

THE CORPORATION OF THE CITY OF BRAMPTON



A N N U A L R E P O R T 2 0 1 2



**Susan Fennell**  
**Mayor**

# Mayor's Message

Looking back on 2012 I'm proud of what we've accomplished. Over the past few years, our efforts in building a sustainable city have helped shape our vision for how we live, work, play and pray in Brampton.

City employees, neighbourhood and civic advocates, business owners, organizations and so many others in our community came together to advance our common goals as we began a strategic renewal process for our city. We worked together for public safety, protection of natural areas and access to recreational opportunities. We pursued a healthy downtown, great neighbourhoods and diverse cultural offerings.

As we move ahead with city-building, it is important that our citizens see the importance of the choices we make for the purpose of creating value over time. The renewal of downtown Brampton is moving ahead as planned. It's contributing to our economy, both in the short- and long-term. Our redevelopment plan will see new job-creating opportunities in the retail industry in downtown Brampton. And just as important, it will provide community space for residents to use and enjoy right in the heart of the city.

The success of the Inaugural Brampton Creative Economy Summit bears testimony to the fact that we are on the right path to foster and nurture future businesses and industries. Our aim is to create a distinctive advantage for our city, and ensure long-term prosperity for all Bramptonians.

And for that reason, we are opening Brampton to the global marketplace by participating in key international trade missions. We have started on the road to aggressively compete with the best in the world for the jobs of tomorrow.

In 2012, our transit system continued to grow at a record pace and we took another step closer to opening yet another state-of-the-art community centre in the east end of the city. To meet the current and growing healthcare needs of our high-growth community, Council showed leadership by committing \$60 million towards our local share of the estimated \$420 million revitalization plan for an Integrated Health and Wellness Campus located at the former Peel Memorial Hospital site. This will be a second healthcare facility our community needs and deserves.

Well-integrated and first-rate transit, welcoming neighbourhoods, community centres, libraries, parks and pathways – everything that embodies the character of a healthy and thriving city, we have it all. Brampton showcases the new kind of urbanism that embraces accessibility, sustainability, diversity and culture.

We have big dreams and big plans. To ensure that our dreams can become tomorrow's realities, we will continue to engage our residents and businesses in the coming year, which will be pivotal in our city-building efforts. Together, we are building a strong city; a city that is an important and strategic location in the Greater Toronto Area; a city that will also be one of Canada's key economic engines for years to come. Together, we are building the Brampton of tomorrow.



(Seated left to right)

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

**Mayor Susan Fennell**

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

(Standing left to right)

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

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

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

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

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

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

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

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



# CAO's Message

2012 marked the start of a renewal process in the City of Brampton. From the launch of our award-winning community at Mount Pleasant to the approval of a new Economic Development brand; from breaking ground on the Southwest Quadrant Renewal Project to the opening of the new Gateway Transit Terminal; from being the host venue for the 55+ Ontario Summer Games to the redesignation as a Safe Community by the World Health Organization, Brampton started its journey on the road to renewal as city staff prepared for the next phase of city-building. Our ability to create our own future is the reason why the City of Brampton continues to guide the evolution and growth of our city in a sustainable manner.

The foundation of any successful city-building venture starts with a culture — a culture that inspires our people to improve every day. Our team is mission-based and looks for a better way to do things at every turn. We constantly learn from each other, our residents and our peers in neighbouring municipalities. We seek innovative solutions for our community. And we know that strong teams with great people outperform individuals. That is why Brampton is a city that works.

We retained our Triple 'A' Rating from Standard and Poor's as a result of prudent fiscal management and proactive planning. As we broke ground on the exciting Southwest Quadrant Renewal Project that will see the expansion of City Hall, our commitment to revitalizing Downtown Brampton took another step closer to fruition. The project will have a significant impact, creating a variety of redevelopment projects in its wake that includes arts, culture and entertainment experiences.

To ensure seamless transportation throughout our city and beyond, another Züm (Brampton's Bus Rapid Transit) line was introduced in 2012. And, complementing our rapidly-growing transit system is the new state-of-the-art Gateway Terminal. Customer service is of utmost importance in this city where more than half a million residents — representing 209 distinct ethnic backgrounds and speaking 89 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 residents and businesses on a number of key issues on how to maintain Brampton as a premier city in Ontario. Our new marketing strategy for Economic Development is yet another milestone in our city-building efforts.

Leveraging the passion and talent of Bramptonians, the strategy aims to nurture and grow the economy of our city. It supports existing Brampton businesses in their quest for success, as well as encourages new businesses to set up and soar in the thriving business environment our city has to offer.

In the coming year, numerous new projects shaping our city's future will be launched. These include the implementation of a refreshed corporate organization structure and the development of a new strategic plan. Both of these projects will guide the evolution, growth and transition of our city to a pre-eminent municipality in Canada. Our dedicated staff looks forward to working with our residents, as always, to bring out the tremendous potential that resides in Brampton.





# Strategy

In Brampton, strategy is about making choices today to build a competitive advantage for tomorrow. It is a sequence of decisions that ensures a socially, environmentally, culturally and economically sustainable future for our residents.

The Southwest Quadrant Renewal Plan is key to the revitalization of Downtown Brampton, a public realm that provides an inclusive setting for cultural, social, recreational and commercial interaction. Building a modern city that is founded on historical consciousness, Brampton is committed to urban design integration that offers convenient and accessible options for living, working, learning, shopping and playing.

It's all about connecting with our communities to learn about their needs and delivering top-priority services. And it's also about connecting people. The expansion of Züm, Brampton's Bus Rapid Transit, exemplifies why connection matters to us in Brampton. It is yet another step towards sustainable living, connecting residents within the city and beyond.

***Urban renewal, heritage preservation, community building — in Brampton, sustainability is the key to development.***







# Economy

From small businesses to blue chip companies, manufacturing to sports tourism, real estate to construction, Brampton has a well-diversified economy. With a Triple 'A' rating from Standard & Poor's for seven consecutive years, Brampton's economic foundation is strong.

Renewing a commitment to developing Brampton as the right place in which to do business, the new Economic Development strategy leverages the spirit of entrepreneurship that abounds in the city. With a focus on international trade and foreign direct investments, Brampton is setting the pace for success and sustainable development.

With the growth of the knowledge economy, the City of Brampton continues to nurture a growing creative economy through heritage, arts, culture and entertainment (HACE™). The inaugural Brampton Creative Economy Summit sought to inform and engage youth, entrepreneurs and those working or aspiring to work in knowledge-based industries in Brampton and beyond.

***Economic vitality, creativity and entrepreneurial spirit — in Brampton, innovation is the way to success.***





# Community



Brampton Day, Flower City Parade, Ontario 55+ Summer Games, Spring and Harvest Cleanups – Brampton's diverse and dynamic community always comes together with a spirit of celebration in this vibrant city that is home to more than half a million people. The second-fastest growing city in Canada, Brampton is home to more parkland than any other major city in Ontario. Residents here enjoy a great quality of life as numerous recreation centres offer a diverse range of activities designed for each age group. Brampton is home to communities that have their own unique cultural and historic footprint.

Mount Pleasant is a neighbourhood that brings forward the best of our communities – a safe, yet sophisticated place where residents can easily walk, bicycle and use public transit. It showcases the best in urban design, where the past meets the future. Downtown Brampton is the heart of the city, where economy meets culture and heritage. Historic Alderlea, undergoing a major restoration, stands as a silent witness to vibrant celebrations in Gage Park.

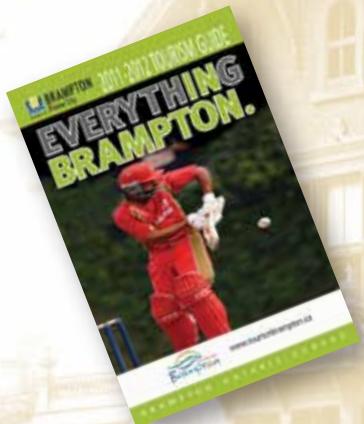
Redesignated in 2012 as an International Safe Community by the World Health Organization, Brampton reflects the promise of a growing, multicultural community that is collaborative and innovative.

***Engaged youth, active seniors, walkable communities and an historic past — in Brampton, diversity is a way of life.***





# Milestones



## February

The City of Brampton receives the Lieutenant Governor's 2011 Ontario Heritage Award for Community Leadership for population over 125,000. The award recognizes outstanding contributions to the conservation and promotion of built, cultural and natural heritage.

Brampton emerges as the ninth-largest city in the country according to Statistics Canada. It is the fourth-largest city in Ontario – behind Toronto, Ottawa and Mississauga. Brampton's population grew to 523,911 in 2011 and the city's growth between 2006 and 2011 represents a 20.8 per cent population increase. This is the third-largest net increase among Canada's largest cities.

The City receives two marketing awards from the Economic Developers Council of Ontario (EDCO). One award was presented for Brampton's sports tourism commercial titled "Bring your passion to play" and the other was an honourable mention for the 2011-2012 *Everything Brampton* Tourism Guide.

## June

Brampton Transit introduces new articulated buses for Züm, Brampton's Bus Rapid Transit service. The new Xcelsior model 60-foot articulated vehicles feature clean hybrid diesel-electric technology and boast a 10 to 15 per cent fuel reduction compared to conventional diesel vehicles.

## July

The Canadian Urban Transit Association recognizes Brampton Transit with a 2012 Corporate Leadership Award for its Newcomer Tours. Launched in 2009, the Newcomer Tours are designed to orient new Brampton residents with their community, City facilities, library and transit amenities. These tours are offered bi-annually and are a partnership between the City of Brampton Clerk's office, Recreation division, Brampton Library and Brampton Transit.



The City receives Canada's Excellence Award from the Intelligence Transportation System Society of Canada for its SmartBus technology. In partnership with the City's Information Technology division, Brampton Transit implemented the technology on both Züm and its conventional fleet. This innovative system links communications, business systems and on-board electronic equipment. It also provides enhanced on-board security and real-time bus information for transit riders.

## August

Brampton hosts the 2012 Ontario 55+ Summer Games (formerly Senior Games Actifest), a Government of Ontario program, delivered by Sport Alliance Ontario. The event welcomed more than 1,300 participants to Brampton – including athletes, coaches and officials.

The City of Brampton, along with the Regions of Waterloo and York, the Cities of Burlington and Hamilton, the Town of Oakville, and the London Transit Commission, receives the Peter J. Marshall Innovation Award at the 2012 Association of Municipalities of Ontario annual conference in Ottawa for the Transit Inventory Management Services (TIMS) project. TIMS is the first initiative involving the consolidation of parts procurement for multiple transit systems through a single supplier in North America.

## October

The City receives a Marketing Canada Award from the prestigious Economic Developers Association of Canada for its inaugural Creative Economy Summit. The Creative Economy Summit brought together nearly 300 attendees for the all-day event. Participants included residents, local business leaders, members of Brampton City Council, educators, students and arts professionals, along with attendees from across Ontario and Quebec.

Brampton City Council approves the new Economic Development Marketing Strategy and brand identity. The new marketing strategy is focused on leveraging positive attitudes and perceptions of Brampton as a highly desirable place to establish a business.



BRAMPTON ECONOMIC DEVELOPMENT

## November

The City retains Standard & Poor's Triple 'A' (AAA) credit rating for the seventh consecutive year. It is the highest credit rating a municipality can receive and reflects that Brampton has no external debt, robust liquidity levels, and a strong and diverse economy.

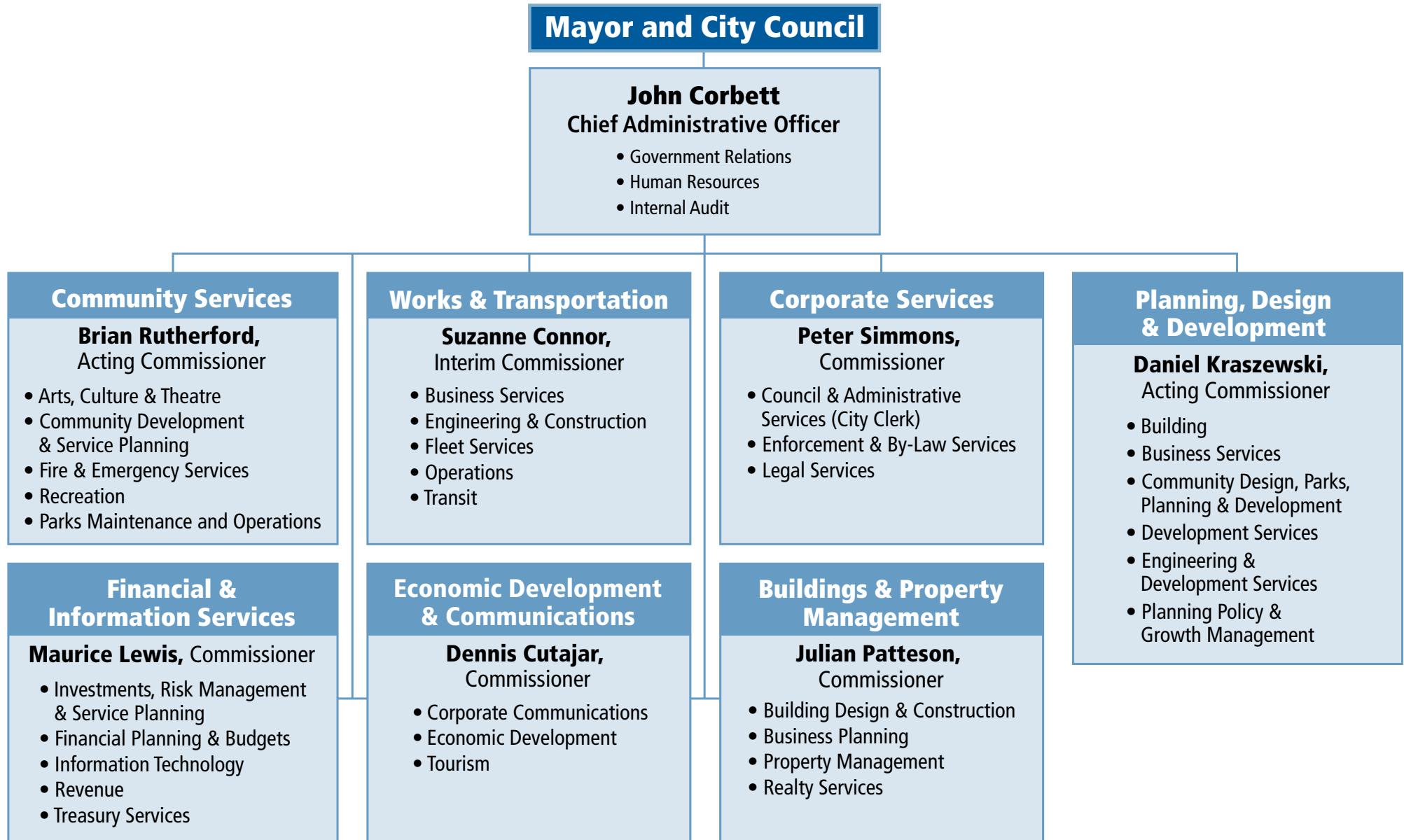


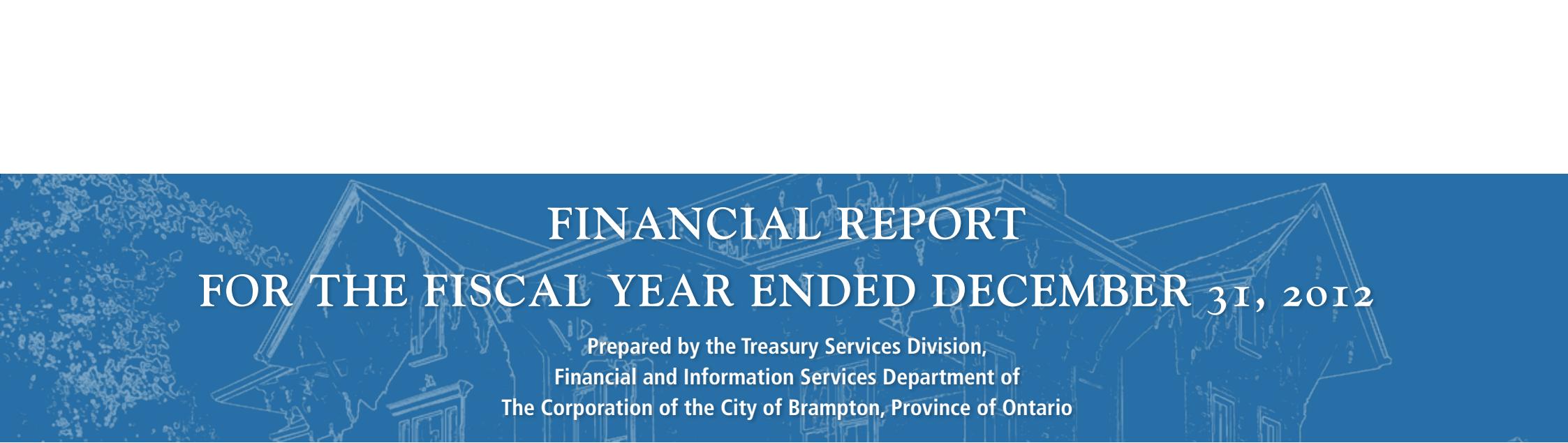
The City launches Brampton, the *Flower City Story*, a children's book celebrating Brampton's floral history. Written by Dale O'Hara, students in every grade three class in Brampton will receive copies of the book. It features teaching questions and colourful illustrations to help tell the story of Brampton's flower city heritage. The book is also available at all Brampton libraries and can be downloaded at [www.brampton.ca](http://www.brampton.ca).

## December

The City receives awards from the Municipal Information Systems Association, CIO magazine, Association of Municipalities of Ontario, and Canada's Government Technology Event for the development of a suite of Fire Technology Solutions. These solutions enhance customer service and reduce emergency response times.

# City of Brampton Corporate Organizational Chart





# FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

Prepared by the Treasury Services Division,  
Financial and Information Services Department of  
The Corporation of the City of Brampton, Province of Ontario

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



I am pleased to present the financial statements of the City of Brampton for the 2012 fiscal year. In addition to key financial results, this report provides taxpayers, residents, business leaders and other interested parties with an overview of the local economic climate, financial policies, budget initiatives and financial performance related to the delivery of the City's programs and services.

## FINANCIAL STATEMENTS

These financial statements are the responsibility of management and have been prepared in accordance with the reporting standards established for municipalities by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Management is confident that controls are in place in the City's accounting and financial reporting systems to ensure accuracy of the financial statements being presented.

The 2012 financial statements have been audited by our statutorily appointed auditors KPMG LLP, Chartered Accountants (KPMG) in accordance with Canadian Generally Accepted Auditing Standards. Included in the Financial Statements is a report prepared by KPMG. The role of the statutory auditor is to present an independent opinion on the fair presentation of the City's financial position and operating results as contained in the Financial Report and confirm that the statements are free from material misstatements. The auditors are also responsible for advising management and City Council of any control or operational issues that may be identified during their audit.

The auditors have expressed an unqualified audit opinion that the City's financial statements present fairly the financial position of the Corporation of the City of Brampton as at December 31, 2012. KPMG auditors also confirmed to management and City Council that they did not identify any financial reporting control deficiencies. The receipt of the audit opinion from the auditors is consistent with all prior fiscal years.

Similar to the private sector, these financial statements are prepared using the full accrual basis of accounting, where revenues are recorded when they become measurable and earned. Expenses are recognized upon the receipt of goods or services and the establishment of a "legal liability to pay". The financial statements also keep readers informed of the status of the City's investment in tangible capital assets, the amount of assets consumed during the year (amortization) and the value of assets contributed by developers as part of development agreements. These tangible capital assets are critical to the City's ability to deliver municipal services. The tangible capital asset reporting, in turn, enables all levels of government to track the nature and extent of the investment in municipal infrastructure across the country.

## OVERVIEW OF ECONOMIC CLIMATE AND FINANCIAL STRATEGIES

The City of Brampton is a provincially designated growth community. It continues to manage its growth responsibly through prudent fiscal management and comprehensive growth management policies.

Although there are signs of improvement, the continuing global economic uncertainty, in addition to affecting taxpayers, is seriously impacting the City's revenue streams. Revenues directly or indirectly resulting from the development process are recovering but still remain below pre-recession levels. Addressing these challenges is a priority for Brampton.

Some of the key examples of economic indicators in Brampton are:

- Population of 540,000 in 2012 (524,000 in 2011): It is projected that the number will continue to grow and, by the year 2031, Brampton's population is expected to increase to 738,000.
- Number of households: 153,000 in 2012 (149,000 in 2011) and is projected to be more than 200,000 by 2031.

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

- The Region of Peel unemployment rate: Decreased to 7.7 per cent in 2012 (9.3 per cent in 2011) reflecting improving economic conditions in the region.
- Total construction building permit values: Increased by 70.8 per cent to \$2.46 billion in 2012 from \$1.44 billion in 2011 reflecting increased development activity driven by the Region of Peel's development charges review in the second half of 2012.
- Housing permits issued: Increased by 60.0 per cent to 5,428 in 2012 from 3,392 in 2011.

Given the current state of the economy, City Council remains mindful of the need to insulate taxpayers to the largest extent possible while focusing on programs and services that meet the expectations of residents. City Council committed to "staying the course" in its 2012 Budget deliberations and continued to ensure value for money for our residents. This budget laid the foundation for the planned community engagement and strategic planning process that will determine the priorities for future budgets and financial planning. The City is also committed to devoting significant efforts to long-term financial planning and identifying revenue sources and options in a commitment to maintaining its existing infrastructure in a state of good repair. Effective utilization of Federal and Provincial financial support will play an important role in the financing of infrastructure projects to reduce the property tax burden and the Mayor and City Council continue to advocate on behalf of Brampton for additional Federal and Provincial government financial support.

The Federal government, in its 2011 budget, announced the permanency of the Federal Gas Tax Funding program. Under the terms of the current agreement for the Federal Gas Tax Fund, Brampton is receiving more than \$24 million annually for the four-year period from 2010 through to 2014 to fund various public transit capital projects and other eligible capital programs. The Federal Gas Tax Fund is now providing significant flexibility for municipalities to invest in infrastructure priorities that include transit,

roads and bridges, water and waste water systems, community energy, waste management and capacity-building. Permanency of the program will assist the City's long-term planning for infrastructure maintenance.

Other continuing successes include the expansion of Züm Bus Rapid Transit service with the opening of the new Gateway Transit Terminal at Shoppers World. In November 2012, Züm introduced service on Steeles Avenue between the Gateway Terminal and Humber College North Campus in Toronto. The Züm initiatives are equally funded by the City of Brampton and the Federal and Provincial governments.

## FINANCIAL MANAGEMENT POLICIES

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

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

The City of Brampton has in place a rigorous financial reporting system for both operating and capital results, which exceeds the reporting requirements of both the Federal and Provincial governments. City staff regularly provides financial reports to City Council in various forms including Financial Status reports. Financial Status reports are prepared and submitted to City Council three times each year, clearly compare budgets with results and provide comments on variances/deviations from budget. These comprehensive, easy-to-read reports enable City Council

and the public to understand how their tax dollars are spent and how the City has performed against budget.

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

The strength of the City's financial polices and its solid financial position is reinforced by the fact that Brampton has received and retained its Triple "A" (AAA) rating from Standard and Poors, one of the world's most prestigious rating firms, since 2006 when it first started obtaining a financial rating. A Triple "A" (AAA) rating is the highest credit rating a municipality can receive.

## BUDGET PROCESS

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

The initial stages in the process involve:

1. Review of the current year's actual and projected financial performance and operating results.
2. Determination of priorities for maintaining and improving services and accommodating rapid growth. These priorities are set out in the City's service plans that translate key departmental initiatives into specific action plans and funding requirements.

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

3. Review of the City's long-term financial outlook including a multi-year operating budget projection, a 10-year forecast of capital project needs, and development of short- and long-term funding strategies.

4. Identification of factors impacting the budget, such as inflation and legislative requirements, which are beyond the control of City decision-makers.

Separate Capital and Operating budgets are prepared in parallel, but are closely linked in recognition of the impact that each has on the other. The capacity to fund, deliver and manage the large quantity of new capital infrastructure needed to accommodate growth continued to be a major consideration in the 2012 budget process.

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

Key budget objectives included in the 2012 budget were:

- Maintaining priority service levels
- Ensuring continued value for money in the provision of all City services
- Targeting limited capital funds to support managed growth
- Addressing the infrastructure deficit
- Setting the foundation for a sustainable long-term (operating and capital) funding strategy
- Insulating taxpayers to the greatest extent possible

## AUDIT COMMITTEE

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

## FINANCIAL RESULTS

The City of Brampton's accumulated surplus at the end of 2012 was \$3.6 billion (2011 — \$3.4 billion), of which \$3.1 billion represents investments in tangible capital assets. The increase in accumulated surplus reflects the City's commitment to investing in capital infrastructure to support current City services and future growth.

Accumulated Surplus represents the City's equity (equivalent to retained earnings of private business). Eighty-six per cent of the City's Accumulated Surplus represents the City of Brampton's investment (net book value) in tangible capital assets. The remainder of the Accumulated Surplus consists of funds committed for capital projects, reserves and reserve funds.

## Revenues

Revenues totalled \$733 million in 2012. The sources were:

### Operating Revenues

- \$309 million from property taxes
- \$145 million from user fees, fines and interest income

### Capital Works Revenues

- \$24 million from Federal and Provincial government grants

- \$174 million from development levies and other restricted capital contributions (i.e., development charges and government transfer payments for specific applicable capital works)

- \$81 million of developer-contributed tangible capital assets

Total revenues reported in 2012 were \$168 million higher than 2011. Major factors contributing to this increase include:

- Tax revenues increased by \$22 million due to growth in the City's overall assessment base, reflecting greater than anticipated improvement in development activity from prior years.
- User charges increased by \$14 million as a result of increased transit revenue due to the continued ridership increase (12.5 per cent year over year) as well as the increase in administration fees collected for new subdivisions reflecting increased development activity.
- The Development Levies earned and other capital contributions increased by \$101 million in 2012 over 2011 reflecting the total increase of development charges (DC) receipts and internal fund transfers from DC reserves and other obligatory reserve funds as capital project financing.
- Higher number of subdivisions assumed during 2012 over 2011 from developers, resulting in a \$37 million increase in the Developer contributed tangible capital assets.

## Spending:

### Operating Expenses

Operating expenses totalled \$550 million in 2012, including:

- General government \$45 million
- Protection to persons and property \$91 million
- Transportation services \$226 million
- Environmental and health services \$14 million
- Social and family services \$3 million
- Recreation and cultural services \$147 million
- Planning and development services \$24 million

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

Total operating expenses of \$550 million (2011 in \$505 million) increased by \$45 million. Seven million dollars of this increase is attributable to the increase in amortization (depreciation) expense, representing the value of tangible capital assets that was consumed during the year. The amortization expense increased due to the impact of the \$230 million in new tangible capital assets that were added during 2012.

The remaining \$38 million in increased expenses represents an increase in other operating expenses. Factors contributing to increased operating expenses included:

- Continued expansion of the Züm (Transit) program
- Increase in fuel costs due to higher prices and volumes
- Operation and maintenance of growing City infrastructure
- Higher than expected fringe benefit rates and provisions for prior period retirement allowances

## Investment in Capital Works

The City added \$230 million in new tangible capital assets in 2012. Tangible assets added in 2012 were largely funded by Züm and Gas Tax programs as well as the assets contributed by developers as required by development agreements.

## RESERVE FUNDS

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

As at December 31, 2012, the City of Brampton's Reserves and Reserve Fund Balances totalled \$230 million as compared to \$221 million in 2011. These funds are reported as a component of the Accumulated Surplus (see Note 8 of the Financial Statements).

Included in the Consolidated Statement of Financial Position are deferred revenues from gas tax, Provincial and Federal transfer payments, development charges and other contributions from developers for future growth-related capital works. These deferred revenues totalled \$195 million as at December 31, 2012 as compared to \$158 million in 2011, representing an increase of \$37 million.

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

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

## GFOA CANADIAN AWARD FOR FINANCIAL REPORTING

In 2012, for the eleventh 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 2011 Annual Report.

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

The City of Brampton's 2012 achievements demonstrate a high standard in financial reporting, supported by the City's commitment to accountability, transparency and full disclosure.

## FINAL COMMENTS

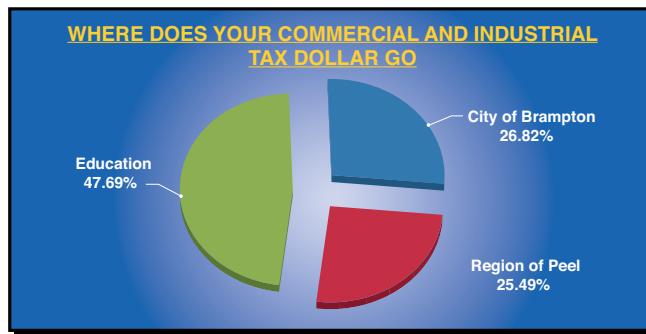
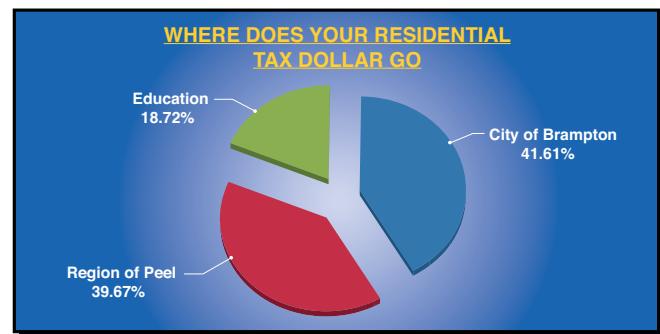
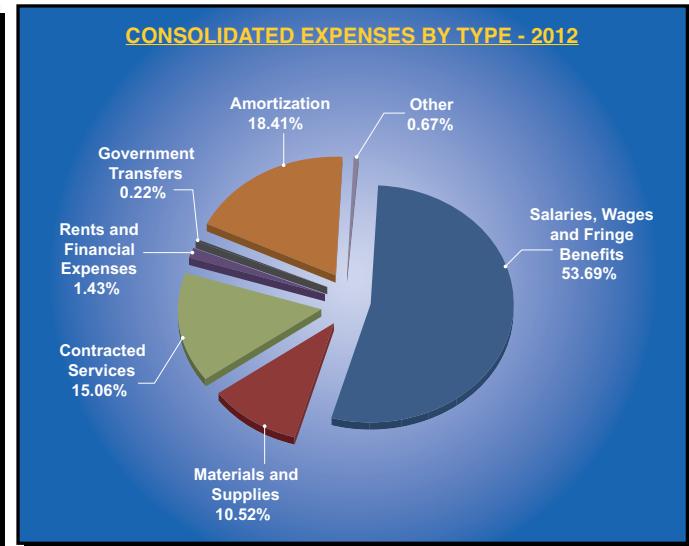
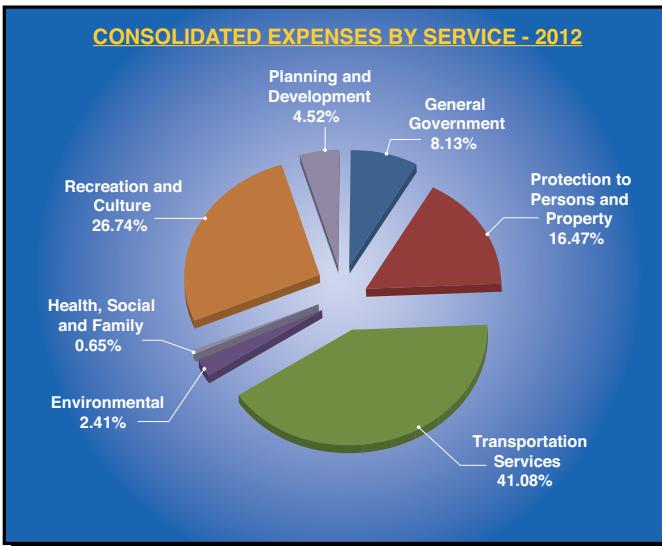
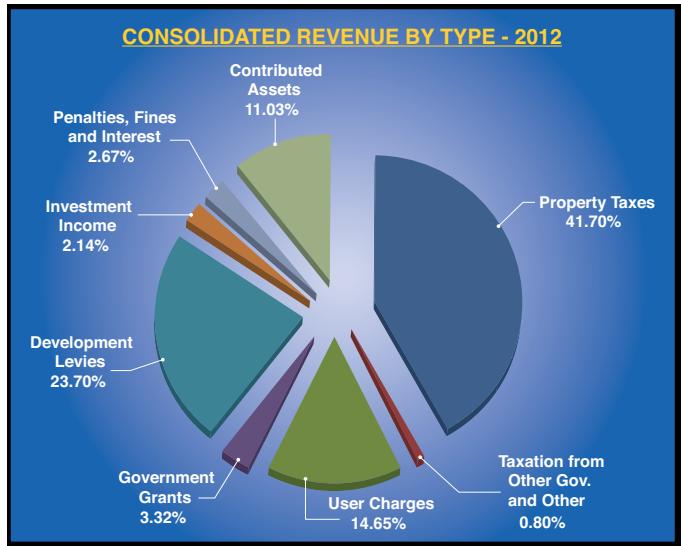
Going forward, the City will continue to face opportunities and challenges such as growth management, infrastructure maintenance and environmental stewardship. To sustain high quality services to Brampton citizens and maintain its commitment to city-building, the City will focus on community engagement and completing its strategic planning process. Once that is complete the City will set its services and priorities according to what the community expects and lay the foundation for long-term financial sustainability.



Maurice (Mo) Lewis  
Commissioner of Financial and Information Services & Treasurer  
June 30, 2013

# Financial Highlights

for the Year Ended December 31, 2012





Government Finance Officers Association

## Canadian Award for Financial Reporting

Presented to

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

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2011**

A handwritten signature in black ink that reads "Jeffrey R. Green".

Executive Director



# CONSOLIDATED FINANCIAL STATEMENTS

The Corporation of the City of Brampton for the Fiscal Year Ended December 31, 2012

# Responsibility for Financial Reporting

## Management's Report

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

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

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

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

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



John Corbett  
Chief Administrative Officer



Maurice (Mo) Lewis  
Commissioner of Finance & Treasurer

Brampton, Canada  
May 31, 2013

# Auditor's Report



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

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

## INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated financial statements of The Corporation of the City of Brampton, which comprise the consolidated statement of financial position as at December 31, 2012, the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the City of Brampton as at December 31, 2012, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

May 31, 2013  
Toronto, Canada

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KPMG Canada provides services to KPMG LLP.

# Consolidated Statement of Financial Position

as at December 31, 2012

(All dollar amounts in \$000)

	2012	2011
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments (Note 3)	\$326,173	\$224,714
Taxes receivable	51,818	58,278
User charges receivable	3,349	2,456
Accounts receivable	20,425	28,664
Long-term investments (Note 3)	419,879	416,359
Other assets (Note 4)	8,336	8,394
<b>Total Financial Assets</b>	<b>829,980</b>	<b>738,865</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	97,324	97,949
Capital lease obligations (Note 16)	488	805
Deferred revenue - general (Note 5 (a))	3,114	3,175
Deferred revenue - obligatory reserve funds (Note 5 (b))	194,941	158,095
Employee benefits and other liabilities (Note 6)	53,805	48,401
<b>Total Financial Liabilities</b>	<b>349,672</b>	<b>308,425</b>
<b>Net Financial Assets</b>	<b>480,308</b>	<b>430,440</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 14)	3,100,939	2,968,464
Inventory and prepaids	4,129	3,654
<b>Total Non-Financial Assets</b>	<b>3,105,068</b>	<b>2,972,118</b>
Guarantee (Note 4)	-	-
Contingencies (Note 12)	-	-
Commitments (Note 17)	-	-
<b>ACCUMULATED SURPLUS (Note 8)</b>	<b>\$3,585,376</b>	<b>\$3,402,558</b>

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

# Consolidated Statement of Operations and Accumulated Surplus

for the Year Ended December 31, 2012

(All dollar amounts in \$000)

	2012 Budget (Unaudited Note 1 (n))	2012	2011
<b>REVENUES</b>			
Property taxation (note 9)	\$303,116	\$305,644	\$283,458
Taxation from other governments	2,052	3,305	2,092
User charges	93,685	107,411	93,057
Government grants	7,551	24,315	29,095
Development levies earned and other restricted capital contributions	193,095	173,685	73,073
Investment income	6,508	7,296	9,292
Interest earned on reserves	-	8,373	6,756
Penalties, fines and interest	18,863	19,551	19,850
Developer contributed tangible capital assets (note 14 b)	-	80,861	43,492
Other	1,507	2,553	5,040
<b>Total Revenues</b>	<b>626,377</b>	<b>732,994</b>	<b>565,205</b>
<b>EXPENSES</b>			
General government	36,826	44,746	36,096
Protection to persons and property	85,415	90,639	84,194
Transportation services	176,348	225,950	202,720
Environmental services	2,568	13,238	14,174
Health services (cemeteries)	538	748	763
Social and family services	2,121	2,840	2,546
Recreation and cultural services	124,462	147,142	140,663
Planning and development services	22,377	24,873	24,133
<b>Total Expenses</b>	<b>450,655</b>	<b>550,176</b>	<b>505,289</b>
<b>Annual Surplus</b>	<b>\$175,722</b>	<b>\$182,818</b>	<b>\$59,916</b>
<b>Accumulated Surplus, beginning of year</b>		<b>3,402,558</b>	<b>3,342,642</b>
<b>Accumulated Surplus, end of year</b>		<b>\$3,585,376</b>	<b>\$3,402,558</b>

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

# Consolidated Statement of Change in Net Financial Assets

for the year ended December 31, 2012

(All dollar amounts in \$000)

	2012 Actual	2011 Actual
<b>Annual Surplus</b>	\$182,818	\$59,916
Acquisition of tangible capital assets	(237,527)	(207,274)
Tangible capital assets held for resale	-	23
Amortization of tangible capital assets	101,372	94,167
Asset impairment	-	721
Net book value of disposed tangible capital assets	3,680	215
Acquisition of inventory and prepaids	(4,761)	(5,571)
Use of inventory and prepaids	4,286	5,427
<b>Change in Net Financial Assets</b>	<b>49,868</b>	<b>(52,376)</b>
<b>Net Financial Assets, beginning of year</b>	<b>430,440</b>	<b>482,816</b>
<b>Net Financial Assets, end of year</b>	<b>\$480,308</b>	<b>\$430,440</b>

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

# Consolidated Statement of Cash Flows

for the year ended December 31, 2012

(All dollar amounts in \$000)

## OPERATING ACTIVITIES

	2012 Actual	2011 Actual
<b>Cash provided by (used in):</b>		
Annual surplus	\$182,818	\$59,916
<b>Change in non-cash assets and liabilities:</b>		
Decrease (increase) in taxes receivable	6,460	(7,656)
(Increase) in user charges receivable	(893)	(211)
Decrease in accounts receivable and other assets	8,297	4,127
(Decrease) in accounts payable and accrued liabilities	(625)	(3,440)
(Decrease) in deferred revenue - general	(61)	192
Increase in deferred revenue - obligatory reserve fund	36,846	52,364
Increase in employee benefits and other liabilities	5,404	6,625
Change in inventory and prepaids	(475)	(144)
	<b>54,953</b>	<b>51,857</b>
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	101,372	94,167
Asset impairment	-	721
Net book value of disposed tangible capital assets	3,680	215
Developer contributed tangible capital assets	(80,861)	(43,492)
<b>Net Change In Cash From Operations</b>	<b>261,962</b>	<b>163,384</b>

## CAPITAL ACTIVITIES

Acquisition of tangible capital assets	(156,666)	(163,780)
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## FINANCING ACTIVITIES

Repayment of capital lease obligations	(317)	(336)
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## INVESTING ACTIVITIES

Increase in long-term investments	(3,521)	(6,945)
	(160,504)	(171,061)
<b>INCREASE IN CASH AND SHORT TERM INVESTMENTS</b>	<b>101,458</b>	<b>(7,677)</b>
Cash and short term investments, beginning of year	224,715	232,392
<b>Cash and Short Term Investments, end of year</b>	<b>\$326,173</b>	<b>\$224,715</b>

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

# Notes to Consolidated Financial Statements

Year ended December 31, 2012

(All dollar amounts in \$000)

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, 2001, Municipal Affairs Act, Development Charges Act and related legislation.

## 1. Significant Accounting Policies:

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

### a) Reporting entity:

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

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

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

### b) Non consolidated entities:

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

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

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

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

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

### d) Basis of accounting:

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

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

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

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

### f) Non-financial assets:

Non-financial assets include tangible capital assets, inventory and prepaids. They are not available to discharge existing liabilities and are held for use in the provision of services.

### g) Tangible capital assets:

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

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

# Notes to Consolidated Financial Statements

Year ended December 31, 2012

(All dollar amounts in \$000)

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

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

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

## **(ii) Works of art and cultural and historic assets**

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

## **(iii) Interest capitalization**

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

## **(iv) Leased tangible capital assets**

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

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

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

## **h) Government grants:**

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

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

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

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

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

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

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by City Council, incorporating amounts to be raised for local services, the requisition made by the Regional Municipality of Peel in respect of Regional services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings.

Taxation revenues are recognized at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known, and allocated to the various bodies proportionately as to their share of the levy.

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

## **l) Investment income:**

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

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

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

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

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

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

# Notes to Consolidated Financial Statements

Year ended December 31, 2012

(All dollar amounts in \$000)

## n) Budget figures:

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

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

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

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

## o) Use of estimates:

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

## 2. Future Accounting Pronouncements:

PSAB issued a number of new standards, and amendments to standards in 2011. These standards and amendments are not yet effective for the year ended December 31, 2012, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

- a) PSAB has issued Section PS3410, Government Transfers that establishes the recognition, measurement, and disclosure requirements for government transfers. It provides specific revenue recognition criteria for both the transferring government and the recipient government. This section is effective for fiscal years beginning on or after April 1, 2012 and may be applied retroactively or prospectively. Early adoption is encouraged.
- b) The PSAB has issued Section PS 3260, Liability for Contaminated sites that establishes the recognition, measurement, and disclosure requirements for contaminated sites when the government is responsible for, or accepts the responsibility for, the contamination, and the contamination exceeds existing environmental standards. This standard is effective for years beginning on or after January 1, 2014, and early adoption is encouraged.
- c) Section PS3450, Financial Instruments establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments for public sector entities. The standard requires fair value measurement of derivatives and portfolio investments that are equity instruments quoted in an active market. All other non-derivative financial instruments will be measured at cost or amortized cost. A government can elect to record other financial assets or liabilities on a fair value basis, if they manage and evaluate the asset and liability groups on that basis. Unrealized gains and losses are presented in the new statement of re-measurement gains and losses. New requirements clarify when financial liabilities can be derecognized. Disclosure of the nature and extent of risks

arising from holding financial instruments is also required. This section is effective for fiscal years beginning on or after April 1, 2015. Early adoption is permitted.

- d) Section PS2601, Foreign Currency Translation, was issued in June 2011 and replaces the existing Section PS2600. This standard has been revised to ensure consistency with the financial instruments standard. The standard requires that non-monetary items denominated in a foreign currency that are included in the fair value category are adjusted to reflect the exchange rate at the financial statement date. Unrealized exchange gains and losses are presented in the new statement of re-measurement gains and losses. This section is effective for fiscal years beginning on or after April 1, 2015. Early adoption is permitted.
- e) Section PS1201, Financial Statement Presentation, was issued in June 2011. This standard requires entities to present a new statement of re-measurement gains and losses separate from the statement of operations. This new statement includes unrealized gains and losses arising from re-measurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This section is effective for fiscal years beginning on or after April 1, 2015 and applies when PS2601 and PS3450 are adopted.

# Notes to Consolidated Financial Statements

Year ended December 31, 2012

(All dollar amounts in \$000)

## 3. Investments:

Cash and short-term investments of \$326,173 (2011 - \$224,714) includes only cash and does not include any short-term investments.

Long-term investments of \$419,879 (2011 - \$416,359) have a market value of \$426,054 (2011 - \$425,846), at the end of the year.

## 4. Powerade Centre:

Included under other assets in the consolidated statement of financial position is \$7,984 (2011 - \$7,984) consisting of a loan of \$6,000 advanced by the City towards the construction of the Powerade Centre with a due date of August 31, 2034 and a further \$1,984 representing advances provided to the Powerade Center under the Loan and Priorities Agreement established in 1998.

In March 2011, PA Sports Center Inc. (PA Sports, the operator of Powerade Center) and Royal Bank (RBC) have agreed on a restructured credit facility to replace the previous first mortgage of \$15,500 which had an outstanding balance of \$8,786 as at December 31, 2010. The new arrangements have significantly lowered monthly payments that enables the Powerade Center to generate positive cash flow annually and reduce reliance of further financial contributions from the City and PA Sports in order to maintain its operating and capital improvement needs.

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

The new loan has an outstanding balance of \$9,882 on December 31, 2012 (2011 - \$10,181).

## 5. (a) Deferred revenue – general:

Deferred revenue – general comprised program registration fees for parks and recreation programs, Transit advertising revenues applicable for the following year and unspent Provincial funding for capital projects. As at December 31, 2012 the deferred revenue – general amounted to \$3,114 (2011 - \$3,175).

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

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

As at December 31, 2012, obligatory reserve funds amounted to \$194,941 (2011 - \$158,095). This balance includes unspent development charges, unspent gas tax receipts as well as unspent funding for specific infrastructure projects received from federal and provincial governments. Also included in this balance are unamortized downtown incentive charges.

The Downtown Incentive Program was initiated in 2000 with the intent of promoting new development in the downtown core. As part of this program, development charges are waived and amortized by the City over a 25 year period. As of December 31, 2012 unamortized downtown incentive charges were \$10,788 (2011 - \$11,299).

## 6. 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 consolidated financial statements.

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

	2012	2011
WSIB	\$ 8,209	\$ 7,495
Vested sick leave benefits	12,653	11,141
Vacation pay	10,494	9,840
Non-pension post employment benefits	14,571	13,198
Other liabilities	7,878	6,727
<b>Total</b>	<b>\$ 53,805</b>	<b>\$ 48,401</b>

As at December 31, 2012, the City has allocated reserves and reserve funds of \$19,732 (2011 - \$17,884) to fund these obligations.

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

# Notes to Consolidated Financial Statements

Year ended December 31, 2012

(All dollar amounts in \$000)

The following table sets out the actuarial results for each of the plans as at December 31, 2012:

Item	Non-Pension Post Employment Benefits	Vested Sick Leave Benefits	WSIB	2012 Total	2011 Total
Accrued Benefit Obligation ("ABO"), beginning of year	\$ 17,560	\$ 17,841	\$ 8,100	\$ 43,501	\$ 41,246
<b>Add:</b> Current benefit costs	831	1,780	1,535	4,146	3,928
<b>Add:</b> Interest cost	835	848	390	2,073	1,966
<b>Less:</b> Current benefit payments	786	1,746	1,327	3,859	3,639
<b>ABO, end of the year</b>	<b>\$ 18,440</b>	<b>\$ 18,723</b>	<b>\$ 8,697</b>	<b>\$ 45,861</b>	<b>\$ 43,501</b>
Unamortized actuarial gain/(loss)	(3,870)	(6,070)	(488)	(10,428)	(11,666)
<b>Liability for Benefits, end of the year</b>	<b>\$ 14,571</b>	<b>\$ 12,653</b>	<b>\$ 8,209</b>	<b>\$ 35,433</b>	<b>\$ 31,835</b>

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

	Post Employment	Sick Leave	WSIB
Expected inflation rate	2.00%	2.00%	2.00%
Expected level of salary increases	3.00%	3.00%	n/a
Interest discount rate	4.75%	4.75%	4.75%
Dental premium rate increase	4.00%	n/a	n/a
Health care premium rates increase	6.86%	n/a	n/a
Expected average remaining service life	15	14	n/a

# Notes to Consolidated Financial Statements

Year ended December 31, 2012

(All dollar amounts in \$000)

## 7. Pension agreements:

The Municipality makes contributions to 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 2012 was \$19,741 (2011 - \$16,276) for current service and is included as an expenses on the consolidated statement of operations. Employee contributions totaled \$19,741 (2011 - \$ 16,276).

The OMERS pension plan had a deficit at December 31, 2012 of \$9,920 billion based on actuarial valuation of plan assets. In response OMERS has increased contributions for both employees and employers by 0.9% for 2013. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, additional increases in the contributions may be required.

The Corporation of the City of Brampton is current with all payments to OMERS, therefore, there is neither a surplus nor deficit with the pension plan contributions. OMERS expects investment returns, temporary contribution increases from members as well as benefit reductions should return the plan to surplus within 10 to 15 years.

## 8. Accumulated Surplus:

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

	2012	2011
Invested in tangible capital assets	\$ 3,100,939	\$ 2,968,464
Surplus funds from committed capital projects and other	254,183	212,595
	3,355,122	3,181,059
Reserves	46,867	33,378
Reserve funds	183,387	188,121
<b>Total</b>	<b>\$ 3,585,376</b>	<b>\$ 3,402,558</b>

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

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

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

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

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

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

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

# Notes to Consolidated Financial Statements

Year ended December 31, 2012

(All dollar amounts in \$000)

## 10. Expenses by object:

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

	2012	2011
Salaries, wages and fringe benefits	\$ 295,364	\$276,316
Materials and supplies	57,857	54,268
Contracted services	82,831	72,889
Rents and financial expenses	7,865	6,282
Government transfers	1,183	1,161
Amortization	101,373	94,167
Other	3,703	206
<b>Total Expenses</b>	<b>\$550,176</b>	<b>\$505,289</b>

## 11. Trust Funds:

Trust funds administered by the City amounted to \$31,974 (2011 - \$30,523) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's consolidated financial position or operations.

The City administers following trust funds:

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

## 12. Public liability insurance:

The City is self-insured for all lines of coverage including public liability, errors and omissions and Brampton Transit claims up to \$500. This is for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

The City has created a reserve fund for self-insurance which as at December 31, 2012 had \$5,362 balance (2011 - \$3,941) and is reported on the consolidated statement of financial position. Claims settled during the year amounting to \$3,368 (2011 - \$2,517) have been provided for from the reserve fund, and are accordingly reported as expenses on the consolidated statement of operations.

In the normal course of its operations, the City is subject to various litigation and claims. Where management has 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 consolidated financial statements. In some instances, the ultimate

outcome of these claims cannot be determined at this time. However, the City's management believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

## 13. Provincial Offences Administration:

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

The revenues of the combined operations of the Court House and City Hall and revenues collected on behalf of the City at other POA court sites in the Province of Ontario consist of fines levied under Parts I and III for POA charges and amounted to \$6,661 for the year ended December 31, 2012. (2011 - \$6,657).

The operating costs for the administration of the POA for the year ended December 31, 2012 amounted to \$5,380 (2011 - \$5,060), resulting in a net contribution of \$1,280 (2011 - \$1,597) exclusive of capital asset additions.

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

# Notes to Consolidated Financial Statements

Year ended December 31, 2012

(All dollar amounts in \$000)

## 14. Tangible capital assets:

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

<b>Cost</b>	<b>December 31, 2011</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>December 31, 2012</b>
Land	\$1,594,557	\$1,740	\$(880)	-	\$1,595,418
Buildings and building improvements	510,040	26,978	(6,511)	-	530,506
Furniture, computer and office equipment	112,222	20,571	(1,236)	-	131,557
Infrastructure	1,367,864	128,310	-	-	1,496,174
Land improvements	59,948	11,026	-	-	70,974
Vehicles and machinery	204,124	44,981	(5,834)	-	243,270
Assets under construction	90,727	157,180	-	(153,261)	94,647
<b>Total</b>	<b>\$3,939,482</b>	<b>\$390,786</b>	<b>\$(14,461)</b>	<b>\$(153,261)</b>	<b>\$4,162,546</b>

	<b>Net Book Value</b>	<b>December 31, 2011</b>	<b>December 31, 2012</b>
Land		\$1,594,558	\$1,595,418
Buildings and building improvements		364,859	369,384
Furniture, computer and office equipment		46,581	49,098
Infrastructure		726,759	812,788
Land improvements		37,483	44,833
Vehicles and machinery		107,497	134,772
Assets under construction		90,727	94,647
<b>Total</b>	<b>\$2,968,464</b>	<b>\$3,100,939</b>	

### a) Assets under construction

Assets under construction having a value of \$94,647 (2011 - \$90,727) have not been amortized. Amortization of these assets will commence when the assets are put into service.

### b) Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution. Contributed capital assets are mainly comprised of infrastructure assets acquired through subdivision assumptions. The value of contributed assets received during the year is \$80,861 (2011 - \$43,492).

<b>Accumulated Amortization</b>	<b>December 31, 2011</b>	<b>Disposals</b>	<b>Amortization Expense</b>	<b>December 31, 2012</b>
Land	-	-	-	-
Buildings and building improvements	145,181	(3,989)	19,930	161,122
Furniture, computer and office equipment	65,641	(1,228)	18,046	82,459
Infrastructure	641,105	-	42,283	683,388
Land improvements	22,465	100	3,575	26,140
Vehicles and machinery	96,626	(5,665)	17,537	108,498
<b>Total</b>	<b>\$971,018</b>	<b>\$ (10,782)</b>	<b>\$ 101,371</b>	<b>\$ 1,061,607</b>

# Notes to Consolidated Financial Statements

Year ended December 31, 2012

(All dollar amounts in \$000)

## 15. Segmented Information

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

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

### General government

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

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

### Protection to persons and property

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

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

### Transportation services

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

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

### Environmental services

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

### Health, social and family services

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

### Recreation and cultural services

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

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

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

### Planning and development services

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

# Notes to Consolidated Financial Statements

Year ended December 31, 2012

(All dollar amounts in \$000)

## 16. Capital Lease Obligations:

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

2013	317
2014	187
<b>Total minimum lease payments</b>	<b>\$504</b>

Less amount representing interest ranging from 3.84% to 3.89%  
Present value of minimum capital lease payments

## 17. Commitments:

- a) The City leases facilities and equipment under operating leases expiring beyond 2018. The minimum amounts payable under these arrangements are as follows:

2013	3,363
2014	1,492
2015	1,022
2016	863
2017	564
2018 and beyond	2,694
<b>Total</b>	<b>\$9,998</b>

- b) The City entered into lease agreements for Phase 1 and 1a development of the Southwest Quadrant Renewal Plan. The minimum amounts payable commencing 2014 under these agreements are as follows:

2014	8,200
2015	8,200
2016	8,200
2017	8,200
2018	8,200
Thereafter	164,000
<b>Total</b>	<b>\$205,000</b>

## 18. Comparative figures:

Certain 2011 comparative figures have been reclassified to conform to the presentation adopted in the current year.

# Consolidated Schedule of Segment Disclosure

for the year ended December 31, 2012

(All dollar amounts in \$000)

	General government	Protection to persons and property	Transportation services	Environmental services	Health, social and family services	Recreation and cultural services	Planning and development services	2012 Total	2011 Total
<b>REVENUES</b>									
Property taxation	308,571	-	-	-	-	-	378	<b>308,949</b>	<b>285,550</b>
User charges	11,508	23,338	42,432	-	729	23,194	6,210	<b>107,411</b>	<b>93,057</b>
Government grants	-	-	20,258	-	128	2,500	1,429	<b>24,315</b>	<b>29,095</b>
Development levies earned and other restricted capital contributions	1,261	11,441	103,393	-	-	55,042	2,548	<b>173,685</b>	<b>73,073</b>
Investment income (including Reserves and Reserve Funds)	15,533	-	-	-	-	128	8	<b>15,669</b>	<b>16,048</b>
Penalties, fines and interest	9,502	9,565	-	-	-	484	-	<b>19,551</b>	<b>19,850</b>
Developer contributed tangible capital assets	-	-	80,861	-	-	-	-	<b>80,861</b>	<b>43,492</b>
Other	279	218	1,423	-	24	506	103	<b>2,553</b>	<b>5,040</b>
<b>Total Revenues</b>	<b>346,654</b>	<b>44,562</b>	<b>248,367</b>	<b>-</b>	<b>881</b>	<b>81,854</b>	<b>10,676</b>	<b>732,994</b>	<b>565,205</b>
<b>EXPENSES</b>									
Salaries and benefits	52,527	71,455	92,682	1,171	1,785	61,441	14,303	<b>295,364</b>	<b>276,316</b>
Materials	15,439	2,333	26,326	38	226	12,351	1,144	<b>57,857</b>	<b>54,268</b>
Contracted services	20,161	4,136	34,088	775	256	20,659	2,756	<b>82,831</b>	<b>72,889</b>
Rents and financial expenses	5,546	83	1,205	-	13	945	73	<b>7,865</b>	<b>6,282</b>
Government transfers	(53,162)	7,227	18,018	516	612	24,865	3,107	<b>1,183</b>	<b>1,161</b>
Amortization	4,206	5,389	51,671	10,738	689	25,198	3,482	<b>101,373</b>	<b>94,167</b>
Other	29	16	1,960	-	7	1,683	8	<b>3,703</b>	<b>206</b>
<b>Total Expenditures</b>	<b>44,746</b>	<b>90,639</b>	<b>225,950</b>	<b>13,238</b>	<b>3,588</b>	<b>147,142</b>	<b>24,873</b>	<b>550,176</b>	<b>505,289</b>
<b>Annual Surplus (Deficit)</b>	<b>301,908</b>	<b>(46,077)</b>	<b>22,417</b>	<b>(13,238)</b>	<b>(2,707)</b>	<b>(65,288)</b>	<b>(14,197)</b>	<b>182,818</b>	<b>59,916</b>

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



# TRUST FUNDS

## Financial Statements of the Corporation of the City of Brampton

Year Ended December 31, 2012

# Auditors' Report



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

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

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the trust funds of The Corporation of the City of Brampton, which comprise the statement of financial position as at December 31, 2012, the statement of operations and fund balances for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the City of Brampton as at December 31, 2012, and its results of operations and fund balances for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

May 31, 2013  
Toronto, Canada

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

# Statement of Financial Position

**TRUST FUNDS — December 31, 2012, with comparative figures for 2011**

## Financial Assets and Liabilities

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance Trust Funds	2012 Total	2011 Total
<b>ASSETS</b>						
Cash	\$493,976	\$31,136,662	\$295,244	\$50,101	\$31,975,983	\$32,974,191
Accounts receivable	524	9,951	313	53	10,841	10,822
Due from City Revenue Fund	710	-	-	-	710	3,165
<b>Subtotal</b>	<b>495,210</b>	<b>31,146,613</b>	<b>295,557</b>	<b>50,154</b>	<b>31,987,534</b>	<b>32,988,178</b>
<b>Investments, at cost (market - \$450,972 2011 - \$454,341):</b>						
Municipal bonds	422,470	-	-	-	422,470	422,470
<b>Subtotal</b>	<b>422,470</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>422,470</b>	<b>422,470</b>
<b>Total Assets</b>	<b>917,680</b>	<b>31,146,613</b>	<b>295,557</b>	<b>50,154</b>	<b>32,410,004</b>	<b>33,410,648</b>
<b>LIABILITIES</b>						
Accounts payable	-	-	-	-	-	32,000
Due to City Revenue Fund	-	435,572	-	-	435,572	2,856,016
<b>Total Liabilities</b>	<b>-</b>	<b>435,572</b>	<b>-</b>	<b>-</b>	<b>435,572</b>	<b>2,888,016</b>
<b>Net Financial Resources</b>	<b>\$917,680</b>	<b>\$30,711,041</b>	<b>\$295,557</b>	<b>\$50,154</b>	<b>\$31,974,432</b>	<b>\$30,522,632</b>
<b>Fund Balances</b>	<b>\$917,680</b>	<b>\$30,711,041</b>	<b>\$295,557</b>	<b>\$50,154</b>	<b>\$31,974,432</b>	<b>\$30,522,632</b>

See accompanying notes to financial statements.

# Statement of Financial Activities and Changes in Fund Balances

**TRUST FUNDS — Year Ended December 31, 2012, with comparative figures for 2011**

Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance Trust Funds	2012 Total	2011 Total
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## REVENUE

Monuments and markers deposits	\$3,200	\$-	\$-	\$-	\$3,200	\$2,450
Perpetual care deposits	8,825	-	-	-	8,825	11,030
Other deposits - Trusts	-	42,000	-	-	42,000	12,000
Loss on sale of investments	-	-	-	-	-	(22,612)
Performance deposits received	-	6,081,222	-	-	6,081,222	2,890,904
<b>Subtotal</b>	<b>12,025</b>	<b>6,123,222</b>	<b>-</b>	<b>-</b>	<b>6,135,247</b>	<b>2,893,772</b>
Interest Income	24,499	34,269	3,679	624	63,071	90,172
<b>Total Revenues</b>	<b>36,524</b>	<b>6,157,491</b>	<b>3,679</b>	<b>624</b>	<b>6,198,318</b>	<b>2,983,944</b>

## EXPENDITURES

Transfers to City Revenue Fund:						
Maintenance contribution	24,427	-	-	-	24,427	38,236
Interest transfer	-	34,269	-	-	34,269	47,593
Administration charges	72	(38)	-	-	34	142
<b>Subtotal</b>	<b>24,499</b>	<b>34,231</b>	<b>-</b>	<b>-</b>	<b>58,730</b>	<b>85,971</b>
Return of performance deposits	-	3,758,207	-	-	3,758,207	11,616,935
Payments on behalf of developers	-	929,581	-	-	929,581	306,696
<b>Total Expenditures</b>	<b>24,499</b>	<b>4,722,019</b>	<b>-</b>	<b>-</b>	<b>4,746,518</b>	<b>12,009,602</b>

Increase (decrease) in net financial resources	12,025	1,435,472	3,679	624	1,451,800	(9,025,658)
Fund balances, beginning of year	905,655	29,275,569	291,878	49,530	30,522,632	39,548,290
<b>Fund Balances, end of year</b>	<b>\$917,680</b>	<b>\$30,711,041</b>	<b>\$295,557</b>	<b>\$50,154</b>	<b>\$31,974,432</b>	<b>\$30,522,632</b>

See accompanying notes to financial statements.

# Notes to Financial Statements

Year ended December 31, 2012

## 1. Significant Accounting Policies:

### Revenue recognition:

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

## 2. Cemeteries Care and Maintenance Trust Funds:

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

## 3. Developers' Performance Deposits Trust:

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

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

## 4. Developer Front End Financing Trust Fund:

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

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

### Marketing Alliance:

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





# STATISTICAL INFORMATION

Year Ended December 31, 2012

# 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.)

	2012	2011	2010	2009	2008
Population - (Note 1)	540,145	523,911	504,600	497,680	487,230
Households - (Note 2)	152,837	149,016	143,414	140,686	138,505
Areas in hectares	27,138	27,138	27,138	27,138	27,138
Full-time employees	2,658	2,593	2,521	2,441	2,238
Housing starts	5,372	3,352	3,416	1,235	1,072
Building permit values	2,458,744	1,435,352	1,268,876	422,443	749,957

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

Residential and farm	\$45,778,991	\$44,466,430	\$43,416,203	\$42,427,150	\$35,660,551
Commercial and industrial	11,442,405	11,221,581	10,945,599	10,665,437	7,981,100
<b>Total</b>	<b>\$57,221,396</b>	<b>\$55,688,011</b>	<b>\$54,361,802</b>	<b>\$53,092,587</b>	<b>\$43,641,651</b>
Total per capita	105,937	106,293	107,732	106,680	89,571

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

RESIDENTIAL					
City purposes	0.481609%	0.476934%	0.476736%	0.483392%	0.474094%
Region purposes	0.459138%	0.473900%	0.484531%	0.497866%	0.505959%
School board purposes	0.221000%	0.231000%	0.241000%	0.252000%	0.264000%
<b>Total</b>	<b>1.161747%</b>	<b>1.181834%</b>	<b>1.202267%</b>	<b>1.233258%</b>	<b>1.244053%</b>
COMMERCIAL					
City purposes	0.624695%	0.618631%	0.618374%	0.627007%	0.614947%
Region purposes	0.595548%	0.614695%	0.628486%	0.645782%	0.656279%
School board purposes	1.177386%	1.253034%	1.339544%	1.439162%	1.553938%
<b>Total</b>	<b>2.397629%</b>	<b>2.486360%</b>	<b>2.586404%</b>	<b>2.711951%</b>	<b>2.825164%</b>

INDUSTRIAL					
City purposes	0.707965%	0.701093%	0.700802%	0.710586%	0.696918%
Region purposes	0.674933%	0.696632%	0.712261%	0.731862%	0.743759%
School board purposes	1.421817%	1.499357%	1.585675%	1.681288%	1.777496%
<b>Total</b>	<b>2.804715%</b>	<b>2.897082%</b>	<b>2.998738%</b>	<b>3.123736%</b>	<b>3.218173%</b>

	2012	2011	2010	2009	2008
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## TAXES RECEIVABLE, END OF THE YEAR

Amount	\$51,818	\$58,278	\$50,622	\$52,616	\$46,265
Per capita	\$96	\$111	\$100	\$106	\$95
Percentage of years' levy	6.12%	7.19%	6.49%	7.09%	6.59%

## NET LONG-TERM LIABILITIES, END OF YEAR

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

## CHARGES FOR NET LONG-TERM LIABILITIES

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

## LONG-TERM DEBT SUPPORTED BY PROPERTY TAXES

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

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

	\$102,527	\$94,913	\$160,443	\$81,632	\$78,840
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# Five Year Review Summary

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

	2012	2011	2010	2009	2008
<b>TAXES COLLECTED</b>					
City collection	\$308,949	\$285,549	\$268,345	\$252,367	\$231,037
Taxes transferred to the region	292,146	281,703	270,706	258,050	244,343
Taxes transferred to the school boards	246,041	243,813	240,504	231,450	227,972
<b>Total</b>	<b>\$847,136</b>	<b>\$811,065</b>	<b>\$779,555</b>	<b>\$741,867</b>	<b>\$703,352</b>
<b>TAX LEVIES</b>					
City purposes	\$305,644	\$283,457	\$266,211	\$250,247	\$228,745
Region purposes	291,442	281,662	270,616	257,951	244,247
School board purposes	246,042	243,813	240,504	231,450	227,972
<b>Total</b>	<b>\$843,128</b>	<b>\$808,932</b>	<b>\$777,331</b>	<b>\$739,648</b>	<b>\$700,964</b>
<b>Trust Funds Balance End of year</b>	<b>\$31,974</b>	<b>\$30,523</b>	<b>\$39,548</b>	<b>\$17,490</b>	<b>\$11,214</b>

CONTRIBUTION FROM DEVELOPERS AND OTHER OBLIGATORY RESERVES					
Development charges	\$162,528	\$86,694	\$81,626	\$30,850	\$40,614
Gas tax - Province	8,144	7,740	7,647	5,537	6,843
Gas tax - Federal	24,352	24,352	24,352	20,107	8,948
Other obligatory reserves	14,996	6,120	7,132	8,159	44,067
<b>Total</b>	<b>\$210,020</b>	<b>\$124,906</b>	<b>\$120,757</b>	<b>\$64,653</b>	<b>\$100,472</b>

DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS					
Development charges	\$82,199	\$30,031	\$13,953	\$66,394	\$113,307
Gas tax - Province	1,110	681	1,239	327	1,040
Gas tax - Federal	22,532	28,851	15,003	8,527	0
Other obligatory reserves	89,100	98,532	75,536	80,407	109,558
<b>Total</b>	<b>\$194,941</b>	<b>\$158,095</b>	<b>\$105,731</b>	<b>\$155,655</b>	<b>\$223,905</b>

## CONSOLIDATED REVENUES BY SOURCE

Property taxation	\$305,644	\$283,457	\$266,211	\$250,247	\$228,745
Taxation from other governments	3,305	2,092	2,134	2,120	2,293
User charges	107,411	93,057	81,566	69,713	69,476
Government grants	24,315	29,095	26,708	5,702	1,117
Development levies earned and other restricted capital contributions	173,685	73,073	171,131	133,413	74,745
Investment income	7,296	9,292	6,749	10,155	16,783
Penalties, fines and interest	19,551	19,850	18,883	16,734	15,875
Interest earned on reserves	8,373	6,756	11,618	27,024	23,196
Developer contributed tangible capital assets	80,861	43,492	94,807	133,296	50,710
Other	2,553	5,040	2,802	950	2,397
<b>Total</b>	<b>\$732,994</b>	<b>\$565,205</b>	<b>\$682,608</b>	<b>\$649,353</b>	<b>\$485,337</b>

# Five Year Review Summary

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

	2012	2011	2010	2009	2008
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## CONSOLIDATED EXPENSES BY FUNCTION

General government	\$40,511	\$32,232	\$32,160	\$29,102	\$26,242
Protection to persons and property	85,234	78,986	66,399	64,695	60,920
Transportation services	172,319	155,719	137,052	130,466	128,910
Environment services	2,500	4,146	3,299	3,069	1,720
Health services (cemeteries)	635	661	597	966	505
Social and family services	2,257	2,170	1,850	2,192	1,757
Recreation and cultural services	120,261	116,832	111,142	103,531	95,755
Planning and development	21,383	20,171	27,752	28,848	27,943
Amortization expense	101,373	94,167	78,279	58,119	59,290
Other	3,703	206	290	787	859
<b>Total</b>	<b>\$550,176</b>	<b>\$505,289</b>	<b>\$458,818</b>	<b>\$421,775</b>	<b>\$403,901</b>

## CONSOLIDATED EXPENSES BY OBJECT

Salaries, wages and employee benefits	\$295,364	\$276,318	\$255,659	\$241,959	\$216,276
Long term debt payments				-	-
Goods and services	149,736	134,599	124,590	120,910	127,476
Amortization	101,373	94,167	78,279	58,119	59,290
Other	3,703	206	290	787	859
<b>Total</b>	<b>\$550,176</b>	<b>\$505,289</b>	<b>\$458,818</b>	<b>\$421,775</b>	<b>\$403,901</b>

	2012	2011	2010	2009	2008
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<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	\$3,402,558	\$3,342,642	\$3,118,852	\$2,891,274	\$548,471
<b>RESTATEMENT, TANGIBLE CAPITAL ASSETS (Note 2)</b>					2,261,368
<b>ANNUAL SURPLUS</b>	182,818	59,916	223,790	227,579	81,436
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$3,585,376</b>	<b>\$3,402,558</b>	<b>\$3,342,642</b>	<b>\$3,118,852</b>	<b>\$2,891,274</b>

<b>TOTAL FINANCIAL ASSETS</b>	\$829,980	\$738,865	\$735,836	\$754,169	\$830,297
<b>TOTAL FINANCIAL LIABILITIES</b>	349,672	308,425	253,020	279,951	325,086
<b>NET FINANCIAL ASSETS</b>	<b>\$480,308</b>	<b>\$430,440</b>	<b>\$482,816</b>	<b>\$474,218</b>	<b>\$505,211</b>

## TANGIBLE CAPITAL ASSET NET BOOK VALUE

Land	\$1,595,418	\$1,594,558	\$1,586,181	\$1,563,744	\$1,496,078
Buildings and building improvements	369,384	364,859	295,172	290,226	275,495
Furniture, computer and office equipment	49,098	46,581	27,126	34,382	15,859
Infrastructure	812,788	726,759	630,335	537,129	387,687
Land improvements	44,833	37,483	26,551	28,415	17,300
Vehicles and machinery	134,772	107,497	91,865	84,721	53,940
Assets under construction	94,646	90,728	199,086	101,813	135,127
<b>Total</b>	<b>\$3,100,939</b>	<b>\$2,968,464</b>	<b>\$2,856,317</b>	<b>\$2,640,429</b>	<b>\$2,381,485</b>

# Five Year Review Summary

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

2012	2011	2010	2009	2008
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## TANGIBLE CAPITAL ASSET COST

Assets, beginning of year	\$3,939,483	\$3,737,541	\$3,445,865	\$3,136,179	\$2,959,744
Additions	390,786	477,478	391,693	346,348	263,369
Disposals and transfers	(167,723)	(275,537)	(100,017)	(36,661)	(86,934)
<b>Assets, end of year</b>	<b>\$4,162,546</b>	<b>\$3,939,483</b>	<b>\$3,737,541</b>	<b>\$3,445,865</b>	<b>\$3,136,179</b>

## TANGIBLE CAPITAL ASSET AMORTIZATION

Accumulated amortization, beginning of year	\$971,018	\$881,224	\$805,436	\$754,693	\$698,376
Current year expense	101,371	94,888	78,279	58,119	59,290
Accumulated amortization on disposals	(10,782)	(5,094)	(2,491)	(7,376)	(2,973)
<b>Accumulated Amortization, end of year</b>	<b>\$1,061,607</b>	<b>\$971,018</b>	<b>\$881,224</b>	<b>\$805,436</b>	<b>\$754,693</b>

## TANGIBLE CAPITAL ASSET NET BOOK VALUE

	\$3,100,939	\$2,968,464	\$2,856,317	\$2,640,429	\$2,381,485
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# 10 Largest Corporate Property Taxpayers in Brampton - 2012

Rank	Owner	Assessment Value \$
1	MORGARD CORPORATION	432,131,000
2	ORLANDO CORPORATION	243,598,500
3	RIOTRIN PROPERTIES (BRAMPTON)	157,806,000
4	1388688 ONTARIO LIMITED	148,657,000
5	LOBLAW PROPERTIES LIMITED	145,835,000
6	INDUSTRIAL 5000 REAL ESTATE	138,596,000
7	INVESTORS GROUP TRUST CO LTD	128,902,000
8	THE GREAT-WEST LIFE ASSURANCE	126,482,000
9	AIRPORT 407 BUSINESS CAMPUS	125,057,000
10	SUN LIFE ASSURANCE COMPANY	114,016,000
<b>Top Ten - Assessment Total</b>		<b>1,761,080,500</b>
	% of Total Industrial and Commercial Assessment	15.54%
	% of Total	3.16%

	Total Residential Assessment	44,351,542,357
	Total Industrial and Commercial Assessment	11,331,684,873
	<b>Total</b>	<b>55,683,227,230</b>

# Notes

