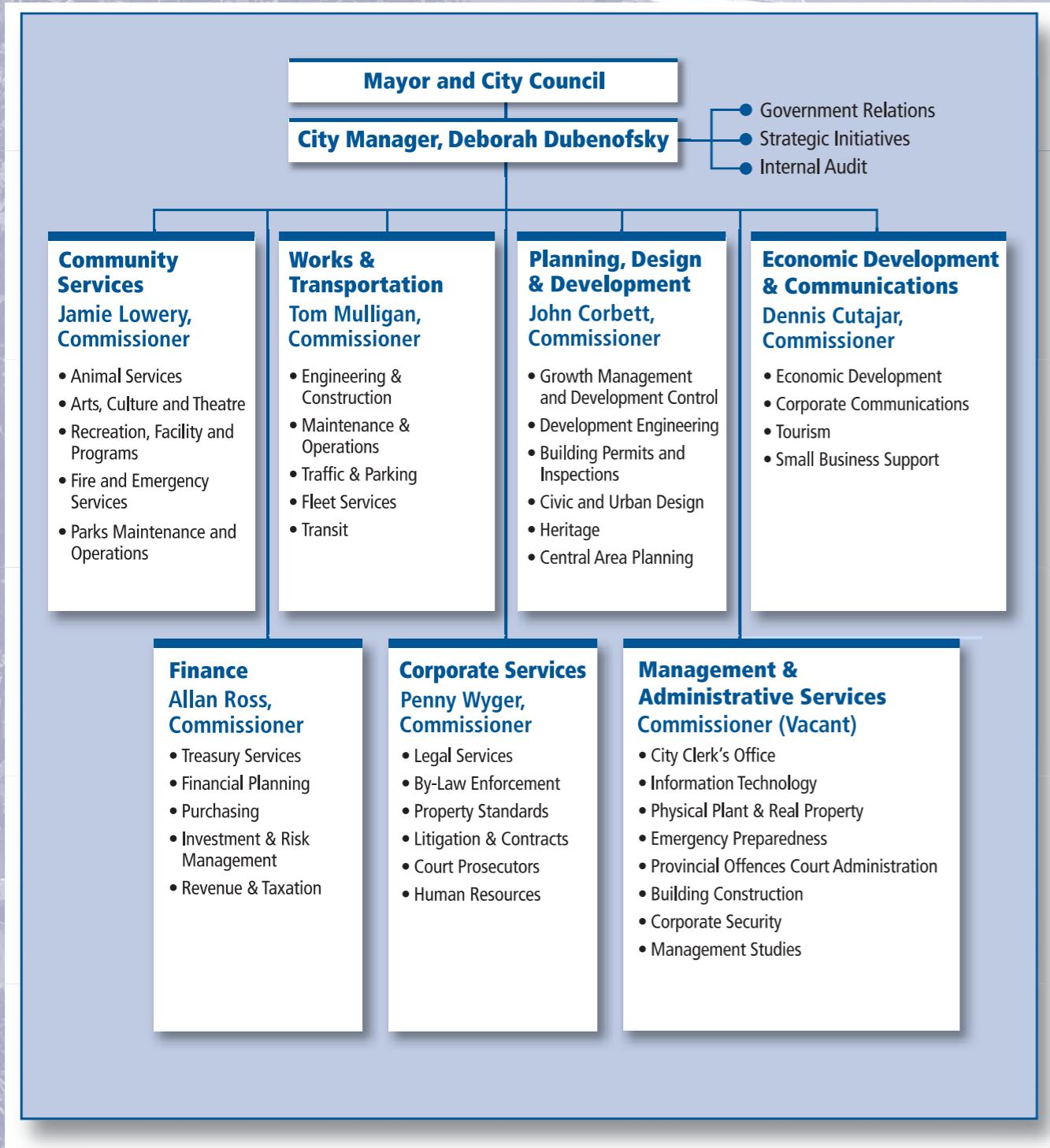
- Brampton retains its Standard & Poor's Triple 'A' Credit Rating, reflecting the City's debt-free position, exceptional liquidity levels and excellent economy.

- Community Forest initiative launched in Elgin Woods Park. Working with the Toronto and Region Conservation Authority (TRCA), the City of Brampton is transforming Elgin Woods Park into a lush urban forest.

- Brampton Transit launches eRide, a new and innovative web-based trip planner that calculates riders' journeys from start to finish, including walking and transfer times.

December

- Brampton retains a five-bloom rating for WinterLights Celebrations and is designated a 'Caring City'.
- Finalist in 2007 World Leadership Awards for Town Planning. This is an international competition that celebrates the very best in modern city leadership. Brampton was the only city in North America nominated in this category.
- Brampton Soccer Centre wins two Bronze Awards at the annual Design Exchange Awards (DXA). Awards received were in the category of Architecture – Commercial; and Interior Design – Commercial.
- Brampton receives the Outstanding Agency Accreditation Achievement Award from the National Institute of Governmental Purchasing (NIGP) for the period October 2007 to October 2010. This award recognizes an organization's commitment to excellence in public procurement through the implementation of rigorous standards and best practices.



I am pleased to present the Financial Report for the City of Brampton for the 2007 fiscal year. This report provides taxpayers, residents, business leaders and other interested parties with an overview of the City's finances.



The growth rate in Brampton and resulting pressure to provide infrastructure and services continues to be a major financial challenge. New Development Charge By-Laws approved in 2004 have helped to address the pressure to provide roads, fire protection, public transit and other services earlier than planned. They could not, however, address the impact of changes resulting from the Province of Ontario Development Charges Act passed in 1997. Due to the restrictions of this Act, a number of services, including parkland acquisition, information technology and administrative space required to service the rapid growth in the community, are no longer fundable through development charges.

In addition, the majority of City service charges must be discounted up to 90 per cent of identified growth-related costs, which necessitates further tax-based funding for these expenditures. Rapidly increasing costs have put additional pressure on the City's development charge reserves, to the extent that an interim review of costs covered in the Roads DC By-law had to be initiated by the end of 2007.

Beyond the cost of acquiring or building the new infrastructure, the City is faced with the cost of operating the infrastructure, which is outpacing the additional taxes generated by the expanding property 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.

FINANCIAL MANAGEMENT POLICIES

The City of Brampton has established a number of financial management policies, including its overarching "Controllership Policy" approved by City Council in 2007. Together, these financial policies provide a framework for the City of Brampton's overall fiscal planning and management.

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.

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 2007 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 communications 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.

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 2007 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, 2007 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 2007 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 \$323.6 Million reported in 2007 were higher than the budget by \$12.1 Million or 3.9%. Revenues in 2007 were higher than 2006 by \$31.6 Million largely due to the combined impact of City growth, increased tax rates and investment earnings.

Current year operating expenditures of \$284.7 Million in 2007 were lower than the budgeted amount by \$18.3 Million or 6.0%, primarily due to a large number of vacant positions and hiring delay savings caused by market conditions. The current year operating expenditures were \$26.3 Million higher than 2006 due to the continued high growth rate in Brampton, targeted service level increases as directed by City Council, and inflation.

Transfers to the Capital Fund, Reserves, and Reserve Funds amounted to \$41.4 Million in 2007 resulting in a net surplus of \$409,639. This surplus will be treated as revenue for the 2008 fiscal year in accordance with the requirements of Section 290 of the Municipal Act, 2001.

CAPITAL FUND

Capital expenditures of \$176.9 Million reported in 2007 were \$14.3 Million higher than the capital expenditures reported in 2006. Major capital projects included road improvements and major road repairs, parkland acquisition and development, purchase of new buses, construction of new transit facilities and construction/expansion of recreation facilities including the Cassie Campbell and Century Gardens Recreation Centres.

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, 2007, the City of Brampton's Reserves and Reserve Fund Balances totalled \$266.1 Million as compared to \$257.0 Million in 2006, representing a net increase of \$9.1 Million or 3.5%.

Included on 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 \$351.2 Million as at December 31, 2007 as compared to \$271.9 Million in 2006, a net increase of \$79.3 Million. Total contributions received from development charges and federal and provincial government transfers in 2007 amounted to \$120.8 Million versus \$194.2 Million in 2006. These contributions are recognized as revenue and transferred to the Capital Fund when the applicable capital projects are initiated.

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, replacements of assets, sick leave and Workers' Safety Insurance payouts and other city-related costs.

Staff continue 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 2007, for the sixth 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 2006 Annual Report.

The City of Brampton's 2007 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, changing demographics, environmental stewardship, and an aging workforce juxtaposed against a global skills shortage. In order to effectively meet these challenges and opportunities and still provide the high level of service the citizens of Brampton have come to expect, we will need to sustain our focus on strategic financial management as well as continue to advocate senior levels of government for more enhanced level of financial support.

Peter Honeyborne,
Deputy Treasurer
May 30, 2008

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, 2006.

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, 2006

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.



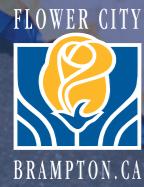
Chase S. Cox
President

Jeffrey L. Esser
Executive Director

Consolidated Financial
Statements of

The Corporation of The City of Brampton

Year ended December 31, 2007



BRAMPTON.CA

The Corporation of the City of Brampton, Ontario, Canada

Annual Report 2007



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

Peter Honeyborne
Deputy Treasurer

Brampton, Canada
May 30, 2008



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The Corporation of the City of Brampton, Ontario, Canada

Annual Report 2007

AUDITORS' REPORT



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Yonge Corporate Centre
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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 consolidated statement of financial position of the Corporation of the City of Brampton as at December 31, 2007 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, 2007 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.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada
March 28, 2008

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at December 31, 2007

	2007 \$	2006 \$
ASSETS		
Financial Assets		
Cash and short-term investments (Note 2)	435,882,651	321,932,238
Taxes receivable	48,464,787	44,911,170
User charges receivable	20,454,575	17,665,928
Accounts receivable	4,246,547	3,860,142
Long-term investments (Note 2)	352,865,949	453,242,594
Other Assets (Note 11)	7,984,110	7,984,110
TOTAL FINANCIAL ASSETS	869,898,619	849,596,182
LIABILITIES		
Accounts payable and accrued liabilities	90,085,137	77,989,232
Deferred revenue - general (Note 4 (a))	9,365,034	9,357,949
Deferred revenue - obligatory reserve funds (Note 4 (b))	351,240,219	271,889,711
Employee benefits and other liabilities (Note 5)	27,628,650	24,883,900
TOTAL LIABILITIES	478,319,040	384,120,792
Net Financial Resources	391,579,579	465,475,390
Other Non-Financial Assets		
Inventory and prepaids	4,097,826	4,326,369
TOTAL NET ASSETS	395,677,405	469,801,759
MUNICIPAL POSITION		
Amounts to be recovered		
From reserves and reserve funds on hand	(11,180,098)	(10,268,981)
From future revenues	(16,448,552)	(14,614,919)
TOTAL AMOUNTS TO BE RECOVERED	(27,628,650)	(24,883,900)
Fund Balances (Note 7)		
Current fund	409,639	296,480
Capital fund	156,795,550	237,334,130
Reserves	234,240,810	39,092,609
Reserve funds	31,860,056	217,962,440
TOTAL FUND BALANCES	423,306,055	494,685,659
TOTAL MUNICIPAL POSITION	395,677,405	469,801,759

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

	Budget 2007 \$ (unaudited) (Note 1(n))	Actual 2007 \$	Actual 2006 \$
REVENUES			
Property taxation (Note 3)	208,628,490	208,769,641	189,352,599
Taxation from other governments	992,000	2,570,317	1,460,756
User charges	77,029,943	77,472,604	74,157,662
Government grants	4,633,117	2,614,071	3,115,406
Development levies	189,657,576	39,518,775	92,358,084
Investment income - Current and Capital Funds	9,532,000	19,158,902	12,899,081
Investment income - Reserve and Reserve Funds	10,500,000	21,768,416	24,320,336
Penalties, Fines and Interest	13,778,946	14,410,788	12,791,413
Other	1,360,213	1,236,765	1,019,687
TOTAL REVENUES	516,112,285	387,520,279	411,475,024
EXPENDITURES			
<i>Current</i>			
General government	19,100,149	22,288,268	19,362,806
Protection to persons and property	59,341,180	56,277,394	53,637,736
Transportation services	94,730,199	92,424,826	81,381,485
Environmental services	1,457,982	1,457,982	1,662,938
Health services (cemeteries)	396,233	430,934	366,132
Social and family services	1,290,498	1,473,549	1,210,802
Recreation and cultural services	97,090,059	84,218,272	77,999,084
Planning and development	29,567,725	25,926,708	24,221,125
TOTAL CURRENT EXPENDITURES	302,974,025	284,497,933	259,842,108
<i>Capital</i>			
General government	17,513,921	10,520,182	10,792,450
Protection to persons and property	3,429,942	3,252,214	3,268,530
Transportation services	132,766,266	93,000,044	80,031,765
Health Services (cemeteries)	—	78,100	113,834
Recreation and cultural services	94,996,245	69,070,091	68,058,269
Planning and development	2,150,218	997,526	365,268
TOTAL CAPITAL EXPENDITURES	250,856,592	176,918,157	162,630,116
TOTAL EXPENDITURES	553,830,617	461,416,090	422,472,224
Increase (decrease) in Net Financial Resources	(73,895,811)	(10,997,200)	
Increase in amounts to be recovered	2,744,750	2,689,125	
Increase (decrease) in non-financial assets	(228,543)	1,394,475	
Increase (decrease) in Fund Balances	(71,379,604)	(6,913,600)	

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

	2007 \$	2006 \$
OPERATIONS		
Increase (decrease) in Net Financial Assets	(73,895,811)	(10,997,200)
Uses:		
Increase in taxes receivable	(3,553,617)	—
Increase in user charges receivable	(2,788,647)	(14,557,391)
Increase in accounts receivable	(386,405)	—
Decrease in deferred revenue - obligatory reserve funds	—	—
TOTAL USES	(6,728,669)	(14,557,391)
Sources:		
Decrease in taxes receivable	—	8,221,818
Decrease in user charges receivable	—	—
Decrease in accounts receivable	—	2,122,175
Increase in accounts payable and accrued liabilities	12,095,905	10,403,037
Increase in deferred revenue - general	7,085	7,297,929
Increase in deferred revenue - obligatory reserve funds	79,350,508	102,659,129
Increase in employee benefits and other liabilities	2,744,750	2,689,125
TOTAL SOURCES	94,198,248	133,393,213
INVESTMENTS		
Increase in long-term investments	100,376,645	(6,548,295)
NET CHANGE IN CASH AND CASH EQUIVALENTS	113,950,413	101,290,327
Opening cash and cash equivalents	321,932,238	220,641,911
Closing cash and cash equivalents	435,882,651	321,932,238

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

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 Business Association
- 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 separately on the Trust Funds Financial Statements.

1. Significant accounting policies (continued....):

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.

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.

1. Significant accounting policies (continued....):

i) 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. 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 2007 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 2007, Council approved transfers totaling \$52,034,114 (2006-\$61,229,318) from reserve funds for capital projects.

1. Significant accounting policies (continued....):

o) Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and 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 \$431,067,024 (2006 - \$318,276,227) with a market value of \$439,174,540 (2006 - \$323,943,500), at the end of the year.

Long-term investments of \$352,865,949 (2006-\$453,242,594) have a market value of \$353,522,403 (2006- \$453,024,378), 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 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, 2007 the deferred revenue – general amounted to \$9,365,034 (2006-\$9,357,949).

(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. The balances in the obligatory reserve funds of the City are summarized below:

	2007	2006
Development charges	\$246,623,668	\$144,616,263
Parkland	25,735,370	23,646,240
Gasoline Tax – Province	1,761,577	1,306,227
Gasoline Tax – Federal	(26,210,238)	5,254,510
AcceleRide	94,500,000	94,500,000
Building Rate Stabilization	12,676,082	4,990,701
Unamortized Downtown Incentive Charges	(4,362,497)	(2,424,230)
Ontario Bus Replacement Program	516,257	–
TOTAL	\$351,240,219	\$271,889,711

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:

	2007	2006
WSIB	\$4,489,327	\$3,831,003
Accumulated Sick Leave Benefit Plan entitlements	6,572,919	5,841,328
Vacation Pay	6,748,209	5,987,837
Other Liabilities	9,818,195	9,223,732
SUBTOTAL	\$27,628,650	\$24,883,900
LESS: RECOVERABLE FROM RESERVES AND RESERVE FUNDS ON HAND	11,180,098	10,268,981
AMOUNT TO BE FUNDED FROM FUTURE REVENUE	\$16,448,552	\$14,614,919

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, 2007.

Item	Non-Pension Post Employment benefits	Vested sick leave benefits	Workers' Compensation	2007 Total \$	2006 Total \$
Accrued Benefit obligation (ABO), beginning of year	\$10,777,254	\$7,568,013	\$3,969,611	\$22,314,878	\$19,051,459
Add: Current service costs	584,646	696,392	1,240,406	2,521,444	2,378,348
Add: Increase due to plan amendment costs	–	–	–	–	1,187,687
Add: Interest Cost	654,976	458,239	249,909	1,363,124	1,239,438
Less: Current Benefit Payments	306,632	539,390	849,317	1,695,339	1,542,054
Expected Accrued Benefit Obligation (ABO) - end of the year	\$11,710,244	\$8,183,254	\$4,610,609	\$24,504,107	\$22,314,878
Unamortized actuarial gain/(loss)	(4,665,017)	(1,610,335)	(121,282)	(6,396,634)	(6,936,906)
Liability for Benefits, at the end of the year, as determined by actuarial valuation	\$7,045,227	\$6,572,919	\$4,489,327	\$18,107,473	\$15,377,972

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 2007 was \$9,722,703 (2006-\$ 8,845,118) for current service and is included as an expenditure on the "Consolidated Statement of Financial Activities". Employee contributions totalled \$9,722,703 (2006- \$8,845,118).

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:

	2007 \$	2006 \$
CURRENT FUND	\$409,639	\$296,480
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	(866,691)	(374,242)
Capital expenditures to be recovered from existing projects, provincial subsidy, cost recovery and government grants	(1,621,518)	(1,896,567)
Funds available for the completion of capital projects	159,307,461	239,604,939
CAPITAL	156,795,550	237,334,130
Reserves	234,240,810	39,092,609
Reserve Funds	31,860,056	217,962,440
Total Municipal Fund Balances	\$423,306,055	\$494,685,659

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:

	2007 \$	2006 \$
Salaries, wages and fringe benefits	\$191,882,393	\$176,873,230
Materials and supplies	46,372,861	42,972,265
Contracted services	36,908,819	30,861,023
Rents and financial expenses	8,273,060	8,105,358
Transfer payments	1,060,800	1,030,232
TOTAL CURRENT EXPENDITURES	\$284,497,933	\$259,842,108
Salaries, wages and fringe benefits	\$6,500,684	\$5,264,697
Materials and supplies	25,913,054	43,675,433
Contracted services	144,504,419	113,689,986
TOTAL CAPITAL EXPENDITURES	\$176,918,157	\$162,630,116

9. Trust funds:

Trust funds administered by the City amounted to \$9,978,460 (2006-\$21,379,091) 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, 2007 amounted to \$783,787 (2006-\$773,316) and is reported on the "Consolidated Statement of Financial Position". Claims settled during the year amounting to \$1,434,550 (2006-\$1,030,000) 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 \$ 10,797,206 as at December 31, 2007 (2006 - \$11,460,835), 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 the remaining cash flow deficiencies. Included under Other Assets in the Consolidated Statement of Financial Position is \$1,984,110 (2006 - \$1,984,110) representing amounts advanced under this agreement to December 31, 2007. In addition, included in the Consolidated Statements of Financial Activities for the year ended December 31, 2007 and prior years, there has been further "Priority Advances" of \$3,458,068 paid under this agreement. The amount advanced in 2007 is \$458,068 (2002 to 2006- \$ 3,000,000).

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 \$4,787,830 for the year ended December 31, 2007. (2006- \$4,479,987)

12. Provincial Offences Administration (continued....):

The operating costs for the administration of the Provincial Offences Act for year ending December 31, 2007 amounted to \$4,382,038 (2006-\$4,049,496), resulting in a net contribution of \$405,792 (2006- \$430,491) 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. Grant to The Sheridan College Institute of Technology and Applied Learning:

On February 10, 2003, with the approval of the 2003 Current and Capital Budgets, City Council authorized a payment schedule supporting five equal payments of \$500,000 per year for five years to The Sheridan College of Institute of Technology and Applied Learning. A final installment of \$500,000 has been made as of December 31, 2007. These funds were a contribution towards Sheridan for the development of a new center of Advanced Manufacturing and Design at their Brampton "Davis" Campus.

14. Tangible Capital Assets

Tangible capital assets (TCA) are non-financial assets having physical substance that provide significant economic resources managed by the City not intended for sale in the normal course of business. These assets have estimated useful lives beyond the current accounting year. Some examples of tangible capital assets are roads, sidewalks, streetlights, buildings, land, machinery, vehicles, computer hardware, software and library collections.

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 TCA prior to Section 3150, which becomes mandatory January 1, 2009. Currently capital assets are reported as expenditures in the consolidated statements of financial activities in the year they are acquired. 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.

To comply with these new requirements, 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 evaluation of all of these assets has been completed. Independent contractors were hired to assist in evaluating major assets where historical costs were unavailable. Accounting policies and operational guidelines are being developed with respect to asset classification, useful life and

14. Tangible Capital Assets (continued....)

amortization methods. The asset categories and estimated useful lives that are included in the future significant accounting policies are as follows:

Asset Category	Estimated Useful Life (in years)
Building	Maximum 40 years
Land	Infinite
Land Improvements	Maximum 40 years
Vehicles and Machinery	Maximum 12 years
Furniture, Computer and Office Equipment	Maximum 20 years
Infrastructure	Maximum 40 years
Library Collections	Maximum 10 years

The approval and implementation of these accounting policies are underway and are expected to be completed in time to allow the accounting for tangible capital assets to commence for the year beginning January 1, 2009.

CONSOLIDATED SCHEDULE OF CURRENT FUND OPERATIONS
Year ended December 31, 2007

	2007 Budget \$ (unaudited) (Note 1(n))	2007 Actual \$	2006 Actual \$
REVENUES			
Property taxation	208,628,490	208,769,641	189,352,599
Taxation from other governments	992,000	2,570,317	1,460,756
User charges	77,029,943	77,472,604	74,157,662
Government grants	133,117	600,203	609,263
Investment income	9,532,000	18,735,747	12,592,716
Penalties, Fines and Interest	13,778,946	14,410,788	12,791,412
Other	1,360,213	996,408	1,019,688
TOTAL REVENUES	311,454,709	323,555,708	291,984,096
EXPENDITURES			
General government	19,100,149	22,055,123	18,375,598
Protection to persons and property	59,341,180	56,277,394	53,637,736
Transportation services	94,730,199	92,607,177	81,277,467
Environmental services	1,457,982	1,457,982	1,662,938
Health services (cemeteries)	396,233	430,934	366,132
Social and family services	1,290,498	1,473,549	1,210,802
Recreation and cultural services	97,090,059	84,497,609	77,695,835
Planning and development	29,567,725	25,926,708	24,221,125
TOTAL EXPENDITURES	302,974,025	284,726,476	258,447,633
NET REVENUE	38,829,232	33,536,463	
FINANCING AND TRANSFERS			
Employee benefits and other liabilities	2,744,750	2,689,125	
Transfers to reserves and reserve funds	(39,311,514)	(32,714,151)	
Transfers to Capital fund	(2,149,309)	(3,314,863)	
NET FINANCING AND TRANSFERS	(38,716,073)	(33,339,889)	
CHANGE IN CURRENT FUND BALANCE	113,159	196,574	
Opening Current Fund Balance	296,480	99,906	
CLOSING CURRENT FUND BALANCE	409,639	296,480	

CONSOLIDATED SCHEDULE OF CAPITAL FUND OPERATIONS
Year ended December 31, 2007

	2007 Budget \$ (unaudited) (Note 1(n))	2007 Actual \$	2006 Actual \$
REVENUES			
Grants:			
Government of Canada	—	299,932	—
Province of Ontario	4,500,000	1,713,936	2,337,822
Donations	—	185,802	179,117
TOTAL GRANTS	4,500,000	2,199,670	2,516,939
Investment Income	—	423,155	295,569
Other income earned	—	54,554	—
Development levies earned	189,657,576	39,518,775	92,358,084
TOTAL REVENUES	194,157,576	42,196,154	95,170,592
EXPENDITURES			
General Government	17,513,921	10,520,182	10,792,450
Protection to persons and property	3,429,942	3,252,214	3,268,530
Transportation services	132,766,266	93,000,044	80,031,765
Health Services (cemeteries)	—	78,100	113,834
Recreation and cultural services	94,996,245	69,070,091	68,058,269
Planning and development	2,150,218	997,526	365,268
TOTAL EXPENDITURES	250,856,592	176,918,157	162,630,116
NET REVENUES/(EXPENDITURES)		(134,722,003)	(67,459,524)
FINANCING AND TRANSFERS			
Transfers from Revenue Fund		2,149,309	3,314,863
Transfers from Reserve Funds		52,034,114	61,229,318
NET TRANSFERS		54,183,423	64,544,181
CHANGE IN CAPITAL FUND BALANCE		(80,538,580)	(2,915,343)
Opening Capital Fund Balance		237,334,130	240,249,473
CLOSING CAPITAL FUND BALANCE		156,795,550	237,334,130

CONSOLIDATED SCHEDULE OF RESERVE AND RESERVE FUNDS

Year ended December 31, 2007

	2007 Actual \$	2006 Actual \$
REVENUES		
Investment income	21,768,416	24,320,336
TOTAL REVENUE	21,768,416	24,320,336
NET TRANSFER FROM / (TO) OTHER FUNDS		
Transfers from / (to) current fund	39,311,514	32,714,151
Transfers from / (to) capital fund	(52,034,114)	(61,229,318)
TOTAL NET TRANSFER	(12,722,600)	(28,515,167)
CHANGE IN RESERVES AND RESERVE FUND BALANCE	9,045,816	(4,194,831)
Opening Reserves and Reserve Fund Balance	257,055,050	261,249,880
CLOSING RESERVES AND RESERVE FUND BALANCE	266,100,865	257,055,049
ANALYZED AS FOLLOWS:		
Reserves set aside for specific purposes by Council:		
Library board contingencies	700,854	675,196
Fire and Emergency Capital	470,000	–
Downtown Improvement	30,000	30,000
General Rate Stabilization	30,659,202	38,387,413
TOTAL RESERVES	31,860,056	39,092,609
Reserve Funds set aside for specific purposes by Council:		
Lot Levies	1,185,731	1,352,268
Recreation facilities repairs and renovations	310,214	182,767
Acquisition or replacement of Assets	24,643,586	17,388,449
Conversion of employee sick leave credit plan	5,906,985	5,664,662
Self insurance	783,787	773,316
Omex Retros	287,457	275,665
Corporate properties	1,952,566	2,519,741
Firefighter's 27th bi-weekly Pay Date	482,136	462,357
Transportation Initiatives Res.Fund	7,549,532	3,055,000
Rate stabilization	14,213,330	14,167,789
Employee benefit rate stabilization	8,531,702	7,571,881
Worker's compensation	7,241,701	6,757,327
Community Investment/Community Dividend/Legacy	156,536,688	156,584,290
Multi-year non-capital projects	470,000	–
Other purposes	4,145,397	1,206,928
TOTAL RESERVE FUNDS	234,240,810	217,962,440
TOTAL RESERVE AND RESERVE FUNDS	266,100,865	257,055,049



AUDITORS' REPORT



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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, 2007 and the statement 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, 2007 and the results of their operations and their cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

March 28, 2008

STATEMENT OF FINANCIAL POSITION

TRUST FUNDS

As at December 31, 2007, with comparative figures for 2006

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	BMB, GTA and GTMA Trust Funds	2007 Total \$	2006 Total \$
Financial Assets and Liabilities						
Assets						
Cash	223,228	8,655,391	274,312	46,549	9,199,480	20,694,284
Accounts receivable	861	384,442	997	169	386,469	121,279
Due from City Revenue Fund	—	—	—	—	—	6,145
SUBTOTAL	224,089	9,039,833	275,309	46,718	9,585,949	20,821,708
Investments, at cost (market - \$597,672 2006 - \$602,785):						
Federal	99,018	—	—	—	99,018	99,018
Canada bonds - corporate	—	42,000	—	—	42,000	42,000
Provincial bonds	129,774	—	—	—	129,774	129,774
Municipal bonds	382,512	—	—	—	382,512	382,513
SUBTOTAL	611,304	42,000	—	—	653,304	653,305
TOTAL ASSETS	835,393	9,081,833	275,309	46,718	10,239,253	21,475,013
Liabilities						
Accounts payable	—	22,822	—	—	22,822	—
Due to (from) City Revenue Fund	(2,281)	250,610	—	—	248,329	95,922
Due to (from) City Capital Fund	—	(10,358)	—	—	(10,358)	—
TOTAL LIABILITIES	(2,281)	263,074	—	—	260,793	95,922
Net financial resources	837,674	8,818,759	275,309	46,718	9,978,460	21,379,091
FUND BALANCES	837,674	8,818,759	275,309	46,718	9,978,460	21,379,091

See accompanying notes to financial statements.

**STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN FUND BALANCE
TRUST FUNDS**

Year ended December 31, 2007, with comparative figures for 2006

Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	BMB, GTA and GTMA Trust Funds	2007 Total	2006 Total
Revenue					
Monuments and markers deposits	4,200	—	—	4,200	4,900
Perpetual Care deposits	36,247	—	—	36,247	50,262
Other deposits - Trusts	—	18,000	—	18,000	9,500
Gain on sale of investments	—	—	—	—	2,212
Performance deposits received	—	3,379,615	—	3,379,615	14,784,995
Base Cost Dep-Castlemore	—	—	40,509	—	40,509
SUBTOTAL	40,447	3,397,615	40,509	—	3,478,571 14,851,869
Interest income	36,494	6,452	10,652	1,985	55,583
TOTAL REVENUES	76,941	3,404,067	51,161	1,985	3,534,154 14,955,011
Expenditures					
Transfers to City Revenue Fund:					
Maintenance contribution	36,452	—	—	36,452	36,792
Interest transfer	—	6,452	—	6,452	55,831
Administration charges	42	—	—	42	60
Subtotal	36,494	6,452	—	—	42,946 92,683
Return of performance deposits	—	14,312,565	—	14,312,565	1,723,063
Payments on behalf of developers	—	579,274	—	579,274	248,807
Total Expenditures	36,494	14,898,291	—	—	14,934,785 2,064,553
Increase (decrease) in net financial resources	40,447	(11,494,224)	51,161	1,985 (11,400,631)	12,890,458
Fund balances, beginning of year	797,227	20,312,983	224,148	44,733 21,379,091	8,488,633
FUND BALANCES, END OF YEAR	837,674	8,818,759	275,309	46,718 9,978,460	21,379,091

See accompanying notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS
TRUST FUNDS**

Year ended December 31, 2007

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, 2007, \$7,404 of campaign surpluses are held in this Trust (2006 – nil).

TRUST FUNDS

Year ended December 31, 2007

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.)

	2007	2006	2005	2004	2003
Population - (Note 1)	452,039	436,000	422,600	400,965	372,000
Households - (Note 2)	136,049	130,415	125,560	119,325	111,357
Areas in hectares	27,138	27,138	27,138	27,138	27,138
Full-time employees	2,097	1,947	1,868	1,706	1,564
Housing Starts	5,881	4,552	2,360	9,477	6,670
Building Permit Values	2,130,486,433	\$1,209,605	\$1,235,359	\$2,730,395	\$1,791,423
TAXABLE ASSESSMENT UPON WHICH TAX RATES WERE SET - (Note 3)					
Residential and farm	\$34,645,657	\$31,776,103	\$26,592,402	\$24,499,699	\$21,011,523
Commercial and industrial	7,715,948	8,485,055	7,345,217	7,188,493	5,680,336
TOTAL	42,361,605	40,261,158	\$33,937,619	\$31,688,192	\$26,691,859
Total per capita	93,712	92,342	80,307	79,030	71,752
TAX RATES/MILL RATES (URBAN AREA) - (Note 3)					
Residential and farm					
City purposes	0.445272%	0.417771%	0.442458%	0.418558%	0.436701%
Region purposes	0.486147%	0.463556%	0.501431%	0.482364%	0.519418%
School board purposes	0.264000%	0.264000%	0.296000%	0.296000%	0.335000%
TOTAL	1.195419%	1.145327%	1.239889%	1.196922%	1.291119%
Commercial					
City purposes	0.577563%	0.541891%	0.573912%	0.542912%	0.566445%
Region purposes	0.630581%	0.601278%	0.650406%	0.625674%	0.673738%
School board purposes	1.553938%	1.553938%	1.737545%	1.737545%	1.825042%
TOTAL	2.762082%	2.697107%	2.961863%	2.906131%	3.065225%
Industrial					
City purposes	0.654551%	0.614123%	0.650413%	0.615281%	0.641950%
Region purposes	0.714636%	0.681427%	0.737103%	0.709075%	0.763545%
School board purposes	1.781118%	1.781118%	1.984482%	1.984482%	2.151155%
TOTAL	3.150305%	3.076668%	3.371998%	3.308838%	3.556650%
TAXES RECEIVABLE, END OF THE YEAR					
Amount	\$48,465	\$44,911	\$53,133	\$60,811	\$43,025
Per capita	\$107	\$103	\$126	\$152	\$116
Percentage of years' levy	7.33%	7.29%	9.26%	11.31%	8.99%
NET LONG-TERM LIABILITIES, END OF YEAR					
Amount	—	—	—	—	—
Per Capita	—	—	—	—	—
CHARGES FOR NET LONG-TERM LIABILITIES					
Amount	—	—	—	—	\$397
Per capita	—	—	—	—	\$1
As a tax rate/mill rate (Note 3)	—	—	—	—	0.001%
LONG-TERM DEBT SUPPORTED BY PROPERTY TAXES					
Gross Long-Term Debt (Note 4)	—	—	—	—	—
Net Long-Term Debt (Note 4)	—	—	—	—	—
DEBT REPAYMENT LIMIT					
	\$71,271	\$62,455	\$59,647	\$54,466	\$45,021

(as determined by the Province of Ontario)

FIVE YEAR REVIEW SUMMARY (Continued)

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

	2007	2006	2005	2004	2003
TAXES COLLECTED					
City collection	\$211,340	\$190,813	\$173,759	\$155,858	\$136,020
Taxes Transferred to the Region	228,128	209,480	195,482	179,482	161,730
Taxes Transferred to the School Boards	233,654	215,255	205,829	204,023	182,840
TOTAL	\$673,122	\$615,548	\$575,070	\$539,363	\$480,590

	2007	2006	2005	2004	2003
TRUST FUNDS BALANCE - END OF YEAR					
	\$9,978	\$21,379	\$8,489	\$7,201	\$6,427

	2007	2006	2005	2004	2003
CURRENT FUND OPERATIONS: REVENUES BY SOURCE					
Taxation - City only	\$208,770	\$189,353	\$172,217	\$154,369	\$135,113
Payment in lieu of taxes	2,570	1,461	1,542	1,489	907
User charges	77,473	74,157	59,653	70,851	64,740
Government grants	600	609	549	600	642
Other	34,143	26,403	22,702	19,234	18,822
TOTAL	\$323,556	\$291,983	\$256,663	\$246,543	\$220,224

	2007	2006	2005	2004	2003
CURRENT EXPENDITURES BY FUNCTION					
General government	\$22,055	\$18,375	\$10,550	\$8,309	\$8,614
Protection to persons and property	56,277	53,638	51,359	46,375	41,056
Transportation services	92,607	81,277	77,698	62,858	56,796
Environment services	1,458	1,663	2,103	1,701	1,918
Health services (cemeteries)	430	366	358	452	387
Social and family services	1,474	1,211	1,078	296	285
Recreation and cultural services	84,498	77,696	74,277	63,929	57,802
Planning and development	25,927	24,221	25,753	22,009	19,114
TOTAL	\$284,726	\$258,447	\$243,176	\$205,929	\$185,972

	2007	2006	2005	2004	2003
Financing raised less expenditures	38,830	33,536	13,487	40,614	34,252
Net transfers from (to) other City Funds	(38,716)	(33,340)	(13,961)	(40,385)	(34,135)

	2007	2006	2005	2004	2003
CURRENT FUND BALANCE - BEGINNING OF YEAR	\$296	\$100	\$574	\$345	\$228

	2007	2006	2005	2004	2003
CURRENT FUND BALANCE - END OF YEAR	\$410	\$296	\$100	\$574	\$345

FIVE YEAR REVIEW SUMMARY (Continued)

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

	2007	2006	2005	2004	2003
CAPITAL FUND OPERATIONS: REVENUES BY SOURCE					
Financing raised Grants	\$2,199	\$2,517	\$3,539	\$5,375	\$2,147
Development levies (Note 5)	39,519	92,358	88,751	71,260	62,049
Other	478	296	188	198	543
TOTAL	\$42,196	\$95,171	\$92,478	\$76,833	\$64,739

	2007	2006	2005	2004	2003
CAPITAL EXPENDITURES BY FUNCTION					
General government	\$10,520	\$10,792	\$18,917	\$11,838	\$9,814
Protection to persons and property	3,252	3,268	2,499	10,789	6,893
Transportation services	93,000	80,032	52,349	42,006	33,851
Environmental services (storm water management)	—	—	—	177	—
Health services (cemeteries)	78	114	725	62	33
Social and Family services	—	—	40	—	—
Recreation and cultural services	69,070	68,059	65,799	41,518	25,300
Planning and development	998	365	962	293	457
TOTAL	\$176,918	\$162,630	\$141,291	\$106,683	\$76,348

	2007	2006	2005	2004	2003
Financing raised less expenditures	(134,722)	(67,459)	(48,813)	(29,850)	(11,609)
Net transfers from (to) other City funds	54,183	64,544	54,160	80,123	93,562

	2007	2006	2005	2004	2003
CAPITAL FUND BALANCE - BEGINNING OF YEAR	237,334	240,249	234,902	184,629	102,676
CAPITAL FUND BALANCE - END OF YEAR	\$156,795	\$237,334	\$240,249	\$234,902	\$184,629

	2007	2006	2005	2004	2003
Salaries, wages and fringe benefits	\$191,882	\$176,873	\$163,431	\$141,794	\$122,162
Long term debt payments	—	—	—	—	397
Goods and services	92,616	82,969	79,733	64,308	63,055

	2007	2006	2005	2004	2003
CAPITAL EXPENDITURES BY OBJECT (Note 6)	\$284,498	\$259,842	\$243,164	\$206,102	\$185,614
Salaries, wages and fringe benefits	\$6,501	\$5,265	\$4,674	\$2,262	\$2,040
Materials and supplies	25,913	43,675	31,486	36,503	32,084
Contracted services</td					

FIVE YEAR REVIEW SUMMARY (*Continued*)

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

NOTES

	2007	2006	2005	2004	2003
RESERVE AND RESERVE FUND OPERATIONS:					
REVENUES BY SOURCE					
Investment income	21,768	24,320	22,550	23,616	24,006
Other	—	—	—	—	—
TOTAL	\$21,768	\$24,320	\$22,550	\$23,616	\$24,006
Net transfers from (to) other City funds	(12,722)	(28,515)	(33,656)	(37,880)	(59,035)
RESERVE & RESERVE FUND BALANCE - BEGINNING OF YEAR					
	\$257,055	\$261,250	\$272,356	\$286,620	\$321,649
RESERVE & RESERVE FUND BALANCE - END OF YEAR					
	\$266,101	\$257,055	\$261,250	\$272,356	\$286,620

- Note 1: Source of population data is from City of Brampton, Planning, Design and Development Department - which uses data derived from Hemson Consulting.
- Note 2: Source of household data is the Municipal Property Assessment Corporation (MPAC) reports.
- Note 3: Taxation related information reflect Current Value Assessment (CVA). These data may not be comparable to those of prior years.
- Note 4: By the order of City Council, the current outstanding long-term debt is to be financed from existing reserve funds.
- Note 5: As a result of City adopting recommendations of PSAB (Public Sector Accounting Board) commencing in year 2000, funds previously presented as Reserve Funds have been reported as part of deferred revenue.
- Note 6: Source, Statements of Financial Activities and Notes to the Consolidated Financial Statements #8.

NOTES