

# FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

Prepared by the Treasury Services, Finance,  
Corporate Services Department of The Corporation of the City of Brampton, Province of Ontario

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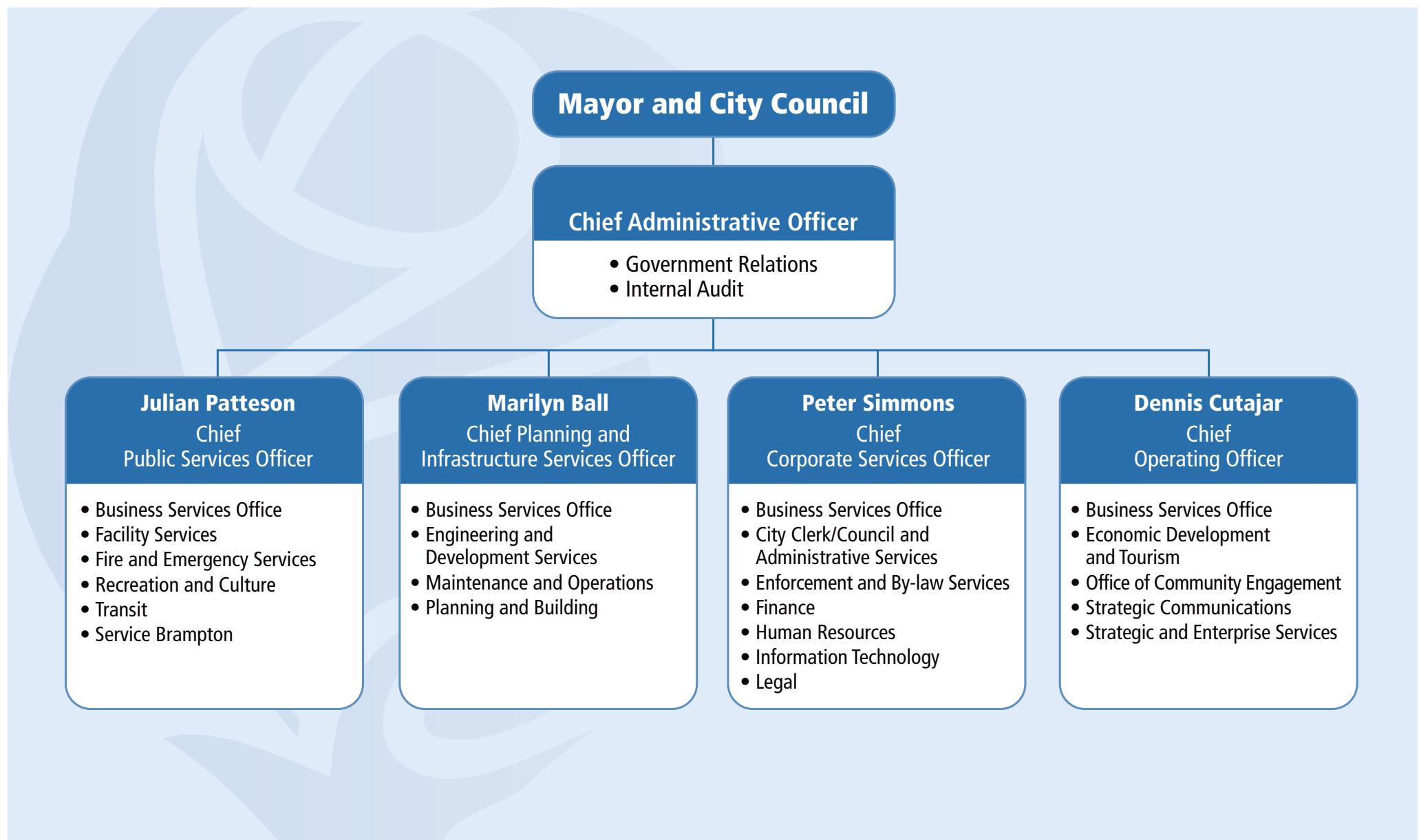
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# City of Brampton Corporate Organizational Chart



# Message from the Executive Director, Finance and City Treasurer



I am pleased to present the City of Brampton's financial statements for the 2014 fiscal year. As one of the fastest growing cities in Canada, it is critical for Brampton to keep pace with growth in a fiscally responsible way, balancing service delivery and infrastructure building and maintenance. This report reflects the City's ongoing commitment to accountability, transparency, credibility and clarity in financial reporting. 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 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. We are confident that controls are in place in the City's accounting and financial reporting systems that ensure accuracy of the financial statements being presented.

The 2014 financial statements have been audited by KPMG LLP, Chartered Accountants (KPMG) in accordance with Canadian Generally Accepted Auditing Standards, and their report is included in the financial statements. The role of the statutory auditor is to present an independent opinion on the fair presentation of the City's financial position and operating results as contained in the Financial Report, and confirm that the statements are free from material misstatements. The auditors are also responsible for advising management and City Council of any control or operational issues that may be identified during their audit.

The auditors have expressed the opinion that the City's financial statements present fairly the financial position of The Corporation of the City of Brampton as at December 31, 2014, and have not identified any financial reporting control deficiencies. This is consistent with all prior fiscal years.

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

# Message from the Executive Director, Finance and City Treasurer

## Overview of Economic Climate and Financial Strategies

A designated urban growth centre by the Province of Ontario, Brampton has the second highest growth rate among Canada's 50 largest cities. It has a successful, diversified economy, positioning the city well for future growth. The City of Brampton aims to build a brighter future for our businesses and residents by managing growth effectively and in a financially sustainable manner.

Some key economic indicators in Brampton:

- Population increased to 571,700 in 2014 from 557,800 in 2013, and is expected to increase to 738,000 by the year 2031.
- Number of households increased to 160,700 in 2014 from 156,000 in 2013, and is projected to be more than 200,000 by 2031.
- The Region of Peel unemployment rate decreased to 8.1 per cent in 2014 (8.9 per cent in 2013), reflecting improving economic conditions in the region.
- Total construction building permit values increased to \$2.26 billion in 2014 from \$1.21 billion in 2013.
- Housing permit applications increased to 6,346 in 2014, from 2,757 in 2013.

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

In addition to responding to the infrastructure needs of a growing community, the City is also committed to maintaining its existing infrastructure base in a state of good repair. The City continues to pursue federal and provincial financial support for infrastructure projects to reduce the tax burden to the residents, while the Mayor and City Council advocate on behalf of Brampton.

The Federal Gas Tax Fund – a permanent source of funding since 2011 – provides Brampton with more than \$28 million per year to fund various eligible capital programs.

Through its risk management program, the City proactively protects the Corporation's assets against financial losses and ensures preservation of public service capacities. In addition, the City purchases insurance to 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 policies and its solid financial position are reinforced by the fact that, since 2006, Brampton has enjoyed a Standard & Poor's 'AAA' rating.

## Financial Management Policies

The City of Brampton has established a number of financial management policies which, 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 reporting guidelines required by the Ministry of Municipal Affairs and Housing.

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

## GFOA Canadian Award for Financial Reporting

In 2014, for the thirteenth consecutive year, the Government Finance Officers Association (GFOA) of the United States and Canada formally recognized Brampton for its excellence in financial reporting with the "Canadian Award for Financial Reporting" for the City's 2013 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 governments.

The City of Brampton's 2014 achievements demonstrated the high standards in financial reporting supported by evidence of transparency and full disclosure.

# Message from the Executive Director, Finance and City Treasurer

## Budget Process

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

The initial stages in the process involve:

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

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 2014 budget process.

Budget submissions are consolidated and supported by the analysis of budget drivers and justification of all proposed new initiatives.

Senior management and executive leadership teams then determine a recommended set of objectives and priorities for allocation of available resources. These proposed budgets and priorities are considered by Council in open public meetings, amendments are made as appropriate and budget approval is granted.

Key budget objectives included in the 2014 budget were:

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

## Audit Committee

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

## Financial Results

The City of Brampton's accumulated surplus at the end of 2014 was \$3.8 billion (2013- \$3.7 billion), of which \$3.4 billion reflects investments in tangible capital assets. This increase reflects the City's continuing commitment to invest in capital infrastructure to support current City services and future growth.

## Revenues

Revenues totalled \$759 million in 2014. The sources were:

- \$362 million from property taxes
- \$158 million from user fees, fines, interest income and other
- \$27 million from federal and provincial government grants
- \$97 million from development levies and other restricted capital contributions (i.e. development charges and government transfer payments for restricted purposes being applied to applicable capital works)
- \$115 million of developer contributed tangible capital assets

Total revenues reported in 2014 were \$105 million higher than 2013. Major factors contributing to this increase include:

- A \$20.2 million increase in property taxation as a result of assessment growth and budgetary increases. The majority of the growth is realized from new construction, particularly residential, and new plans of subdivision. Also contributing to the increase, but to a much lesser extent, is the increased supplementary assessment received from the Municipal Property Assessment Corporation.
- A \$55.4 million increase in developer contributed tangible capital assets due to the higher number of subdivisions assumed during 2014 over 2013.
- The increase in government grants revenue is related to the grant receivable from the Province of Ontario as part of the Ice Storm Relief Program (\$17.2 million).

# Message from the Executive Director, Finance and City Treasurer

## Expenses

The operating expenses totalled \$634 million, including:

- General government - \$59 million
- Protection to persons and property - \$115 million
- Transportation services - \$258 million
- Environmental and health services - \$16 million
- Social and family services - \$4 million
- Recreation and cultural services - \$155 million
- Planning and development services - \$27 million

Total operating expenses of \$634 million (2013 – \$576 million) increased by \$58 million. \$13 million reflects an increase in amortization (depreciation) expense, representing the value of tangible capital assets that were consumed during the year. The amortization expense increased due to the impact of the \$341 million in new tangible capital assets that were added during 2014. This increase in tangible capital assets is mainly due to the infrastructure assets assumed from developers through subdivision agreements, renovation of the Alderlea heritage building, purchase of transit buses, road construction activities as well as the new leased administration building. Amortization expenses do not require an outlay of cash and are not included in the determination of the annual property tax levy.

The remaining \$45 million in increased expenses included:

- A moderate increase in fuel costs due to higher prices in the first half of 2014 as compared to 2013 and higher volumes resulting from an increase in Transit operations
- Higher winter control and hydro costs caused by the severe winter in early 2014
- Costs associated with ice storm response and cleanup (\$17.3 million)
- Operating and maintenance of the City's growing infrastructure investment

## 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, 2014, the City of Brampton's reserves and reserve fund balances totalled \$259 million, compared to \$232 million in 2013. These funds are reported as a component of the accumulated surplus (see Note 9 of the financial statements).

Included in the Consolidated Statement of Financial Position are deferred revenues from gas taxes, provincial and federal transfer payments, development charges and other contributions from developers for future growth-related capital works. These deferred revenues totalled \$306 million as at December 31, 2014 as compared to \$230 million in 2013, an increase of \$76 million.

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

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

## Final Comments

As a major urban growth centre, Brampton strives to maintain and improve its high standards of service and respond to challenges and opportunities such as growth management, infrastructure maintenance and environmental stewardship. Brampton is committed to reaching out to its diverse community, listening to its residents and businesses through expanded community engagement efforts. Through its strategic planning initiatives and continued advocacy to other levels of government for equitable funding, the City will focus on long-term financial management and transparency while addressing the needs of its citizens.

Looking ahead, we are committed to building a world class city that provides a great quality of life and the amenities required to support residents, businesses and visitors to our city.

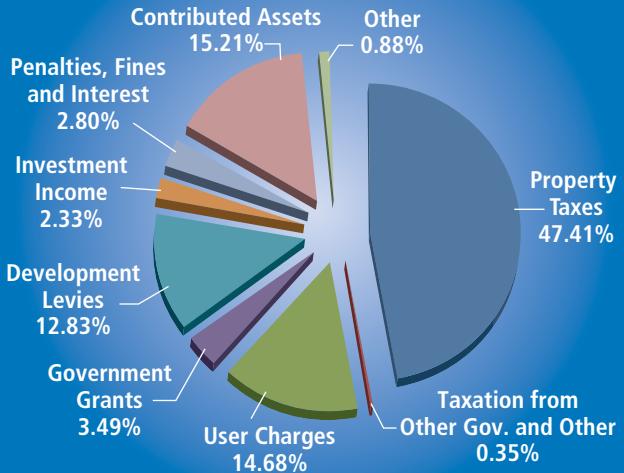
Peter Honeyborne,  
City Treasurer

June 3, 2015

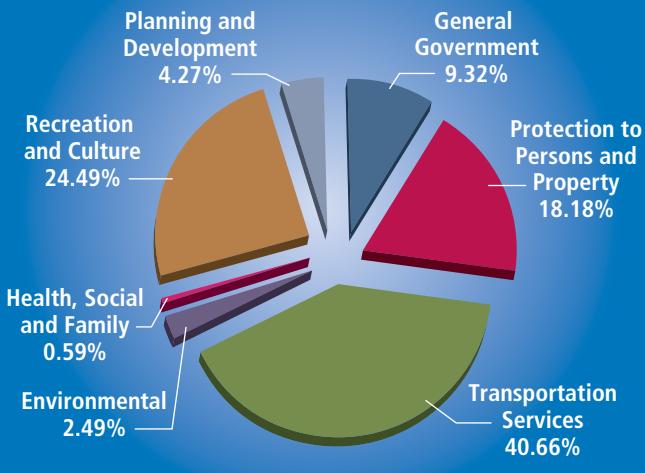
# Financial Highlights

for the Year Ended December 31, 2014

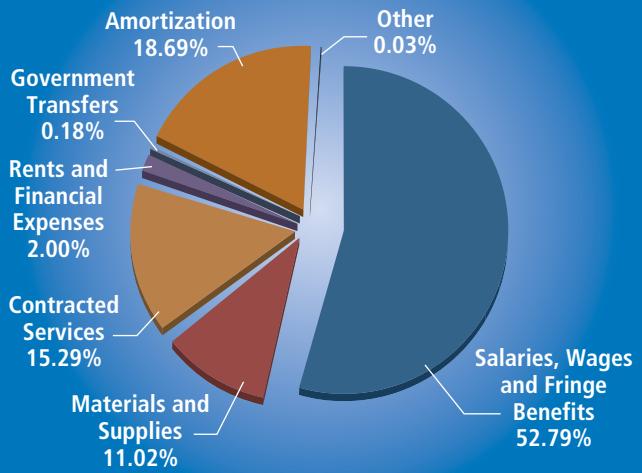
## CONSOLIDATED REVENUE BY TYPE - 2014



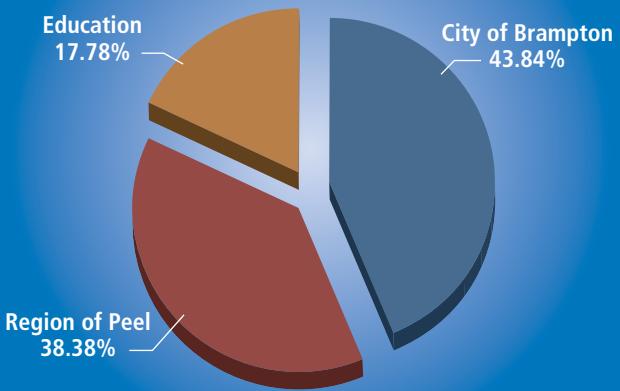
## CONSOLIDATED EXPENSES BY SERVICE - 2014



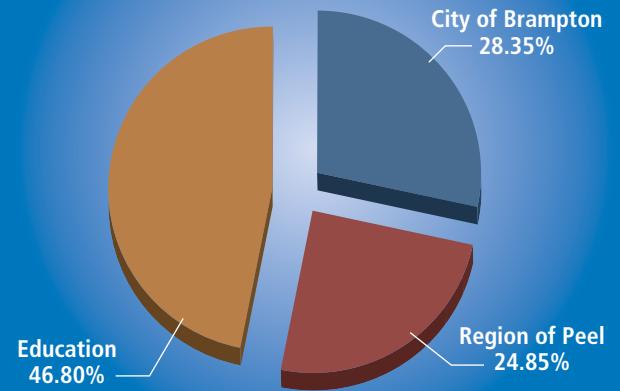
## CONSOLIDATED EXPENSES BY TYPE - 2014



## WHERE DOES YOUR RESIDENTIAL TAX DOLLAR GO



## WHERE DOES YOUR COMMERCIAL AND INDUSTRIAL TAX DOLLAR GO





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, 2013**

A handwritten signature in black ink, which appears to read "Jeffrey R. Emmer".

Executive Director/CEO



# CONSOLIDATED FINANCIAL STATEMENTS

**The Corporation of the City of Brampton for the Fiscal Year Ended December 31, 2014**

# 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 City Council and its Audit Committee. The City Council consists of the Mayor and ten Councillors. The Audit Committee consists of five Councillors.

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



Marilyn Ball  
Acting Chief Administrative Officer

Brampton, Canada  
June 3, 2015



Peter Honeyborne  
Executive Director, Finance and City Treasurer

# 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 consolidated financial statements of The Corporation of the City of Brampton, which comprise the consolidated statement of financial position as at December 31, 2014, 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, 2014, 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 Professional Accountants, Licensed Public Accountants

June 3, 2015  
Toronto, Canada

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

# Consolidated Statement of Financial Position

as at December 31, 2014

(All dollar amounts in \$000)

	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments (Note 3)	\$477,619	\$417,330
Taxes receivable	52,970	53,493
User charges receivable	2,817	3,583
Accounts receivable	48,297	22,232
Long-term investments (Note 3)	404,115	411,839
Other assets (Note 5)	8,354	8,033
<b>Total Financial Assets</b>	<b>994,172</b>	<b>916,510</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	125,085	119,232
Capital lease obligation (Note 4)	92,967	-
Deferred revenue - general (Note 6 (a))	3,275	3,278
Deferred revenue - obligatory reserve funds (Note 6 (b))	306,450	229,568
Employee benefits and other liabilities (Note 7)	64,282	64,193
<b>Total Financial Liabilities</b>	<b>592,059</b>	<b>416,271</b>
<b>Net Financial Assets</b>	<b>402,113</b>	<b>500,239</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 15)	3,380,587	3,158,611
Inventory and prepaids	5,567	4,458
<b>Total Non-Financial Assets</b>	<b>3,386,154</b>	<b>3,163,069</b>
Guarantee (Note 5)	-	-
Contingencies (Note 13)	-	-
Commitments (Note 17)	-	-
<b>ACCUMULATED SURPLUS (Note 9)</b>	<b>\$3,788,267</b>	<b>\$3,663,308</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, 2014

(All dollar amounts in \$000)

	2014 Budget (notes 1 (n) and 18)	2014	2013
<b>REVENUES</b>			
Property taxation (note 10)	\$357,638	\$359,644	\$339,523
Taxation from other governments	2,684	2,681	2,611
User charges	107,065	111,357	101,023
Government grants	17,087	26,509	7,130
Development levies earned and other restricted capital contributions	134,965	97,344	102,824
Investment income	7,958	9,655	8,287
Interest earned on reserves	-	8,021	7,480
Penalties, fines and interest	19,721	21,259	20,750
Developer contributed tangible capital assets (note 15 b)	-	115,410	59,995
Other	5,988	6,712	4,405
<b>Total Revenues</b>	<b>653,106</b>	<b>758,592</b>	<b>654,028</b>
<b>EXPENSES</b>			
General government	49,767	59,043	43,404
Protection to persons and property	93,602	115,199	96,761
Transportation services	208,937	257,604	237,603
Environmental services	2,263	15,789	13,585
Health services (cemeteries)	535	719	817
Social and family services	2,237	3,032	2,883
Recreation and cultural services	132,741	155,191	154,875
Planning and development services	26,794	27,056	26,168
<b>Total Expenses</b>	<b>516,876</b>	<b>633,633</b>	<b>576,096</b>
<b>Annual Surplus</b>	<b>\$136,230</b>	<b>\$124,959</b>	<b>\$77,932</b>
<b>Accumulated Surplus, beginning of year</b>		<b>3,663,308</b>	<b>3,585,376</b>
<b>Accumulated surplus, end of year (Note 9)</b>		<b>\$3,788,267</b>	<b>\$3,663,308</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, 2014

(All dollar amounts in \$000)

	2014 Actual	2013 Actual
<b>Annual Surplus</b>	\$124,959	\$77,932
Acquisition of tangible capital assets	(340,570)	(163,394)
Amortization of tangible capital assets	118,399	105,189
Net book value of disposed tangible capital assets	195	533
Acquisition of inventory and prepaids	(6,052)	(4,252)
Use of inventory and prepaids	4,943	3,923
<b>Change in Net Financial Assets</b>	<b>(98,126)</b>	<b>19,931</b>
 <b>Net Financial Assets, beginning of year</b>	 <b>500,239</b>	 <b>480,308</b>
<b>Net Financial Assets, end of year</b>	<b>\$402,113</b>	<b>\$500,239</b>

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

# Consolidated Statement of Cash Flows

for the year ended December 31, 2014

(All dollar amounts in \$000)

	2014 Actual	2013 Actual
<b>OPERATING ACTIVITIES</b>		
<b>Cash provided by (used in):</b>		
Annual surplus	\$124,959	\$77,932
<b>Change in non-cash assets and liabilities:</b>		
Taxes receivable	523	(1,675)
User charges receivable	766	(234)
Accounts receivable and other assets	(26,386)	(1,504)
Accounts payable and accrued liabilities	5,853	21,420
Deferred revenue - general	(3)	164
Deferred revenue - obligatory reserve fund	76,882	34,627
Employee benefits and other liabilities	89	10,388
Inventory and prepaids	(1,109)	(329)
	<b>56,615</b>	<b>62,857</b>
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	118,399	105,189
Net book value of disposed tangible capital assets	195	533
Developer contributed tangible capital assets	(115,410)	(59,995)
<b>Net Change In Cash From Operations</b>	<b>184,758</b>	<b>186,516</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of capital lease obligation	(533)	-
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(131,660)	(103,399)
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in long-term investments	7,724	8,040
	(124,469)	(95,359)
<b>INCREASE IN CASH AND SHORT-TERM INVESTMENTS</b>	<b>60,289</b>	<b>91,157</b>
Cash and short-term investments, beginning of year	417,330	326,173
<b>Cash and Short-Term Investments, end of year</b>	<b>\$477,619</b>	<b>\$417,330</b>

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

Supplemental disclosure of non-cash transaction related to capital activities:	-	-
Tangible capital asset acquired through capital lease	\$93,500	-

# Notes to Consolidated Financial Statements

Year ended December 31, 2014

(All dollar amounts in \$000)

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

## 1. Significant Accounting Policies:

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

### a) Reporting entity:

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

- 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 consolidated financial statements but are reported separately on the Trust Funds Financial Statements.

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

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

### d) Basis of accounting:

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

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

Cash and short-term investments include short term highly liquid investments with terms to maturity of 365 days or less.

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

### f) Non-financial assets:

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

### g) Tangible capital assets:

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

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

# Notes to Consolidated Financial Statements

**Year ended December 31, 2014**

(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 period the services are performed.

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

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

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

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 Act ("WSIB") are amortized over the average expected period during which the benefits will be paid.

# Notes to Consolidated Financial Statements

Year ended December 31, 2014

(All dollar amounts in \$000)

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

## n) Budget figures:

The City does not currently budget for the following items on the consolidated statement of operations: interest earned on reserves, developer contributed tangible capital assets, gain/loss on disposal of tangible capital assets and amortization expense.

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

The operating budget is based on projected operating expenses to be incurred during the current year. Budgets established for capital are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years.

## o) Use of estimates:

The preparation of these consolidated financial statements requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, carrying value of tangible capital assets, provisions accrued liabilities and obligations related to employee future benefits. Actual results could differ from these estimates.

## 2. Future Accounting Pronouncements:

Future accounting pronouncements:

These standards and amendments are not yet effective for the year ended December 31, 2014, 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) 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 April 1, 2014, and early adoption is encouraged.
- b) 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, 2016. Early adoption is permitted.
- c) 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, 2016. Early adoption is permitted.
- d) Section PS 1201, *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, 2016 and applies when PS2601 and PS3450 are adopted.

## 3. Cash and Investments:

Cash and short-term investments of \$477,619 (2013 - \$417,330) includes cash and short-term investments of \$9,500 (2013 - \$12,000) with market value \$9,667 (2013 - \$12,148).

Long-term investments of \$404,115 (2013 - \$411,839) have a market value of \$410,699 (2013 - \$414,532), at the end of the year.

# Notes to Consolidated Financial Statements

**Year ended December 31, 2014**

(All dollar amounts in \$000)

## 4. Capital Lease Obligation:

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

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

Annual principal repayments under the agreement are as follows:

2015	\$ 8,354
2016	8,354
2017	8,354
2018	8,354
2019	8,354
2020 and Thereafter	163,593
Total minimum lease payments	\$ 205,363
Less amount representing implicit interest at 7.59%	112,396
Capital lease obligation	\$ 92,967

In 2014, the interest expense of \$2,948 is reported in the consolidated statement of operations.

## 5. Powerade Centre:

Included under other assets in the consolidated statement of financial position is \$7,984 (2013 - \$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 of Canada (RBC) 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 was 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. In March of 2014 the term loan/mortgage was extended for a three year period due on March 21, 2017. As the City is the guarantor of the loan/mortgage held by RBC, City Council approval was sought and granted to complete the transaction with RBC.

The new loan has an outstanding balance of \$9,248 on December 31, 2014 (2013 - \$9,574).

## 6. (a) Deferred revenue – general:

Deferred revenue – general comprised program registration fees for parks and recreation programs, Transit advertising revenues applicable for the following year and unspent Provincial funding for capital projects. As at December 31, 2014 the deferred revenue – general amounted to \$3,275 (2013 - \$3,278).

## (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, 2014, obligatory reserve funds amounted to \$306,450 (2013 - \$229,568). 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, 2014, unamortized downtown incentive charges were \$12,330 (2013 - \$12,970).

Details of these deferred revenues are as follows:

	<b>Opening</b>	<b>Amount received</b>	<b>Amount recognized as revenue</b>	<b>Other</b>	<b>Closing</b>
Developers	\$ 60,718	119,859	92,387	-	\$ 88,190
Federal gas tax	31,227	28,117	2,670	-	56,674
Provincial gas tax	1,559	11,837	9,824	-	3,572
Other	136,064	13,772	(7,537)	(641)	158,014
<b>Total</b>	<b>\$229,568</b>	<b>173,585</b>	<b>97,344</b>	<b>(641)</b>	<b>\$306,450</b>

# Notes to Consolidated Financial Statements

**Year ended December 31, 2014**

(All dollar amounts in \$000)

## 7. Employee Benefits and

### Other Liabilities:

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

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

	<b>2014</b>	<b>2013</b>
WSIB	\$9,323	\$8,923
Vested sick leave benefits	15,165	14,149
Vacation pay	11,399	10,895
Non-pension post employment benefits	17,556	16,046
Other liabilities	10,839	14,180
<b>Total</b>	<b>\$ 64,282</b>	<b>\$ 64,193</b>

As at December 31, 2014, the City has allocated reserves and reserve funds of \$23,681 (2013 - \$22,018) to fund these obligations.

The most recent full actuarial valuation was performed as at December 31, 2013.

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

Item	Non-Pension Post Employment Benefits	Vested Sick Leave Benefits	WSIB	2014 Total	2013 Total
Accrued Benefit Obligation ("ABO"), beginning of year	\$ 20,359	\$ 19,182	\$ 8,167	\$ 47,708	\$ 45,892
<b>Add:</b> Current benefit costs	1,005	1,432	1,124	3,561	4,378
<b>Add:</b> Interest cost	967	900	368	2,235	2,184
<b>Less:</b> Current benefit payments	1,016	1,915	1,115	4,046	4,146
<b>ABO, end of the year</b>	<b>\$ 21,315</b>	<b>\$ 19,599</b>	<b>\$ 8,544</b>	<b>\$ 49,458</b>	<b>\$ 48,308</b>
Unamortized actuarial gain/(loss)	(3,759)	(4,434)	779	(7,414)	(9,190)
<b>Liability for Benefits, end of the year</b>	<b>\$ 17,556</b>	<b>\$ 15,165</b>	<b>\$ 9,323</b>	<b>\$ 42,044</b>	<b>\$ 39,118</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:

	<b>Non-Pension</b>	<b>Sick Leave</b>	<b>WSIB</b>
Expected inflation rate	2.00%	2.00%	2.00%
Expected level of salary increases	3.00%	3.00%	n/a
Interest discount rate	4.75%	4.75%	4.50%
Dental premium rate increase	4.00%	n/a	n/a
Health care premium rates increase	3.86%	n/a	n/a
Expected average remaining service life	15	14	n/a

# Notes to Consolidated Financial Statements

**Year ended December 31, 2014**

(All dollar amounts in \$000)

## 8. Pension agreements:

The City 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 City accounts for its participation in the OMERS, a multi-employer public sector pension fund, as a defined contribution plan.

The amount contributed to OMERS for 2014 was \$23,663 (2013 - \$21,948) for current service and is included as an expense on the consolidated statement of operations. Employee contributions totaled \$23,663 (2013 - \$ 21,948).

The City is current with all payments to OMERS, therefore, there is neither a surplus nor deficit with the pension plan contributions. However, the OMERS pension plan had a deficit at December 31, 2014 of \$7,100,000 based on actuarial valuation of plan assets. OMER expects investment returns and benefit reductions should return the plan to surplus by 2015.

## 9. Accumulated Surplus:

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

	<b>2014</b>	<b>2013</b>
Invested in tangible capital assets	\$3,380,587	\$3,158,611
Surplus funds from committed capital projects and other	164,183	272,658
	3,544,770	3,431,269
Reserves	51,078	47,256
Reserve funds	207,697	184,783
<b>Total</b>	<b>\$3,788,267</b>	<b>\$ 3,663,308</b>

## 10. Tax Revenues:

Property tax billings are prepared by the City based on the assessment roll as delivered by the MPAC. MPAC is an independent body established by the Ontario Government's Municipal Property Assessment Corporation Act, 1997. A province wide re-assessment based on a January 1, 2008 market value was undertaken by the MPAC for use in taxation years 2009 through 2012. During this four year period any assessment increases compared to the previous 2005 assessment are phased-in equally. The City applies the appropriate tax rate to the assessment in the production of the property tax bills. However, the property tax revenue and tax receivables of the City are subject to measurement uncertainty as a number of appeals submitted by ratepayers for adjustments to assessment have yet to be heard by the Assessment Review Board. An allowance has been recorded to provide for possible negative adjustments. Any billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with regional government and school boards as appropriate.

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

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

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

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

# Notes to Consolidated Financial Statements

Year ended December 31, 2014

(All dollar amounts in \$000)

## 11. Expenses by Object:

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

	2014 Budget	2014	2013
Salaries, wages and fringe benefits	\$330,407	\$334,507	\$313,854
Materials and supplies	63,495	69,834	60,189
Contracted services	107,741	96,870	85,471
Rents and financial expenses	14,111	12,695	9,814
Government transfers	1,122	1,135	1,046
Amortization	-	118,399	105,189
Other	-	193	533
<b>Total Expenses</b>	<b>\$516,876</b>	<b>\$633,633</b>	<b>\$576,096</b>

## 12. Trust Funds:

Trust funds administered by the City amounted to \$29,530 (2013 - \$29,979) are presented in the separate financial statements of trust funds balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's consolidated financial position or operations.

The City administers 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

## 13. Public Liability Insurance:

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

The City has created a reserve fund for self-insurance which as at December 31, 2014 had \$8,559 balance (2013 - \$7,100) and is reported on the consolidated statement of financial position. Claims settled during the year amounting to \$3,329 (2013 - \$3,490) 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 consolidated financial position.

## 14. Provincial Offences Administration:

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

The revenues of the combined operations of the Court House and City Hall and revenues collected on behalf of the City at other POA court sites in the Province of Ontario consist of fines levied under Parts I and III for POA charges and amounted to \$7,441 for the year ended December 31, 2014. (2013 - \$6,702).

The operating costs for the administration of the POA for the year ended December 31, 2014 amounted to \$5,324 (2013 - \$5,444), resulting in a net contribution of \$2,117 (2013 - \$1,258) 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, 2014**

(All dollar amounts in \$000)

## 15. Tangible Capital Assets:

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

Cost	December 31, 2013	Additions	Disposals	Transfers	December 31, 2014
Land	\$1,603,576	\$5,056	-	-	\$1,608,632
Asset under capital lease	-	93,500	-	-	93,500
Buildings and building improvements	567,277	33,506	-	-	600,783
Furniture, computer and office equipment	144,369	18,419	(1,698)	-	161,090
Infrastructure	1,595,498	167,030	(70)	-	1,762,458
Land improvements	78,959	2,487	(381)	-	81,065
Vehicles and machinery	249,542	27,776	(2,450)	-	274,868
Assets under construction	80,145	136,458	-	(143,662)	72,941
<b>Total</b>	<b>\$4,319,366</b>	<b>\$484,232</b>	<b>\$(4,599)</b>	<b>\$(143,662)</b>	<b>\$4,655,437</b>

Net Book Value	December 31, 2013	December 31, 2014
Land	\$1,603,576	\$1,608,632
Asset under capital lease	-	91,942
Buildings and building improvements	384,284	395,169
Furniture, computer and office equipment	47,313	44,955
Infrastructure	868,442	986,006
Land improvements	49,162	48,039
Vehicles and machinery	125,689	132,904
Assets under construction	80,145	72,940
<b>Total</b>	<b>\$3,158,611</b>	<b>\$3,380,587</b>

Accumulated Amortization	December 31, 2013	Disposals	Amortization Expense	December 31, 2014
Land	-	-	-	-
Asset under capital lease	-	-	1,558	1,558
Buildings and building improvements	182,993	-	22,621	205,614
Furniture, computer and office equipment	97,056	(1,656)	20,736	116,136
Infrastructure	727,056	(54)	49,450	776,452
Land improvements	29,797	(310)	3,539	33,026
Vehicles and machinery	123,853	(2,384)	20,495	141,964
<b>Total</b>	<b>\$1,160,755</b>	<b>\$(4,404)</b>	<b>\$118,399</b>	<b>\$1,274,750</b>

### a) Assets under construction

Assets under construction having a value of \$72,940 (2013 - \$80,145) 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 \$115,410 (2013 - \$59,995).

# Notes to Consolidated Financial Statements

Year ended December 31, 2014

(All dollar amounts in \$000)

## 16. 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 comprised cemetery operations and assistance to aged persons. Assistance to aged persons includes senior's education tax rebate, senior snow clearing subsidy as well as maintenance of seniors centre.

### Recreation and cultural services

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

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

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

### Planning and development services

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

# Notes to Consolidated Financial Statements

**Year ended December 31, 2014**

(All dollar amounts in \$000)

## 17. Commitments:

The City leases facilities and equipment under operating leases expiring beyond 2019. The minimum amounts payable under these arrangements are as follows:

2015	\$3,555
2016	3,190
2017	2,704
2018	2,489
2019	1,276
2020 and Thereafter	19,438
<b>Total</b>	<b>\$32,652</b>

## 18. Budget Data:

Budget data presented in these consolidated financial statements are based upon the 2014 operating and capital budgets as approved by Council and adopted by the City at December 11, 2013 meeting. Adjustments to budgeted values were required to provide comparative budget values based on the components of full accrual basis of accounting. The chart below reconciles the approved operating budget with the budget figures presented in these consolidated financial statements.

<b>Revenue:</b>	
Approved operating budget	\$530,197
Less: Contributions from reserve funds	27,961
Less: Other	625
Add: Development levies earned and other restricted capital contributions	134,965
Add: Project budget for grants and subsidies	16,530
<b>Total reported on Consolidated Financial Statements</b>	<b>\$653,106</b>

<b>Expenses:</b>	
Approved operating budget	\$530,197
Less: Contributions to reserve funds	60,222
Less: Other	96
Add: Operating projects budget	46,805
<b>Total reported on Consolidated Financial Statements</b>	<b>\$516,876</b>

# Consolidated Schedule of Segment Disclosure

for the year ended December 31, 2014

(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	2014 Total	2013 Total
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<b>REVENUES</b>									
Property taxation and taxation from other governments	\$361,952	-	-	-	-	-	373	<b>362,325</b>	<b>342,134</b>
User charges	10,495	18,776	49,975	-	768	26,299	5,044	<b>111,357</b>	<b>101,023</b>
Government grants	-	17,174	8,230	-	142	780	183	<b>26,509</b>	<b>7,130</b>
Development levies earned and other restricted capital contributions	729	3,356	70,034	-	-	22,147	1,078	<b>97,344</b>	<b>102,824</b>
Investment income(including Reserves and Reserve Funds)	17,560	-	-	-	-	109	7	<b>17,676</b>	<b>15,767</b>
Penalties, fines and interest	10,337	10,346	-	-	-	576	-	<b>21,259</b>	<b>20,750</b>
Developer contributed tangible capital assets	-	-	115,410	-	-	-	-	<b>115,410</b>	<b>59,995</b>
Other	224	234	4,575	-	22	1,636	21	<b>6,712</b>	<b>4,405</b>
<b>Total Revenues</b>	<b>401,297</b>	<b>49,886</b>	<b>248,224</b>	<b>-</b>	<b>932</b>	<b>51,547</b>	<b>6,706</b>	<b>758,592</b>	<b>654,028</b>
<b>EXPENSES</b>									
Salaries and benefits	57,784	80,523	109,043	965	1,757	67,903	16,532	<b>334,507</b>	<b>313,854</b>
Materials	18,893	3,048	32,813	39	343	13,216	1,482	<b>69,834</b>	<b>60,189</b>
Contracted services	19,903	17,932	36,497	1,875	284	18,032	2,347	<b>96,870</b>	<b>85,471</b>
Rents and financial expenses	10,750	273	1,181	-	9	407	75	<b>12,695</b>	<b>9,814</b>
Government transfers	(55,327)	7,565	18,033	409	577	26,942	2,936	<b>1,135</b>	<b>1,046</b>
Amortization	7,040	5,827	60,027	12,501	781	28,539	3,684	<b>118,399</b>	<b>105,189</b>
Other	-	31	10	-	-	152	-	<b>193</b>	<b>533</b>
<b>Total Expenses</b>	<b>59,043</b>	<b>115,199</b>	<b>257,604</b>	<b>15,789</b>	<b>3,751</b>	<b>155,191</b>	<b>27,056</b>	<b>633,633</b>	<b>576,096</b>
<b>Annual Surplus(Deficit)</b>	<b>\$342,254</b>	<b>(65,313)</b>	<b>(9,380)</b>	<b>(15,789)</b>	<b>(2,819)</b>	<b>(103,644)</b>	<b>(20,350)</b>	<b>124,959</b>	<b>77,932</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, 2014**

# 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, 2014, 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, 2014, and its results of operations and fund balances for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

June 3, 2015  
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, 2014, with comparative figures for 2013**

## 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	2014 Total	2013 Total
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### ASSETS

Cash	\$675,922	\$28,249,549	\$303,114	\$51,369	\$29,279,954	\$29,592,778
Accounts receivable	792	3,089	322	54	4,257	3,995
Subtotal	676,714	28,252,638	303,436	51,423	29,284,211	29,596,773

#### Investments, at cost (market - \$266,898 2013 - \$438,397):

Municipal bonds	257,544	-	-	-	257,544	422,470
Subtotal	257,544	-	-	-	257,544	422,470
<b>Total Financial Assets</b>	<b>934,258</b>	<b>28,252,638</b>	<b>303,436</b>	<b>51,423</b>	<b>29,541,755</b>	<b>30,019,243</b>

### LIABILITIES

Due to City Revenue Fund	1,754	9,507	-	-	11,261	40,031
<b>Total Liabilities</b>	<b>1,754</b>	<b>9,507</b>	<b>-</b>	<b>-</b>	<b>11,261</b>	<b>40,031</b>

<b>Net Financial Resources</b>	<b>\$932,503</b>	<b>\$28,243,131</b>	<b>\$303,436</b>	<b>\$51,423</b>	<b>\$29,530,494</b>	<b>\$29,979,212</b>
<b>Fund Balances</b>	<b>\$932,503</b>	<b>\$28,243,131</b>	<b>\$303,436</b>	<b>\$51,423</b>	<b>\$29,530,494</b>	<b>\$29,979,212</b>

See accompanying notes to financial statements.

# Statement of Financial Activities and Changes in Fund Balances

**TRUST FUNDS — Year Ended December 31, 2014, with comparative figures for 2013**

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	2014 Total	2013 Total
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## REVENUE

Monuments and markers deposits	\$2,150	\$-	\$-	\$-	\$2,150	\$1,550
Perpetual care deposits	5,164	-	-	-	5,164	5,885
Other deposits - Trusts	-	2,000	-	-	2,000	12,000
Gain on sale of investments	74	-	-	-	74	-
Performance deposits received	-	7,572,219	-	-	7,572,219	4,375,639
Subtotal	7,388	7,574,219	-	-	7,581,607	4,395,074
Interest Income	25,673	20,550	4,163	638	51,025	58,245
<b>Total Revenues</b>	<b>33,061</b>	<b>7,594,769</b>	<b>4,163</b>	<b>638</b>	<b>7,632,632</b>	<b>4,453,319</b>

## EXPENDITURES

Transfers to The Corporation of the City of Brampton (the "City") Revenue Fund:						
Maintenance contribution	22,234	-	-	-	22,234	24,600
Interest transfer	-	20,550	-	-	20,550	29,267
Administration charges	3,439	-	-	-	3,439	31
Subtotal	25,673	20,550	-	-	46,223	53,898
Return of performance deposits	-	6,813,387	-	-	6,813,387	6,273,405
Payments on behalf of developers	-	1,221,740	-	-	1,221,740	121,236
<b>Total Expenditures</b>	<b>25,673</b>	<b>8,055,677</b>	<b>-</b>	<b>-</b>	<b>8,081,350</b>	<b>6,448,539</b>

Increase(decrease) in net financial resources	7,388	(460,908)	4,163	638	(448,718)	(1,995,220)
Fund balances, beginning of year	925,115	28,704,039	299,273	50,785	29,979,212	31,974,432
<b>Fund Balances, end of year</b>	<b>\$932,503</b>	<b>\$28,243,131</b>	<b>\$303,436</b>	<b>\$51,423</b>	<b>\$29,530,494</b>	<b>\$29,979,212</b>

See accompanying notes to financial statements.

# Notes to Financial Statements

Year ended December 31, 2014

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

## 1. Significant Accounting Policies:

### Revenue recognition:

(a) Receipts, other than interest and letters of credit receipts, are reported on receipt. Interest income and letters of credit receipts are recorded on the accrual basis of accounting.

(b) Returns of performance deposits are reported in the periods in which they are paid either directly by the Trust Funds or through The Corporation of the City of Brampton (the "City") funds. All other expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes expenses as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) Investments, including any term deposits not available on demand, are reported at the lower of amortized cost and market value.

## 2. Cemeteries Care and Maintenance Trust Funds:

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

## 3. Developers' Performance Deposits Trust:

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

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

## 4. Developer Front End Financing Trust Fund:

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

## 5. Brampton 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, 2014**

# 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.)

	2014	2013	2012	2011	2010
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Population	571,700	557,800	540,145	523,911	504,600
Households	160,710	156,403	152,837	149,016	143,414
Areas in hectares	27,138	27,138	27,138	27,138	27,138
Full-time employees	2,872	2,819	2,658	2,593	2,521
Housing starts	4,366	2,714	5,372	3,352	3,416
Building permit values	2,260,649	1,210,568	2,458,744	1,435,352	1,268,876

## Taxable Assessment upon which Tax Rates were Set

Residential and farm	\$59,324,796	\$57,602,952	\$45,778,991	\$44,466,430	\$43,416,203
Commercial and industrial	13,035,512	12,870,830	11,442,405	11,221,581	10,945,599
<b>Total</b>	<b>\$72,360,308</b>	<b>\$70,473,782</b>	<b>\$57,221,396</b>	<b>\$55,688,011</b>	<b>\$54,361,802</b>
Total per capita	126,570	126,342	105,937	106,293	107,732

## Tax Rates/Mill Rates (Urban Area)

RESIDENTIAL					
City purposes	0.492340%	0.499550%	0.481609%	0.476934%	0.476736%
Region purposes	0.430992%	0.444781%	0.459138%	0.473900%	0.484531%
School board purposes	0.203000%	0.212000%	0.221000%	0.231000%	0.241000%
<b>Total</b>	<b>1.126332%</b>	<b>1.156331%</b>	<b>1.161747%</b>	<b>1.181834%</b>	<b>1.202267%</b>

COMMERCIAL					
City purposes	0.638614%	0.647966%	0.624695%	0.618631%	0.618374%
Region purposes	0.559040%	0.576926%	0.595548%	0.614695%	0.628486%
School board purposes	1.107083%	1.147477%	1.177386%	1.253034%	1.339544%
<b>Total</b>	<b>2.304737%</b>	<b>2.372369%</b>	<b>2.397629%</b>	<b>2.486360%</b>	<b>2.586404%</b>

INDUSTRIAL					
City purposes	0.723740%	0.734338%	0.707965%	0.701093%	0.700802%
Region purposes	0.633558%	0.653828%	0.674933%	0.696632%	0.712261%
School board purposes	1.361148%	1.399256%	1.421817%	1.499357%	1.585675%
<b>Total</b>	<b>2.718446%</b>	<b>2.787422%</b>	<b>2.804715%</b>	<b>2.897082%</b>	<b>2.998738%</b>

	2014	2013	2012	2011	2010
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TAXES RECEIVABLE, END OF THE YEAR					
Amount	\$57,768	\$53,493	\$51,818	\$58,278	\$50,622
Per capita	\$101	\$96	\$96	\$111	\$100
Percentage of years' levy	6.18%	5.97%	6.12%	7.19%	6.49%

NET LONG-TERM LIABILITIES, END OF YEAR					
Amount	\$92,967	-	-	-	-
Per Capita	\$163	-	-	-	-

CHARGES FOR NET LONG-TERM LIABILITIES					
Amount	\$2,948	-	-	-	-
Per capita	\$5	-	-	-	-

DEBT REPAYMENT LIMIT (as determined by the Province of Ontario)					
	\$101,068	\$111,795	\$102,527	\$94,913	\$160,443

# 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.)

	2014	2013	2012	2011	2010
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<b>TAXES COLLECTED</b>					
City collection	\$362,325	\$342,132	\$308,949	\$285,549	\$268,345
Taxes transferred to the region	315,094	302,695	292,146	281,703	270,706
Taxes transferred to the school boards	257,647	250,592	246,041	243,813	240,504
<b>Total</b>	<b>\$935,066</b>	<b>\$895,419</b>	<b>\$847,136</b>	<b>\$811,065</b>	<b>\$779,555</b>

<b>TAX LEVIES</b>					
City purposes	\$359,899	\$339,723	\$305,844	\$283,457	\$266,211
Region purposes	314,854	302,443	291,442	281,662	270,616
School board purposes	257,647	250,592	246,042	243,813	240,504
<b>Total</b>	<b>\$932,400</b>	<b>\$892,758</b>	<b>\$843,328</b>	<b>\$808,932</b>	<b>\$777,331</b>

<b>Trust Funds Balance End of year</b>	<b>\$29,530</b>	<b>\$29,979</b>	<b>\$31,974</b>	<b>\$30,523</b>	<b>\$39,548</b>
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<b>CONTRIBUTION FROM DEVELOPERS AND OTHER OBLIGATORY RESERVES</b>					
Development charges	\$119,859	\$81,551	\$157,824	\$91,560	\$80,453
Gas tax - Province	11,837	8,710	8,144	7,740	7,647
Gas tax - Federal	28,117	24,352	24,352	24,352	24,352
Other obligatory reserves	13,772	25,021	19,700	1,254	8,305
<b>Total</b>	<b>\$173,585</b>	<b>\$139,634</b>	<b>\$210,020</b>	<b>\$124,906</b>	<b>\$120,757</b>

<b>DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS</b>					
Development charges	\$88,190	\$60,718	\$59,885	\$11,859	\$585
Gas tax - Province	3,572	1,559	1,110	681	1,239
Gas tax - Federal	56,674	31,227	22,532	28,851	15,003
Other obligatory reserves	157,014	136,064	111,414	116,704	88,904
<b>Total</b>	<b>\$305,450</b>	<b>\$229,568</b>	<b>\$194,941</b>	<b>\$158,095</b>	<b>\$105,731</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.)

	2014	2013	2012	2011	2010
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## CONSOLIDATED REVENUES BY SOURCE

Property taxation	\$359,644	\$339,523	\$305,644	\$283,457	\$266,211
Taxation from other governments	2,681	2,611	3,305	2,092	2,134
User charges	111,357	101,023	107,411	93,057	81,566
Government grants	26,509	7,130	24,315	29,095	26,708
Development levies earned and other restricted capital contributions	97,344	102,824	173,685	73,073	171,131
Investment income	9,655	8,287	7,296	9,292	6,749
Penalties, fines and interest	21,259	20,750	19,551	19,850	18,883
Interest earned on reserves	8,021	7,480	8,373	6,756	11,618
Developer contributed tangible capital assets	115,410	59,995	80,861	43,492	94,807
Other	6,712	4,405	2,553	5,040	2,802
<b>Total</b>	<b>\$758,592</b>	<b>\$654,028</b>	<b>\$732,994</b>	<b>\$565,205</b>	<b>\$682,608</b>

## CONSOLIDATED EXPENSES BY FUNCTION

General government	\$52,003	\$38,266	\$40,511	\$32,232	\$32,160
Protection to persons and property	109,341	91,578	85,234	78,986	66,399
Transportation services	197,567	183,695	172,319	155,719	137,052
Environment services	3,288	2,173	2,500	4,146	3,299
Health services (cemeteries)	571	685	635	661	597
Social and family services	2,399	2,325	2,257	2,170	1,850
Recreation and cultural services	126,500	128,166	120,261	116,832	111,142
Planning and development	23,372	23,486	21,383	20,171	27,752
Amortization expense	118,399	105,189	101,373	94,167	78,279
Other	193	533	3,703	206	290
<b>Total</b>	<b>\$633,633</b>	<b>\$576,096</b>	<b>\$550,176</b>	<b>\$505,289</b>	<b>\$458,818</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.)

	2014	2013	2012	2011	2010
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## CONSOLIDATED EXPENSES BY OBJECT

Salaries, wages and employee benefits	\$334,507	\$313,854	\$295,364	\$276,318	\$255,659
Long-term debt payments	2,948	-	-	-	-
Goods and services	177,586	156,520	149,736	134,599	124,590
Amortization	118,399	105,189	101,373	94,167	78,279
Other	193	533	3,703	206	290
<b>Total</b>	<b>\$633,633</b>	<b>\$576,096</b>	<b>\$550,176</b>	<b>\$505,289</b>	<b>\$458,818</b>

ACCUMULATED SURPLUS, BEGINNING OF YEAR	\$3,663,308	\$3,585,376	\$3,402,558	\$3,342,642	\$3,118,852
RESTATEMENT, TANGIBLE CAPITAL ASSETS (Note 2)	-	-	-	-	-
ANNUAL SURPLUS	124,959	77,932	182,818	59,916	223,790
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$3,788,267</b>	<b>\$3,663,308</b>	<b>\$3,585,376</b>	<b>\$3,402,558</b>	<b>\$3,342,642</b>

TOTAL FINANCIAL ASSETS	\$994,172	\$916,510	\$829,980	\$738,865	\$735,836
TOTAL FINANCIAL LIABILITIES	592,059	416,271	349,672	308,425	253,020
NET FINANCIAL ASSETS	\$402,113	\$500,239	\$480,308	\$430,440	\$482,816

# 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.)

	2014	2013	2012	2011	2010
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<b>TANGIBLE CAPITAL ASSET NET BOOK VALUE</b>					
Land	\$1,608,632	\$1,603,576	\$1,595,418	\$1,594,558	\$1,586,181
Asset under capital lease	91,942	-	-	-	-
Buildings and building improvements	395,169	384,284	369,384	364,859	295,172
Furniture, computer and office equipment	44,955	47,313	49,098	46,581	27,126
Infrastructure	986,006	868,442	812,788	726,759	630,335
Land improvements	48,039	49,162	44,833	37,483	26,551
Vehicles and machinery	132,904	125,689	134,772	107,497	91,865
Assets under construction	72,940	80,145	94,646	90,728	199,086
<b>Total</b>	<b>\$3,380,587</b>	<b>\$3,158,611</b>	<b>\$3,100,939</b>	<b>\$2,968,464</b>	<b>\$2,856,317</b>

<b>TANGIBLE CAPITAL ASSET COST</b>					
Assets, beginning of year	\$4,319,366	\$4,162,546	\$3,939,483	\$3,737,541	\$3,445,865
Additions	484,232	284,015	390,786	477,478	391,693
Disposals and transfers	(148,261)	(127,195)	(167,723)	(275,537)	(100,017)
<b>Assets, end of year</b>	<b>\$4,655,337</b>	<b>\$4,319,366</b>	<b>\$4,162,546</b>	<b>\$3,939,483</b>	<b>\$3,737,541</b>

<b>TANGIBLE CAPITAL ASSET AMORTIZATION</b>					
Accumulated amortization, beginning of year	\$1,160,755	\$1,061,607	\$971,018	\$881,224	\$805,436
Current year expense	118,399	105,189	101,371	94,888	78,279
Accumulated amortization on disposals	(4,404)	(6,041)	(10,782)	(5,094)	(2,491)
<b>Accumulated Amortization, end of year</b>	<b>\$1,274,750</b>	<b>\$1,160,755</b>	<b>\$1,061,607</b>	<b>\$971,018</b>	<b>\$881,224</b>

<b>TANGIBLE CAPITAL ASSET NET BOOK VALUE</b>	<b>\$3,380,587</b>	<b>\$3,158,611</b>	<b>\$3,100,939</b>	<b>\$2,968,464</b>	<b>\$2,856,317</b>
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# 10 Largest Corporate Property Taxpayers in Brampton - 2014

Rank	Owner	Assessment Value \$
1	MORGARD CORPORATION	476,500,000
2	ORLANDO CORPORATION	261,246,843
3	1388688 ONTARIO LIMITED	186,439,288
4	RIOTRIN PROPERTIES (BRAMPTON)	169,663,843
5	INDUSTRIAL 5000 REAL ESTATE	151,118,500
6	CP REIT ONTARIO PROPERTIES L	149,756,170
7	INVESTORS GROUP TRUST CO LTD	127,650,172
8	AIRPORT 407 BUSINESS CAMPUS	121,031,500
9	CONCERT REAL ESTATE CORPORAT	118,798,001
10	DAIMLERCHRYSLER CANADA INC	117,964,724
<b>Top Ten - Assessment Total</b>		<b>1,880,169,041</b>
	% of Total Industrial and Commercial Assessment	15.35%
	% of Total	2.89%

Total Residential Assessment	52,760,907,109
Total Industrial and Commercial Assessment	12,251,084,217
<b>Total</b>	<b>65,011,991,326</b>