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This report was produced by The Corporation of the City of Brampton's Financial and Information Services and Economic Development and Communications Departments

THE CORPORATION OF THE CITY OF BRAMPTON, ONTARIO, CANADA,  
ANNUAL REPORT 2010



SUSAN FENNELL

# MAYOR'S MESSAGE

2010 was a year of progress and innovation at the City of Brampton.

Coming out of the worldwide economic recession, we knew that Brampton's traditional economic landscape – historically anchored by a robust manufacturing sector – had to evolve in order to ensure our city's future prosperity. That's why, in 2010, we set forward with a comprehensive plan to develop a more flexible and sustainable "creative economy" within Brampton over the coming years.

According to Canada's Institute for Competitiveness & Prosperity, a creative economy is driven by ideas, innovation, knowledge, collaboration and creativity, and includes a wide range of occupations across all industries, such as healthcare, business, finance, technology, and education. At its core, it's a shift toward "creativity-oriented" or "knowledge-based" occupations, in order to move the local economy from traditional to information-age industries. And, this is what Canadian cities should be fostering if they want to remain competitive in a global economy.

As it stands, 30 per cent of all jobs in Ontario are considered "creativity-oriented" and, staggeringly, these jobs make up nearly half of all the wages in the province. What that means is creative jobs are both high-quality and high-paying, and that's why, in 2010, the City of Brampton committed to going after them as a way to secure our city's economic future. In fact, our vision is that, by 2016, the creative economy, through heritage, arts, culture and entertainment industries, will be a leading contributor to the economic vitality and image of downtown Brampton as the creative centre of the city.

As we laid the plans for our economic evolution this past year, we also celebrated a number of important milestones. In 2010, we launched Züm, Brampton's new Bus Rapid Transit service, along our central commercial corridor. Since launch, Brampton Transit's overall ridership is up by more than 12 per cent, growing by four times the national average. In total, 13.8 million riders used Brampton Transit in 2010, an increase of more than 1.5 million riders from the previous year.

Following a series of extraordinary partnerships with the federal and provincial governments, the City of Brampton also continued to work on a number of key infrastructure projects in 2010. Totaling more than \$60 million, these projects include the revitalization of Brampton's signature 103-acre Donald M. Gordon Chinguacousy Park, the refurbishment of nine community and recreation centres across the city, and the development of the Mount Pleasant Mobility Hub in northwest Brampton, a landmark project combining sustainable housing development with pedestrian and transit-friendly amenities.

Looking at the key economic indicators over the past year, Brampton's economy showed steady improvement in 2010, over 2009 levels. 274 new businesses employing 1,174 new workers were created in Brampton over the past year, helping to reduce Peel Region's unemployment rate to 7.8 per cent, from 10.4 per cent in 2009.

Finally, the City of Brampton was again awarded Standard & Poor's Triple 'A' credit rating in 2010, which is a testament to our prudent financial management and solid economic position. What this means is that our economic strategies are solid, our plans are successful, and Brampton continues to be a city that allows and, in fact, encourages businesses to thrive.

As cities continue to become the world's strongest economic drivers, it's clear that more emphasis must be put on strategically developing urban centres that are both economically viable and environmentally, culturally and socially sustainable. This knowledge will continue to shape our thinking at the City of Brampton, as we strive to develop the kinds of innovative policies and practices that will secure our position as one of Canada's most prosperous communities.

HERITAGE TOURISM VISION  
CITYSCAPE ECONOMY  
ARTS CULTURE  
DIVERSITY  
CULTURE DIVERSITY



(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) (ENVIRONMENT HERITAGE VISION)  
**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  
**and John Hutton,**  
City Councillor, Wards 2 & 6



DEBORAH DUBENOFSKY

# CITY MANAGER'S MESSAGE

At the City of Brampton, we take great pride in our culture of excellence and innovation. Here, our neighbourhoods are built and maintained with residents in mind, services are designed to meet the needs of a diverse population and businesses find a welcoming home.

Municipalities across Canada face the challenge of balancing their annual budgets and meeting the needs of the community. In Brampton, these challenges are multiplied as our city has been designated a high-growth community by the Province of Ontario. Our goal is to ensure that the City provides services, programs and facilities that not only meet the needs of the community, but are provided in a fiscally responsible manner.

In 2010, continuing on the path of recovery and growth, we had to do more with less. We had to be creative. We had to re-focus. Resourcefulness, innovation and ingenuity from our City staff helped us achieve our goals.

We've worked to make our processes leaner and more efficient, while preserving our focus on customer service. I am very proud of our new, revamped external web portal. This new portal has been completely redesigned to provide an enhanced customer service experience for all visitors to the site. It is more interactive than ever before. More than 25 "Contact Us" forms are now available on the site that allow the public to offer comments and make inquiries more easily, while the receiving department can track, route and respond in a timely manner.

With the completion of all the projects funded by the Infrastructure Stimulus Funding and the Recreational Infrastructure Canada program in 2011, our residents will have new and enhanced facilities that contribute towards a great quality of life. An interactive mapping system on our new website will allow users to explore Brampton's projects, road closures, snow routes, parks and community centres, and provide easy access to all our services.

The launch of Züm marks an incredibly important milestone for both Brampton Transit and the City of Brampton. City Council made it a priority to deliver a modern, reliable and environment-friendly bus rapid transit system to the people of Brampton, on time and on budget. And we did.

And there are even more success stories. Registrations for programs offered at our recreation and community centres were up by more than 10 per cent, while community events continued to flourish. We also successfully campaigned to host the Art of Jazz Global Jazz Village and the International Indian Film Academy Awards Buzz festival; implemented an online parking ticket payment system; developed a Pedestrian Safety Plan; completed a road resurfacing program for 60 city streets and nine major road-widening projects; reduced carbon emissions by 3,800 tonnes by using our green fleet; and expanded Brampton Public Library hours of operation and re-opened the newly renovated Cyril Clark Branch. These are only some of our achievements in 2010.

As we continue to look beyond the present, City staff remains ever cognizant of providing the best customer service possible while providing enhanced public safety, expanded infrastructure, and new facilities. Integral to our success is the participation of our residents in taking on active roles in community activities and civic affairs. We encourage everyone to attend public meetings and City events.

From culture to art, entertainment to sports, and communities to businesses, Brampton is a dynamic city, conducive to business success and committed to the families who call it home. Look around and you'll agree that Brampton is a great place in which to live, work and play.



HERITAGE TOURISM VISION

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# ENVIRONMENT



The City of Brampton recognizes that it is people who are drivers of global environmental change and an integral part of any solution for a sustainable future. Institutions, organizations, governance mechanisms and the local community together help ensure an integrated environment management system.

Nourishing the environment as the city landscape evolves, the Flower City of Canada offers more than 6,000 acres of parks and green space and 120 kilometres of city-wide trails and pathways. Brampton Transit's Bike & Ride program provides a seamless integration for those looking for a sustainable way of getting around the city.

The Claireville Conservation Area, a 2,100-acre property, is a mosaic of natural creeks, woodlands, wetlands and meadows that supports the regional ecosystem. Having this area declared as an urban forest is a giant step towards the renewal of Claireville's ecological health, diversity and sustainability.





Building innovative partnerships at the grassroots level such as elementary schools; forming key relationships with the regional conservation authorities; retrofitting our City properties; and maintaining a clean, green corporate and transit fleet, Brampton continues to set new benchmarks for environmental stewardship.



# COMMUNITY



A community of people from more than 175 distinct ethnic backgrounds, speaking 70 different languages, Brampton takes great pride in its diversity. The annual Flower City Parade and Farmers' Market; Brampton Day and New Year's Eve; and Shakespeare in the Square and Movies under the Stars are all great events that celebrate our community and attract thousands of residents.

Our Multilingual Services is just another way of communicating and interacting with citizens to establish a foundation of mutual respect, trust and cooperation to create value and opportunity. And strengthening the spiritual and social fabric of our city is the historic Places of Worship Policy that assists our city's diverse faith communities to grow and build community life.



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ARTS CREATIVITY DIVERSITY



Being chosen as host city for the 2012 Ontario Senior Games Actifest is a reaffirmation of Brampton's commitment towards superior service for all – residents young and old and visitors from all walks of life. There is something for everyone in this city.



# INFRASTRUCTURE



Innovative urban planning is the City of Brampton's key strategy in building a sustainable city. The historical "Four Corners" of the 1820s has been revitalized into a vibrant, thriving downtown area. Strategically planning growth areas with open spaces and pedestrian-friendly communities such as the Mount Pleasant development project, and building smart transportation corridors for Züm, Brampton's Bus Rapid Transit, are steps to nurturing a rapidly growing urban community.

State-of-the-art community centres, the Rose Theatre Brampton and more than 400 heritage properties inspire both residents and visitors alike. By stimulating the creative economy through our Heritage, Arts, Culture and Entertainment (HACE) Committee, the City is paving a strategic way to economic vitality and diversity.

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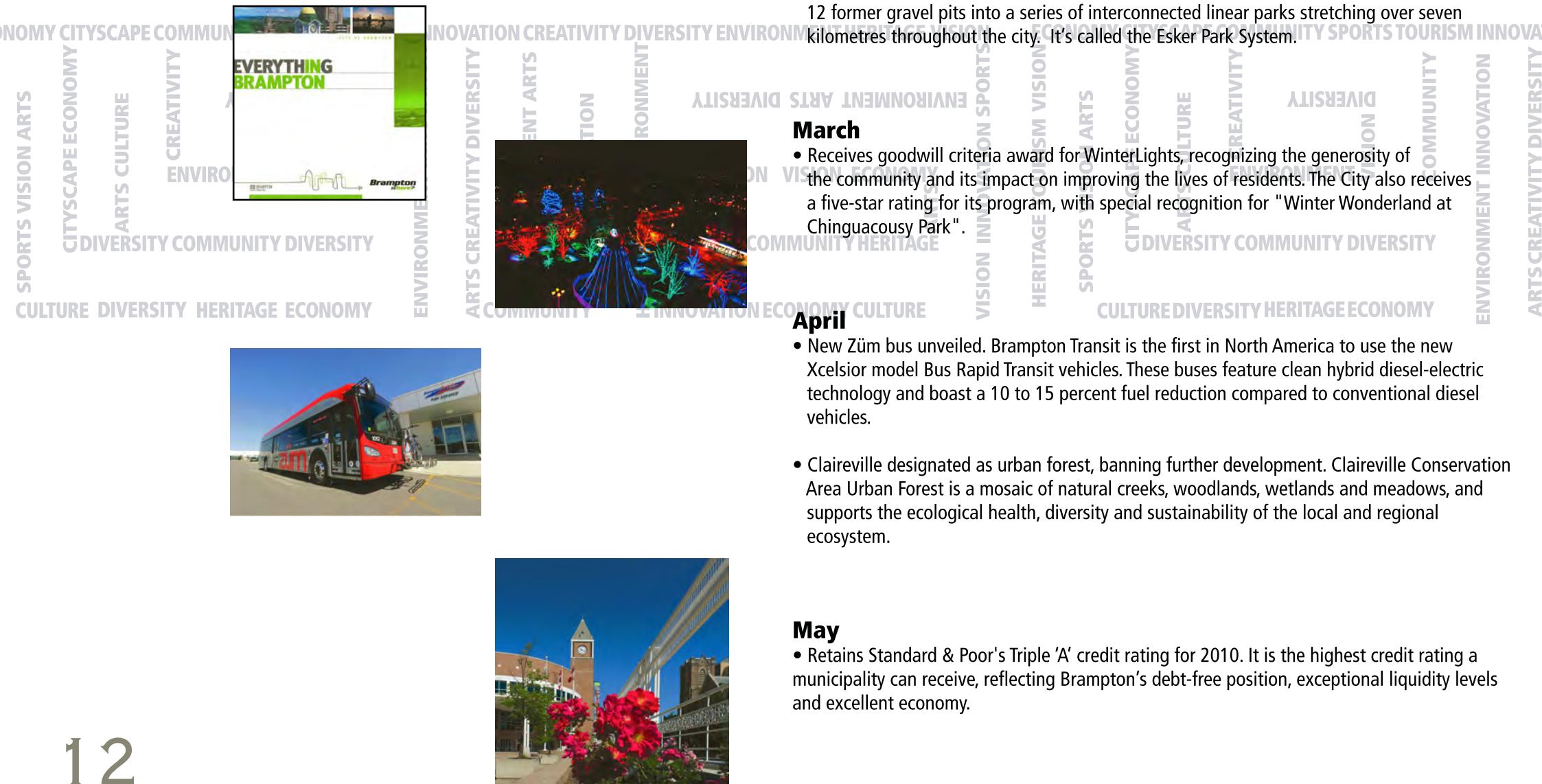
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With the City continuing to enjoy a Standard & Poor's Triple 'A' credit rating year after year, Brampton has what it takes to compete with the best cities in the world.



# MILESTONES



## **June**

- Historic Places of Worship Policy adopted by Council, offering greater flexibility in the acquisition of reserve sites for faith groups. The policy permits places of worship in more locations across the city, including residential, commercial, business and specific industrial zones.



ENVIRONMENT ARTS CREATIVITY DIVERSITY ENVIRONMENT HERITAGE VISION

## **July**

- Chosen as event host for 2012 Ontario Senior Games Actifest by the Sport Alliance of Ontario and the Ontario Senior Games Association. The Games will take place August 14-16, 2012, and more than 1,200 athletes, coaches and officials are expected to participate.



ECONOMY CITYSCAPE COMMUNITY SPORTS TOURISM INNOVATION CREATIVITY DIVERSITY ENVIRONMENT HERITAGE VISION

## **September**

- Hosts National FireFit Championships. Called the toughest two minutes in sport, the four-day competitive event features a challenging course that requires firefighters to use the skills and strength they employ when responding to an emergency.
- Züm, Brampton's first bus rapid transit (BRT) service, launched along with the official opening of the new Brampton Transit Bramalea Terminal. Züm provides commuters in Brampton and the Greater Toronto Area with a more efficient transit option, while cutting commute times and taking more cars off the road.



## **December**

- Receives 2010 Gold Medal Distinction Award for its Citizen Services Platform at the GTEC 2010 national technology conference in Ottawa. The award was in the Municipal Category for Service Delivery to Citizens and Businesses and recognizes innovation, excellence and leadership in service delivery in Canada's public sector.

# CITY OF BRAMPTON CORPORATE ORGANIZATIONAL CHART



# FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

The Corporation of the City of Brampton   Province of Ontario



# MESSAGE FROM THE COMMISSIONER OF FINANCE AND TREASURER



I am pleased to present the Financial Report for the City of Brampton for the 2010 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 City's programs and services.

## Financial Statements

This is the second year the financial statements have been prepared in compliance with the new reporting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. These new standards significantly change the manner and extent of information Canadian municipalities provide in their financial statements.

It also should be noted that these new financial reporting standards do not change the City's budget process, how the tax levy is calculated, or how funding decisions are made by Council. Some of the key changes that took place starting in 2009 and reflected in the 2010 financial statements include:

- Tangible capital assets are reported as assets in the Consolidated Statements of Financial Position (Balance Sheet). Amortization (depreciation) of assets consumed for the purposes of providing City services are reported in the Consolidated Statements of Operations and Accumulated Surplus.
- Developer-contributed assets recognized during the year are reported as revenues in the Consolidated Statement of Operations.
- Some terminologies used in pre-2009 financial reporting have been replaced. For example, "Fund Balance" has been replaced by "Accumulated Surplus". Accumulated Surplus represents the City's equity (similar to retained earnings in the private sector). Fund balances are available to fulfill current or future financial commitments, whereas a large portion of the accumulated surplus represents the net book value of tangible capital assets. Accumulated surplus consists of individual fund surpluses, including funds committed for capital projects, reserves and reserve funds. Hence the term "accumulated surplus" in the financial statements has a much different meaning than the terms "surplus" or "deficit" used

in describing the City's performance as it relates to the annual budget for tax levy purposes.

With municipalities adopting these new PSAB standards, municipal financial statements are moving closer to those of the private sector. Also, with the new reporting requirements, tangible capital assets, which are critical to a municipality's ability to deliver municipal services, are now reported on a consistent basis by municipalities. This, in turn, enables all levels of government to track the nature and extent of investment in municipal infrastructure across the country.

## Overview of Economic Climate and Financial Strategies

Municipalities across Canada continue to face the challenge of balancing their annual budgets, particularly in the current economic climate. Likewise, these challenges continue to be heightened in Brampton since it is a provincially designated high-growth community and is striving to respond to increased service demands while maintaining service levels.

Some of the key economic indicators in Brampton are:

- Population of 504,600 in 2010 (497,680 in 2009) that is expected to be in excess of 510,000 in 2011.
- The Region of Peel unemployment rate decreased to 7.8 per cent in 2010 (10.4 per cent in 2009.). The rate has declined slightly to 7.6 cent as of April 2011.
- Total construction values increased by 146 per cent to \$1.47 billion in 2010 from \$598 million in 2009.
- Housing permits issued increased by 179 per cent to 3,515 in 2010 from 1,260 in 2009.

While these indicators show that the Brampton economy is making a strong recovery, Brampton's City Council continues to recognize the need to insulate taxpayers to the extent possible in this global climate of economic uncertainty. To this end, the City has implemented prudent fiscal management and growth management policies to ensure that growth is managed effectively as it continues to focus on programs and services to meet the expectations of the citizens of this growing city. These fiscal

# MESSAGE FROM THE COMMISSIONER OF FINANCE AND TREASURER

policies balance the need to provide infrastructure for a growing city with the timely provision of quality services for its citizens.

Brampton is also committed to maintaining its existing infrastructure base in a state of good repair. Therefore, the City continues to devote considerable time and effort to longer-term financial planning, including strategic use of reserve funds, identifying new revenue sources and exercising the option of introducing a tax levy for infrastructure. Furthermore, while effectively leveraging the use of Federal and Provincial financial support, the Mayor and City Council continue to advocate on behalf of the Brampton taxpayer for additional government financial support for infrastructure funding at the Federation of Canadian Municipalities to reduce the significant strain on the City's finances and revenue streams.

In March 2010, the City received welcome news from the Association of Municipalities of Ontario that the Federal government had made the Federal Gas Tax Fund permanent, and the 2011 Federal budget announcement indicated that the permanency will be confirmed by legislation. Under the terms of the current agreement, Brampton is receiving over \$24 million annually for the four-year period from 2010 through to 2014 to fund various future public transit capital projects and other eligible capital programs. (This includes the portion of the Region of Peel's Gas Tax revenue reallocated to the local communities.) The Federal Gas Tax Fund is now providing significant flexibility for municipalities to invest in infrastructure priorities not only in transit-related programs, but also including roads and bridges, water and waste water systems, community energy, waste management and capacity-building, many of which are Brampton concerns. Permanency of the program will assist the City's long-term planning for infrastructure maintenance.

Also in 2010, the City continued to complete projects financed by funding partnerships with the Federal and Provincial Governments through two distinct capital funding programs. The Infrastructure Stimulus Funding (ISF) program has provided funding for the development of the Mount Pleasant Mobility Hub and the Donald M. Gordon Chinguacousy Park renewal project. The Recreational Infrastructure Canada (RInC) program has provided funding for the renewal and upgrading of existing recreation facilities in the City of Brampton. Capital works under both of these programs are well underway and it is expected all projects will be completed in 2011.

## Financial Management Policies

The City of Brampton has established a number of financial management policies which, along with proactive financial planning processes, provide a framework for the City's overall fiscal planning and management. The City of Brampton continues to display financial accountability through financial performance reporting and analysis reflected in continuous reporting to the Provincial Ministry of Municipal Affairs and Housing on financial results, as well as efficiency and effectiveness of municipal programs and services.

The strength of the City's financial policies and its solid financial position is reinforced by the fact that the Brampton continues to enjoy a Standard & Poor's Triple 'A' rating, the highest credit rating a municipality can receive.

## Budget Process

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

The initial stages in the process involve:

1. Review of the current year's actual and projected financial performance and operating results.
2. Determination of priorities for maintaining and improving service levels and accommodating rapid growth. These priorities are set out in the City's service plans that translate key departmental initiatives into specific action plans and funding requirements.
3. Review of the City's long-term financial outlook 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 2010 budget process.

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

## Audit Committee

The Audit Committee comprises four City Council members, who are 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.

## External Audit

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

The audit of the 2010 fiscal year resulted in KPMG LLP issuing an unqualified audit opinion, meaning that in the opinion of the Auditor, the City's financial statements present fairly the financial position of the Corporation of the City of Brampton as at December 31, 2010 and results of its operations and its cash flows for the year then ended. The receipt of an unqualified audit opinion from the City's auditors is consistent with all prior fiscal years.

# MESSAGE FROM THE COMMISSIONER OF FINANCE AND TREASURER

## Financial Highlights

The City of Brampton's accumulated surplus increased from \$3.1 billion at the end of 2009 to \$3.3 billion at the end of 2010, primarily due to the increased investment in the City's tangible capital assets. Net financial assets, an indicator of the City's solid financial position (measured by excess of financial assets over financial liabilities), increased by \$9 million from \$474 million in 2009 to \$483 million in 2010. This increase is attributable to the City's continued commitment to invest in capital infrastructure to support current City services and future growth.

## Revenues:

Total revenues reported in 2010 were \$33.3 million higher than 2009. Major factors contributing to this increase include:

- Tax revenues increased by \$16.0 million due to growth in the City's overall assessment base and the budgeted tax rate increase for 2010.
- User charges increased by \$11.8 million, which included a \$6.8 million increase in building permit revenues and a \$4.3 million increase in Brampton Transit revenues due to the launch of Züm rapid transit bus service on Queen Street in September 2010. Brampton Transit increased its revenue service hours by 50,000 hours in 2010 over 2009.
- Government grants increased by \$21 million including \$12.8 million from the Federal and Provincial governments for the Infrastructure Stimulus Fund and Recreational Infrastructure Canada programs, an increase of \$6.8 million in Federal grants over 2009 for the Züm Transit initiative and a \$0.5 million grant for transit fare boxes.

These increases in revenues were offset by an \$18.8 million reduction in interest income due to lower investment returns experienced as a result of the continued weakness of global financial markets.

## Expenses:

Total operating expenses of \$458.8 million (2009 in \$421.8 million) increased by \$37 million. \$20.1 million 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 \$171 million in new tangible capital assets that were added during 2010. Amortization expenses are non-cash in nature meaning that there was no outlay of cash resources related to the expense.

The remaining \$16.9 million in increased expenses represents a 4.7% increase in non amortization expenses, which is in line with the budgeted increase in expenses for 2010. Factors contributing to increased operating expenses include:

- Introduction of Züm (Transit)
- Maintenance of growing City infrastructure
- Increased facility operating costs
- Fire Station 212 (staffing)
- Compensation adjustments

## Reserve Funds

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

As at December 31, 2010, the City of Brampton's Reserves and Reserve Fund Balances totalled \$224.5 million as compared to \$252.6 million in 2009, representing a decrease of \$28.1 million or 11.1 per cent. 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 taxes, Provincial and Federal transfer payments, development charges and other contributions from developers for future growth related capital works. These deferred revenues totalled \$105.7 million as at December 31, 2010 as compared to \$155.7 million in 2009, a decrease of \$50.0 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 the City is well positioned to meet its long-term financial commitments and take advantage of financial opportunities that may arise.

## Final Comments

During 2010, for the ninth 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 2009 Annual Report.

The City of Brampton's 2010 achievements outlined in this Annual Report are a direct result of the leadership provided by City Council and the support and dedication of staff.

Going forward, the City will continue to be faced with a number of opportunities and challenges, especially in the current global economic climate, including growth management, infrastructure maintenance and environmental stewardship. To sustain high quality services to Brampton citizens, the City will continue to focus on strategic financial management, as well as advocate to the other levels of government for an equitable level of financial support.

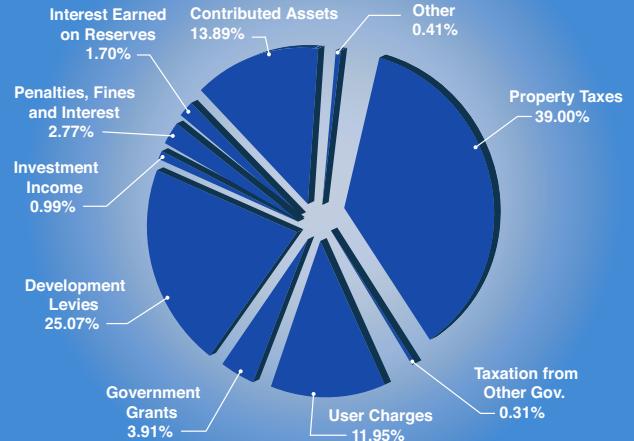
Maurice (Mo) Lewis  
Commissioner of Finance & Treasurer

May 31, 2011

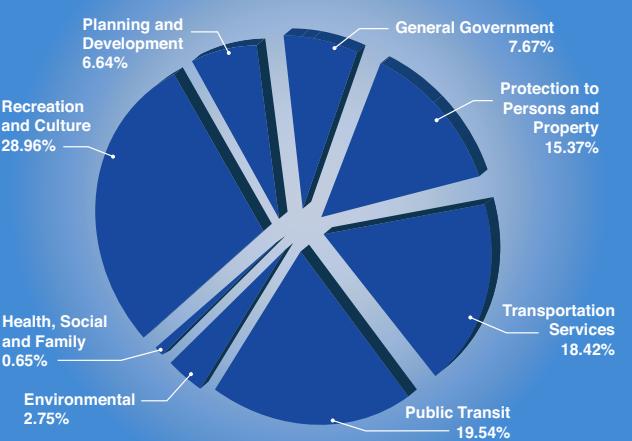
# FINANCIAL HIGHLIGHTS

for the Year Ended December 31, 2010

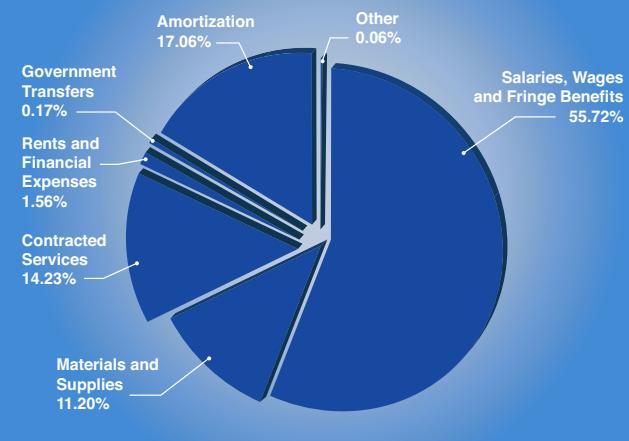
## CONSOLIDATED REVENUE BY TYPE - 2010



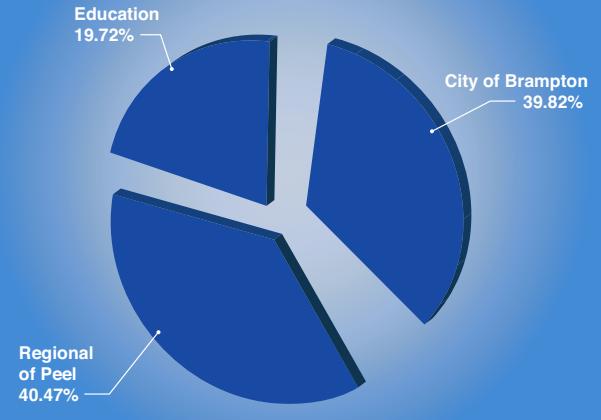
## CONSOLIDATED EXPENSES BY SERVICE - 2010



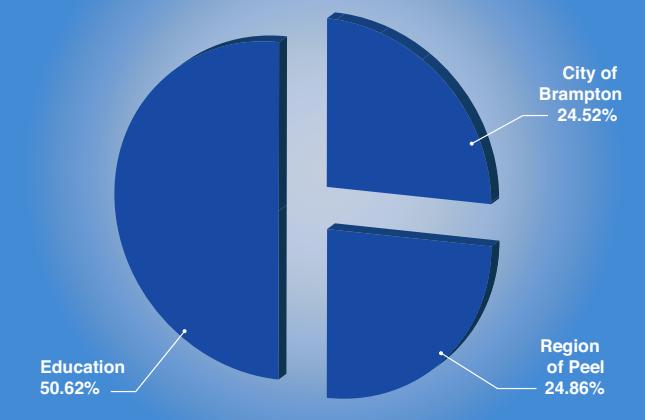
## CONSOLIDATED EXPENSES BY TYPE - 2010



## WHERE DOES YOUR RESIDENTIAL TAX DOLLAR GO



## WHERE DOES YOUR COMMERCIAL AND INDUSTRIAL TAX DOLLAR GO



# GFOA AWARD

## Canadian Award for Financial Reporting

Presented to

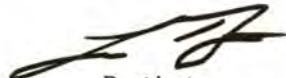
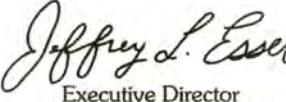
The Corporation of the City  
of Brampton, Ontario

For its Annual  
Financial Report  
for the Year Ended

December 31, 2009

A Canadian Award for Financial Reporting  
is presented by the Government Finance Officers  
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Government accounting and financial reporting



  
President  
  
Jeffrey L. Esser  
Executive Director

# CONSOLIDATED FINANCIAL STATEMENTS

**The Corporation of the City of Brampton for the Fiscal Year Ended December 31, 2010**



# RESPONSIBILITY FOR FINANCIAL REPORTING

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## 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.

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

Deborah Dubenofsky  
City Manager

Maurice (Mo) Lewis  
Commissioner of Finance & Treasurer

Brampton, Canada  
May 31, 2011

# AUDITOR'S REPORT



KPMG LLP  
Chartered Accountants  
Yonge Corporate Centre  
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Toronto ON M2P 2H3  
Canada

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## 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, 2010, the consolidated statements of operations and accumulated surplus, change 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 an 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, 2010, and its consolidated results of operations 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, 2011  
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, 2010

	2010	2009 (Recasted - Note 2)
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments (Note 3)	\$232,392,348	\$283,861,361
Taxes receivable	50,622,281	52,616,017
User charges receivable	2,245,199	2,071,199
Accounts receivable	33,023,211	18,823,208
Long-term investments (Note 3)	409,414,003	388,667,328
Other assets (Note 4)	8,138,645	8,129,880
<b>Total Financial Assets</b>	<b>735,835,687</b>	<b>754,168,993</b>

<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	101,389,214	84,132,844
Capital lease obligations (Note 17)	1,140,710	383,866
Deferred revenue - general (Note 5 (a))	2,982,845	3,442,142
Deferred revenue - obligatory reserve funds (Note 5 (b))	105,730,874	155,655,323
Employee benefits and other liabilities (Note 6)	41,776,109	36,337,248
<b>Total financial liabilities</b>	<b>253,019,752</b>	<b>279,951,423</b>

<b>Net Financial Assets</b>	<b>482,815,935</b>	<b>474,217,570</b>
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<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 14)	2,856,316,665	2,640,428,626
Inventory and prepaids	3,509,377	4,206,224
<b>Total Non-Financial Assets</b>	<b>2,859,826,042</b>	<b>2,644,634,850</b>

Contingencies (Note 12)		
Commitments (Note 16)		

<b>Accumulated Surplus (Note 8)</b>	<b>\$3,342,641,977</b>	<b>\$3,118,852,420</b>
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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, 2010

	2010 Budget (Unaudited Note 1 (n))	2010	2009 (Recasted - Note 2)
<b>REVENUES</b>			
Property taxation (note 9)	\$262,700,189	\$266,211,099	\$250,246,546
Taxation from other governments	2,171,200	2,133,918	2,120,314
User charges	83,168,608	81,565,866	69,712,817
Government grants	7,080,946	26,707,502	5,701,660
Development levies earned and other restricted capital contributions	219,534,025	171,131,332	133,413,080
Investment income	5,657,500	6,748,682	10,154,839
Interest earned on reserves	-	11,617,630	27,023,959
Penalties, fines and interest	16,055,010	18,882,940	16,733,908
Developer contributed tangible capital assets (note 14 (b))	-	94,807,313	133,296,302
Other	1,326,785	2,801,711	950,014
<b>Total Revenues</b>	<b>597,694,263</b>	<b>682,607,993</b>	<b>649,353,439</b>
<b>EXPENSES</b>			
General government	28,383,190	32,159,900	29,101,651
Protection to persons and property	65,572,400	66,398,547	64,695,016
Transportation services	142,116,363	137,051,571	130,465,611
Environmental services	3,246,577	3,298,620	3,069,493
Health services (cemeteries)	595,183	597,108	966,334
Social and family services	1,709,349	1,850,093	2,192,182
Recreation and cultural services	115,590,332	111,141,724	103,530,540
Planning and development services	30,533,720	27,751,986	28,847,879
Amortization expense (note 14)	-	78,279,323	58,118,669
Other	-	289,564	787,449
<b>Total Expenses</b>	<b>387,747,114</b>	<b>458,818,436</b>	<b>421,774,824</b>
<b>Annual Surplus</b>	<b>\$209,947,149</b>	<b>\$223,789,557</b>	<b>\$227,578,615</b>
Accumulated surplus, beginning of year		3,118,852,420	2,891,273,805
<b>Accumulated Surplus - End of Year (note 8)</b>		<b>\$3,342,641,977</b>	<b>\$3,118,852,420</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, 2010

	2010 Actual	2009 Actual (Recasted- Note 2)
<b>Annual Surplus</b>	<b>\$223,789,557</b>	<b>\$227,578,615</b>
Acquisition of tangible capital assets	(294,755,374)	(317,968,494)
Amortization of tangible capital assets	78,279,323	58,118,669
Net book value of disposed tangible capital assets	588,012	905,875
Acquisition of inventory and prepaids	(4,549,349)	221,391
Use of inventory and prepaids	5,246,196	150,673
<b>Change in Net Financial Assets</b>	<b>8,598,365</b>	<b>(30,993,271)</b>
 <b>Net Financial Assets - Beginning of Year</b>	 <b>474,217,570</b>	 <b>505,210,841</b>
<b>Net Financial Assets - End of Year</b>	<b>\$482,815,935</b>	<b>\$474,217,570</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended December 31, 2010

	2010 Actual	2009 Actual (Recasted - Note 2)
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## OPERATING ACTIVITIES

<b>Cash provided by (used in):</b>		
Annual surplus	\$223,789,557	\$227,578,615
<b>Change in non-cash assets and liabilities:</b>		
Decrease (increase) in taxes receivable	1,993,736	(6,351,386)
Increase (decrease) in user charges receivable	(174,000)	473,040
Increase (decrease) in accounts receivable and other assets	(14,208,768)	4,291,169
Increase in accounts payable and accrued liabilities	18,131,200	18,073,015
Decrease (increase) in deferred revenue - general	(459,297)	232,899
Decrease in deferred revenue - obligatory reserve fund	(49,924,449)	(68,250,167)
Increase in employee benefits and other liabilities	5,438,861	4,842,607
Change in inventory and prepaids	696,847	372,064
	(38,505,870)	(46,316,759)
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	78,279,323	58,118,669
Net book value of disposed tangible capital assets	588,012	905,875
Developer contributed tangible capital assets	(94,807,311)	(133,296,302)
<b>Net Change In Cash From Operations</b>	<b>169,343,711</b>	<b>106,990,098</b>

## CAPITAL ACTIVITIES

Acquisition of tangible capital assets	(199,948,063)	(184,672,192)
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## FINANCING ACTIVITIES

Repayment of capital lease obligations	(117,986)	(33,389)
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## INVESTING ACTIVITIES

Decrease (increase) in long-term investments	(20,746,675)	(25,292,002)
	(220,812,724)	(209,997,583)
<b>(Decrease) In Cash and Short Term Investments</b>	<b>(51,469,013)</b>	<b>(103,007,485)</b>
Cash and short term investments, beginning of year	283,861,361	386,868,846
<b>Cash and short term investments, end of year</b>	<b>\$232,392,348</b>	<b>\$283,861,361</b>

## Supplemental cash flow information:

Interest received as cash	\$12,663,805	\$15,062,196
Interest paid as cash	78,238	58,406

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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2010

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

## 1. Significant Accounting Policies:

The consolidated financial statements of The Corporation of the City of Brampton (the "City") are prepared by management in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("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 financial statements include:

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

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

### b) Non consolidated entities:

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

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

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

### e) Non-financial assets:

Non financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

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

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

### g) Tangible capital assets:

Tangible capital assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

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, 2010

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 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 transfers:**

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

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

Deferred 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 Region of Peel in respect of Regional services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known, and allocated to the various bodies proportionately as to their share of the levy.

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

## **l) Investment income:**

Investment income earned on available 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Year Ended December 31, 2010**

## **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.

## **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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

## 2. Recast of prior year tangible capital assets:

During the year, the City determined that certain net tangible capital assets had been overstated in its 2009 tangible capital asset register.

The impacts of these changes in presentation have been recorded retrospectively and prior periods have been recasted as follows:

### ACCUMULATED SURPLUS AT JANUARY 1, 2009:

Accumulated surplus, as previously reported	\$2,917,576,465
Net book value of tangible capital assets recorded	\$26,302,660
<b>Accumulated surplus, as recasted</b>	<b>\$2,891,273,805</b>

### TANGIBLE CAPITAL ASSETS AT JANUARY 1, 2009:

Tangible capital assets, as previously reported	\$2,407,787,336
Net book value of tangible capital assets previously recorded	\$26,302,660
<b>Tangible capital assets, as recasted</b>	<b>\$2,381,484,676</b>

### ACCUMULATED SURPLUS AT DECEMBER 31, 2009:

Accumulated surplus, as previously reported	\$3,145,155,080
Net book value of tangible capital assets previously recorded	\$26,302,660
<b>Accumulated surplus, as recasted</b>	<b>\$3,118,852,420</b>

## 3. Investments:

Included in cash and short-term investments are short-term investments of \$53,327,655 (2009 - \$158,723,654) with a market value of \$53,599,213 (2009 - \$158,699,845), at the end of the year.

Long-term investments of \$409,414,003 (2009 - \$388,667,328) have a market value of \$413,449,923 (2009 - \$392,192,074), at the end of the year.

## 4. Powerade Centre:

Included under other assets in the consolidated statement of financial position is \$7,984,110 (2009 - \$7,984,110) consisting of a loan of \$6,000,000 advanced by the City towards the construction of the Powerade Centre and secured with a second mortgage with a due date of August 31, 2034 and a further \$1,984,110 representing advances provided to the Powerade Center under the Loan and Priorities Agreement established in 1998. In addition, the City has guaranteed a \$15,500,000 first mortgage, due January 1, 2019, with an outstanding balance of \$8,785,674 as at December 31, 2010 (2009 - \$9,347,918) which is defined as the "Project Loan".

Under the Loan and Priorities Agreement, the City has further agreed to fund any operating cash-flow deficiencies over the first 20 years as "Priority Advances" (PA) up to an annual maximum of \$600,000 per year until \$6,000,000 is reached, thereafter up to the \$300,000 per year to a maximum of \$3,000,000. Further cash-flow deficiencies after the operator, Real Ice Sports Facility Management Services Ltd. has contributed 50% of its annual management fees under the Complex Management Agreement, the City is also liable for one-half of the remaining cash flow deficiencies. In 2010, the City has paid \$ 317,306 in Priority Advances (2009 - \$272,665) with accumulated amount of Priority Advances of \$6,317,306 paid to date, which has been included in the consolidated statement of operations for the year ended December 31, 2010 and prior years as incurred.

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 existing first mortgage. As a result, required monthly payments will decrease significantly to increase the likelihood of Powerade Center to generate positive cash flow annually and reduce the likelihood of further financial contributions from the City and PA Sports Inc. in order to maintain its operating and capital improvement needs. As the City is the guarantor of the mortgage held by RBC, Council approval was sought and granted to amend the Loan and Priorities agreement between the City and PA Sports.

Under this new lending agreement between PA Sports and RBC, the existing first mortgage is replaced by a RBC Credit Facility having a principal amount of \$10,400,000 with the condition that the City continues to be a guarantor on the Credit Facility.

## 5. Deferred revenue – general:

### a) General:

Deferred revenue – general is comprised primarily of 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, 2010 the deferred revenue – general amounted to \$2,982,845 (2009 - \$3,442,142).

### 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, 2010, obligatory reserve funds amounted to \$105,730,874 (2009 - \$155,655,323). This balance includes unspent development charges, gas tax receipts as well as funding for specific infrastructure projects received from federal and provincial governments. Also included in this balance are unamortized downtown incentive charges.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Year Ended December 31, 2010**

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, 2010 unamortized downtown incentive charges were \$11,829,975 (2009 - \$12,280,286).

## 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 financial statements.

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

	<b>2010</b>	<b>2009</b>
WSIB	\$ 6,777,712	\$ 5,995,840
Vested sick leave benefits	9,672,879	8,515,518
Vacation pay	8,600,023	7,169,239
Other liabilities	16,725,495	14,656,651
<b>Total</b>	<b>\$ 41,776,109</b>	<b>\$ 36,337,248</b>

As at December 31, 2010, the City has allocated reserves and reserve funds of \$16,127,652 (2009 - \$12,869,393) to fund these obligations.

The most recent full actuarial valuation for post employment and sick leave benefits was performed as at December 31, 2009 and as at December 31, 2010 for WSIB.

The following table sets out the actuarial results for each of the plans as at December 31, 2010:

<b>Item</b>	<b>Non-Pension Post Employment Benefits</b>	<b>Vested Sick Leave Benefits</b>	<b>WSIB</b>	<b>2010 Total</b>	<b>2009 Total</b>
Accrued Benefit obligation ("ABO"), beginning of year	\$ 15,719,643	\$ 15,129,004	\$ 6,987,778	\$ 37,836,425	\$ 34,911,261
<b>Add: Current service costs</b>	<b>727,270</b>	1,443,483	1,625,534	3,796,287	4,318,813
<b>Add: Interest Cost</b>	<b>788,698</b>	753,446	356,755	1,898,899	1,793,846
<b>Less: Current Benefit Payments</b>	<b>618,636</b>	1,563,661	1,330,907	3,513,204	3,170,589
<b>ABO - End of the Year</b>	<b>\$ 16,616,975</b>	<b>\$ 15,762,272</b>	<b>\$ 7,639,160</b>	<b>\$ 40,018,407</b>	<b>\$ 37,853,331</b>
Unamortized actuarial gain/(loss)	(4,725,288)	(6,089,393)	(861,448)	(11,676,129)	(12,830,717)
<b>Liability for Benefits End of the Year</b>	<b>\$ 11,891,687</b>	<b>\$ 9,672,879</b>	<b>\$ 6,777,712</b>	<b>\$ 28,342,278</b>	<b>\$ 25,022,614</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>Post Employment</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	5.00%	5.00%	4.75%
Dental premium rate increase	4.00%	n/a	n/a
Health care premium rates increase	4.00%	n/a	n/a

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

## 7. Pension Agreements:

The Municipality makes contributions to the 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 2010 was \$13,892,888 (2009 - \$12,051,859) for current service and is included as an expenses on the consolidated statement of operations. Employee contributions totaled \$13,892,888 (2009 - \$12,051,859).

## 8. Accumulated Surplus:

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

	2010	2009
<b>Invested in Tangible Capital Assets</b>	\$ 2,856,316,665	\$ 2,640,428,626
<b>Surplus Funds from Committed Capital Projects and Other</b>	261,775,406	225,781,075
	<b>3,118,092,071</b>	<b>2,866,209,701</b>
<b>Reserves</b>	<b>18,142,768</b>	<b>10,155,814</b>
<b>Reserve Funds</b>	<b>206,407,138</b>	<b>242,486,905</b>
<b>Total</b>	<b>\$ 3,342,641,977</b>	<b>\$ 3,118,852,420</b>

## 9. Tax Revenues:

Property tax billings are prepared by the City based on an assessment roll prepared by the MPAC. All assessed property values in the City were reviewed and values established based on a common valuation date of January 1, 2005, which was used by the City in computing the property tax bills. However, the property tax revenue and tax receivables of the City are subject to measurement uncertainty as a number of appeals submitted by ratepayers for adjustments to assessment have yet to be heard by the Assessment Review Board. A significant allowance has been recorded to provide for possible negative adjustments. Further, changes to assessed value reflecting new construction is included in supplementary assessments prepared by MPAC. Any billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with regional government and school boards as appropriate.

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

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

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

## 10. Expenses by Object:

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

	2010	2009
Salaries, wages and fringe benefits	\$ 255,659,171	\$241,958,778
Materials and supplies	51,365,583	50,836,698
Contracted services	65,297,767	63,222,427
Rents and financial expenses	7,135,327	6,081,325
Government transfers	791,701	769,478
Amortization	78,279,323	58,118,669
Other	289,564	787,449
<b>Total Expenses</b>	<b>\$458,818,436</b>	<b>\$421,774,824</b>

## 11. Trust Funds:

Trust funds administered by the City amounted to \$39,548,290 (2009 - \$17,490,261) 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Year Ended December 31, 2010**

## **12. Public Liability Insurance:**

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

The City has created a reserve fund for self-insurance which as at December 31, 2010 had \$0 balance (2009 - \$475,051) and is reported on the consolidated statement of financial position. Claims settled during the year amounting to \$2,357,576 (2009 - \$2,350,906) have been provided for from the reserve fund, and are accordingly reported as an expenses on the consolidated statement of financial 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 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 \$6,550,857 for the year ended December 31, 2010. (2009 - \$4,936,345)

The operating costs for the administration of the POA for the year ending December 31, 2010 amounted to \$4,431,507 (2009 - \$4,771,949), resulting in a net contribution of \$2,119,350 (2009 - \$164,397) 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, 2010**

## 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, 2009</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>December 31, 2010</b>
Land	\$ 1,563,743,527	\$ 22,437,949	-	-	\$ 1,586,181,476
Buildings and building improvements	402,239,155	19,459,085	(79,100)	-	421,619,141
Furniture, computer and office equipment	71,117,916	6,172,613	(1,431,128)	-	75,859,400
Infrastructure	1,105,635,906	126,713,576	-	-	1,232,349,482
Land improvements	45,053,783	1,557,212	(731,952)	-	45,879,043
Vehicles and machinery	156,261,565	21,141,484	(836,920)	-	176,566,129
Assets under construction	101,812,858	194,211,400	-	(96,937,945)	199,086,314
<b>Total</b>	<b>\$3,445,864,711</b>	<b>\$391,693,319</b>	<b>\$(3,079,100)</b>	<b>\$(96,937,945)</b>	<b>\$3,737,540,985</b>

<b>Accumulated Amortization</b>	<b>December 31, 2009</b>	<b>Disposals</b>	<b>Amortization Expense</b>	<b>December 31, 2010</b>
Land	\$ -	\$ -	\$ -	\$ -
Buildings and building improvements	112,012,881	(78,111)	14,512,275	126,447,045
Furniture, computer and office equipment	36,736,219	(1,257,088)	12,254,621	48,733,752
Infrastructure	568,507,037	-	33,507,406	602,014,443
Land improvements	16,638,898	(341,188)	3,030,607	19,328,316
Vehicles and machinery	71,541,050	(814,701)	13,974,414	84,700,764
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 805,436,085</b>	<b>\$(2,491,088)</b>	<b>\$ 78,279,323</b>	<b>\$ 881,224,320</b>

<b>Net Book Value</b>	<b>December 31, 2009</b>	<b>December 31, 2010</b>
Land	\$ 1,563,743,527	\$ 1,586,181,476
Buildings and building improvements	290,226,274	295,172,096
Furniture, computer and office equipment	34,381,697	27,125,648
Infrastructure	537,128,869	630,335,039
Land improvements	28,414,885	26,550,727
Vehicles and machinery	84,720,515	91,865,365
Assets under construction	101,812,858	199,086,314
<b>Total</b>	<b>\$ 2,640,428,626</b>	<b>\$ 2,856,316,665</b>

### a) Assets under construction

Assets under construction having a value of \$199,086,314 (2009 - \$101,812,858) 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. The value of contributed assets received during the year is \$94,807,313 (2009 - \$133,296,302).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2010

## 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.

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

### General government

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

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

### 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.

## 16. Commitments

The City leases facilities and equipment under operating leases expiring beyond 2016. The minimum amounts payable under these arrangements are as follows:

2011	\$ 10,831,317
2012	3,236,704
2013	2,739,158
2014	817,668
2015	515,800
2016 and beyond	3,652,229
	<b>\$ 21,792,876</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**Year Ended December 31, 2010**

## **17. 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:

2011	\$ 364,502
2012	352,565
2013	316,621
2014	186,754
<b>Total minimum lease payments</b>	<b>\$ 1,220,442</b>

Less amount representing interest ranging from 3.84% to 15.48%                    79,732

Present value of minimum capital lease payments                                    \$ 1,140,710

# CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

for the year ended December 31, 2010

	<b>General Government</b>	<b>Protection to Persons and Property</b>	<b>Transportation Services</b>	<b>Environmental Services</b>	<b>Health, Social and Family Services</b>	<b>Recreation and Cultural Services</b>	<b>Planning and Development Services</b>	<b>2010 Total</b>	<b>2008 Total</b>
<b>REVENUES</b>									
Property taxation	267,976,660	-	-	-	-	-	368,357.00	268,345,017	252,366,860
User charges	7,643,579	1,084,681	31,688,188	-	576,683	21,875,091	18,697,644	81,565,866	69,712,817
Government grants	-	-	16,583,144	-	96,000	9,837,983	190,375	26,707,502	5,701,660
Development levies earned and other restricted capital contributions	5,032,254	14,641,078	97,552,286	-	-	51,904,753	2,000,961	171,131,332	133,413,080
Investment income (including Reserves and Reserve Funds)	18,262,673	-	-	-	-	99,324	4,315	18,366,312	37,178,798
Penalties, fines and interest	9,123,453	9,335,880	-	-	-	423,607	-	18,882,940	16,733,908
Developer contributed tangible capital assets	-	-	94,807,313	-	-	-	-	94,807,313	133,296,302
Other	1,477,798	250,524	273,288	-	38,190.00	301,429	460,482	2,801,711	950,014
<b>Total Revenues</b>	<b>309,516,417</b>	<b>25,312,163</b>	<b>240,904,219</b>	<b>-</b>	<b>710,873</b>	<b>84,442,187</b>	<b>21,722,134</b>	<b>682,607,993</b>	<b>649,353,439</b>
<b>EXPENSES</b>									
Salaries and benefits	44,437,330	55,739,712	73,544,777	1,446,880	1,472,486	58,650,186	20,367,800	255,659,171	241,958,778
Materials	15,617,527	2,047,045	18,692,559	83,532	244,419	13,169,641	1,510,860	51,365,583	50,836,698
Contracted services	15,694,968	2,020,000	28,712,623	1,111,331	372,342	15,397,031	1,989,472	65,297,767	63,222,427
Rents and financial expenses	5,796,175	57,038	404,540	-	10,914.00	786,563	80,097	7,135,327	6,081,325
Government transfers	(49,386,100)	6,534,752	15,697,072	656,877	347,040	23,138,303	3,803,757	791,701	769,478
Amortization	3,017,676	4,127,218	37,050,395	9,318,175	533,023	21,524,430	2,708,406	78,279,323	58,118,669
Other	2,737	11,924	72,271	-	-	188,796	13,836	289,564	787,449
<b>Total Expenditures</b>	<b>35,180,313</b>	<b>70,537,689</b>	<b>174,174,237</b>	<b>12,616,795</b>	<b>2,980,224</b>	<b>132,854,950</b>	<b>30,474,228</b>	<b>458,818,436</b>	<b>421,774,824</b>
<b>Annual Surplus (Deficit)</b>	<b>274,336,104</b>	<b>(45,225,526)</b>	<b>66,729,982</b>	<b>(12,616,795)</b>	<b>(2,269,351)</b>	<b>(48,412,763)</b>	<b>(8,752,094)</b>	<b>223,789,557</b>	<b>227,578,615</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, 2010**



# AUDITORS' REPORT



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## 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, 2010, the statement of operations 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 accounting standards for not-for-profit organization, 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, 2010, and its results of operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organization.

Chartered Accountants, Licensed Public Accountants

May 31, 2011  
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, 2010, with comparative figures for 2009**

## Financial Assets and Liabilities

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	BMB, GTA and GTMA Trust Funds	2010 Total	2009 Total
<b>ASSETS</b>						
Cash	\$ 134,120	\$ 38,289,163	\$ 287,948	\$ 48,863	\$ 38,760,094	\$ 16,604,717
Accounts receivable	191	9,951	306	52	10,500	10,314
Due from City Revenue Fund	394	-	-	-	394	3,534
<b>Subtotal</b>	<b>134,705</b>	<b>38,299,114</b>	<b>288,254</b>	<b>48,915</b>	<b>38,770,988</b>	<b>16,618,565</b>
<b>Investments, at cost (market - \$780,913 2009 - \$883,094):</b>						
Federal	-	-	-	-	-	99,018
Municipal Bonds	780,082	-	-	-	780,082	780,082
<b>Subtotal</b>	<b>780,082</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>780,082</b>	<b>879,100</b>
<b>Total Assets</b>	<b>914,787</b>	<b>38,299,114</b>	<b>288,254</b>	<b>48,915</b>	<b>39,551,070</b>	<b>17,497,665</b>
<b>LIABILITIES</b>						
Accounts payable	-	-	-	-	-	7,404
Due to City Revenue Fund	-	2,780	-	-	2,780	-
<b>Total Liabilities</b>	<b>-</b>	<b>2,780</b>	<b>-</b>	<b>-</b>	<b>2,780</b>	<b>7,404</b>
<b>Net Financial Resources</b>	<b>\$914,787</b>	<b>\$38,296,334</b>	<b>\$288,254</b>	<b>\$48,915</b>	<b>\$39,548,290</b>	<b>\$17,490,261</b>
<b>Fund Balances</b>	<b>\$914,787</b>	<b>\$38,296,334</b>	<b>\$288,254</b>	<b>\$48,915</b>	<b>\$39,548,290</b>	<b>\$17,490,261</b>

See accompanying notes to financial statements.

# STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

**TRUST FUNDS — Year Ended December 31, 2010, with comparative figures for 2009**

## Financial Revenue and Expenditures

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	BMB, GTA and GTMA Trust Funds	2009 Total	2008 Total
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### REVENUE

Monuments and markers deposits	\$ 3,550	\$ -	\$ -	\$ -	\$3,550	\$3,350
Perpetual Care deposits	17,850	-	-	-	17,850	13,614
Other deposits - Trusts	-	54,000			54,000	12,000
Gain on sale of investments	982	-	-	-	982	-
Performance deposits received	-	30,071,279	-	-	30,071,279	9,974,302
<b>Subtotal</b>	<b>22,382</b>	<b>30,125,279</b>	<b>-</b>	<b>-</b>	<b>30,147,661</b>	<b>10,003,266</b>
Interest Income	38,259	23,438	2,399	407	64,503	41,410
<b>Total Revenues</b>	<b>60,641</b>	<b>30,148,717</b>	<b>2,399</b>	<b>407</b>	<b>30,212,164</b>	<b>10,044,677</b>

### EXPENDITURES

<b>Transfers to City Revenue Fund:</b>						
Maintenance Contribution	38,190	-	-	-	38,190	33,898
Interest Transfer	-	23,438	-	-	23,438	5,138
Administration Charges	69	-	-	-	69	82
<b>Subtotal</b>	<b>38,259</b>	<b>23,438</b>	<b>-</b>	<b>-</b>	<b>61,697</b>	<b>39,118</b>
Return of performance deposits	-	8,079,536	-	-	8,079,536	3,726,279
Payments on behalf of developers	-	12,902	-	-	12,902	2,785
<b>Total Expenditures</b>	<b>38,259</b>	<b>8,115,876</b>	<b>-</b>	<b>-</b>	<b>8,154,135</b>	<b>3,768,182</b>

Increase in net financial resources	22,382	22,032,841	2,399	407	22,058,029	6,276,495
Fund balances, beginning of year	892,405	16,263,493	285,855	48,508	17,490,261	11,213,766
<b>Fund Balances - End of Year</b>	<b>\$914,787</b>	<b>\$38,296,334</b>	<b>\$288,254</b>	<b>\$48,915</b>	<b>\$39,548,290</b>	<b>\$17,490,261</b>

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2010

## 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.
- The accrual basis of accounting recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (c) Investments, including any term deposits not available on demand, are reported at the lower of cost and market value.

## 2. Cemeteries Care and Maintenance Trust Funds:

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

## 3. Developers' Performance Deposits Trust:

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

- a. To hold performance deposits made by individual parties to the City as assurance that specific obligations agreed upon are fulfilled. Once fulfilled, the deposit held is returned to the respective party.
- b. When a party develops a property in the City, generally a letter of credit is obtained from the party's bank, which provides a guarantee to the City that the contract will be completed as specified. Otherwise, the City is able to draw upon the letter of credit and to deposit the funds in the Trust to be later used to pay a third party to complete the contract.
- c. As amounts are not significant enough to warrant their own trust, municipal election campaign surpluses of registered candidates are held in this Trust. In accordance with the Municipal Election Law Section 132(a)(i), the surplus should be held in trust until "the next regular election." At December 31, 2010, nil campaign surpluses are held in this Trust (2009 - \$7,404).

## 4. Developer Front End Financing Trust Fund:

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

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

### Marketing Alliance:

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

# FIVE YEAR REVIEW SUMMARY

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

	2010	2009	2008	2007	2006
Population - (Note 1)	504,600	497,680	487,230	452,039	436,000
Households - (Note 2)	143,414	140,686	138,505	136,049	130,415
Areas in hectares	27,138	27,138	27,138	27,138	27,138
Full-time employees	2,521	2,441	2,238	2,097	1,947
Housing Starts	3,416	1,235	1,072	5,881	4,552
Building Permit Values	1,268,876	422,443	749,957	2,130,486	\$1,209,605

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

Residential and farm	\$43,416,203	\$42,427,150	\$35,660,551	\$34,645,657	\$31,776,103
Commercial and industrial	10,945,599	10,665,437	7,981,100	7,715,948	8,485,055
<b>Total</b>	<b>\$54,361,802</b>	<b>\$53,092,587</b>	<b>\$43,641,651</b>	<b>42,361,605</b>	<b>40,261,158</b>
Total per capita	107.732	106.680	89.571	93.712	92.342

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

RESIDENTIAL					
City purposes	0.476736%	0.483392%	0.474094%	0.445272%	0.417771%
Region purposes	0.484531%	0.497866%	0.505959%	0.486147%	0.463556%
School board purposes	0.241000%	0.252000%	0.264000%	0.264000%	0.264000%
<b>Total</b>	<b>1.202267%</b>	<b>1.233258%</b>	<b>1.244053%</b>	<b>1.195419%</b>	<b>1.145327%</b>

COMMERCIAL					
City purposes	0.618374%	0.627007%	0.614947%	0.577563%	0.541891%
Region purposes	0.628486%	0.645782%	0.656279%	0.630581%	0.601278%
School board purposes	1.339544%	1.439162%	1.553938%	1.553938%	1.553938%
<b>Total</b>	<b>2.586404%</b>	<b>2.711951%</b>	<b>2.825164%</b>	<b>2.762082%</b>	<b>2.697107%</b>

INDUSTRIAL					
City purposes	0.700802%	0.710586%	0.696918%	0.654551%	0.614123%
Region purposes	0.712261%	0.731862%	0.743759%	0.714636%	0.681427%
School board purposes	1.585675%	1.681288%	1.777496%	1.781118%	1.781118%
<b>Total</b>	<b>2.998738%</b>	<b>3.123736%</b>	<b>3.218173%</b>	<b>3.150305%</b>	<b>3.076668%</b>

	2010	2009	2008	2007	2006
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## TAXES RECEIVABLE, END OF THE YEAR

Amount	\$50,622	\$52,616	\$46,265	\$48,465	\$44,911
Per capita	\$100	\$106	\$95	\$107	\$103
Percentage of years' levy	6.49%	7.09%	6.59%	7.33%	7.29%

## 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)

	\$160,443	\$81,632	\$78,840	\$71,271	\$62,455
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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.)

	2010	2009	2008	2007	2006
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<b>TAXES COLLECTED</b>					
City collection	\$268,345	\$252,367	\$231,037	\$211,340	\$190,813
Taxes Transferred to the Region	270,706	258,050	244,343	228,128	209,480
Taxes Transferred to the School Boards	240,504	231,450	227,972	233,654	215,255
<b>Total</b>	<b>\$779,555</b>	<b>\$741,867</b>	<b>\$703,352</b>	<b>\$673,122</b>	<b>\$615,548</b>
<b>Trust Funds Balance End of year</b>	<b>\$39,548</b>	<b>\$17,490</b>	<b>\$11,214</b>	<b>\$9,978</b>	<b>\$21,379</b>

<b>CONSOLIDATED REVENUES BY SOURCE</b>					
Property taxation	\$266,211	\$250,247	\$228,745	\$208,770	\$189,353
Taxation from other governments	2,134	2,120	2,293	2,570	1,461
User charges	81,566	69,713	69,476	77,473	74,158
Government grants	26,708	5,702	1,117	2,614	3,115
Development levies earned and other restricted capital contributions	171,131	133,413	74,745	39,519	92,358
Investment income	6,749	10,155	16,783	19,159	12,899
Penalties, fines and interest	18,883	16,734	15,875	14,411	12,791
Interest earned on reserves	11,618	27,024	23,196	21,768	24,320
Developer contributed tangible capital assets	94,807	133,296	50,710	-	-
Other	2,801	950	2,397	1,237	1,020
<b>Total</b>	<b>\$682,608</b>	<b>\$649,353</b>	<b>\$485,337</b>	<b>\$387,520</b>	<b>\$411,475</b>

	2010	2009	2008	2007	2006
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<b>CONSOLIDATED EXPENDITURES BY FUNCTION</b>					
General government	\$32,160	\$29,102	\$26,242	\$32,808	\$30,155
Protection to persons and property	66,399	64,695	60,920	59,530	56,906
Transportation services	137,052	130,466	128,910	185,425	161,413
Environment services	3,299	3,069	1,720	1,458	1,663
Health services (cemeteries)	597	966	505	508	480
Social and family services	1,850	2,192	1,757	1,474	1,211
Recreation and cultural services	111,142	103,531	95,755	153,288	146,057
Planning and development	27,752	28,848	27,943	26,925	24,587
Amortization expense	78,279	58,119	59,290	-	-
Other	288	787	859	-	-
<b>Total</b>	<b>\$458,818</b>	<b>\$421,775</b>	<b>\$403,901</b>	<b>\$461,416</b>	<b>\$422,472</b>

<b>CONSOLIDATED EXPENDITURES BY OBJECT</b>					
Salaries, wages and employee benefits	\$255,659	\$241,959	\$216,276	\$198,383	\$182,138
Long term debt payments			-	-	-
Goods and services	124,590	120,910	127,476	263,033	240,334
Amortization	78,279	58,119	59,290	-	-
Other	290	787	859	-	-
<b>Total</b>	<b>\$458,818</b>	<b>\$421,775</b>	<b>\$403,901</b>	<b>\$461,416</b>	<b>\$422,472</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.)

	2010	2009	2008
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<b>Accumulated Surplus - Beginning of Year</b>	\$3,118,852	\$2,891,274	\$548,471
<b>Restatement - Tangible Capital Assets (Note 2)</b>			2,261,367
<b>Annual Surplus</b>	223,790	227,578	81,436
<b>Accumulated Surplus, End of Year</b>	<b>\$3,342,642</b>	<b>\$3,118,852</b>	<b>\$2,891,274</b>

<b>Total Financial Assets</b>	\$735,836	\$754,169	\$830,297
<b>Total Financial Liabilities</b>	253,020	279,951	325,086
<b>Net Financial Assets</b>	<b>\$482,816</b>	<b>\$474,218</b>	<b>\$505,211</b>

<b>TANGIBLE CAPITAL ASSET NET BOOK VALUE</b>			
Land	\$1,586,181	\$1,563,744	\$1,496,078
Buildings and building improvements	295,172	290,226	275,495
Furniture, computer and office equipment	27,126	34,382	15,859
Infrastructure	630,335	537,129	387,687
Land improvements	26,551	28,415	17,300
Vehicles and machinery	91,865	84,721	53,940
Assets under construction	199,086	101,813	135,127
<b>Total</b>	<b>\$2,856,317</b>	<b>\$2,640,429</b>	<b>\$2,381,485</b>

	2010	2009	2008
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<b>TANGIBLE CAPITAL ASSET COST</b>			
Assets - beginning of year	\$3,445,865	\$3,136,179	\$2,959,744
Additions	391,693	346,347	263,369
Disposals and transfers	(100,017)	(36,661)	(86,934)
<b>Assets - End of Year</b>	<b>\$3,737,541</b>	<b>\$3,445,865</b>	<b>\$3,136,179</b>

<b>TANGIBLE CAPITAL ASSET AMORTIZATION</b>			
Accumulated amortization - beginning of year	\$805,436	\$754,693	\$698,376
Current year expense	78,279	58,119	59,290
Accumulated amortization on disposals	(2,491)	(7,376)	(2,973)
<b>Accumulated Amortization - End of Year</b>	<b>\$881,224</b>	<b>\$805,436</b>	<b>\$754,693</b>

<b>Tangible Capital Asset Net Book Value</b>	<b>\$2,856,317</b>	<b>\$2,640,429</b>	<b>\$2,381,485</b>
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# 10 LARGEST CORPORATE PROPERTY TAXPAYERS IN BRAMPTON - 2010

Rank	Owner	Assessment Value \$
1	MORGARD CORPORATION	239,977,000
2	ORLANDO CORPORATION	204,536,055
3	RIOTRIN PROPERTIES (BRAMPTON)	134,234,500
4	1388688 ONTARIO LIMITED	130,925,500
5	LOBLAW PROPERTIES LIMITED	128,749,000
6	THE GREAT-WEST LIFE ASSURANC	128,053,500
7	INDUSTRIAL 5000 REAL ESTATE	126,292,000
8	INVESTORS GROUP TRUST CO LTD	117,941,170
9	DAIMLERCHRYSLER CANADA INC	113,591,000
10	AIRPORT 407 BUSINESS CAMPUS	111,682,501
<b>Top Ten - Assessment Total</b>		<b>1,435,982,226</b>
% of Total Industrial and Commercial Assessment		15.02%
% of Total		2.94%

Total Residential Assessment	39,301,381,556
Total Industrial and Commercial Assessment	9,557,399,061
<b>Total</b>	<b>48,858,780,617</b>



## Cover Design

The labyrinth is synonymous with its creator, the ancient mythical character Daedalus, who represents the ideal of ingenuity, wisdom, technical dexterity and innovation. While a methodical, rigorous approach is fundamental to the development of a strategically planned city, new challenges arise continuously, and the organization must be able to quickly implement innovative solutions.

## Photo Captions

**Page 6 and 7**

Building a sustainable environment: Brampton Transit's Bike & Ride service; pathway at Ken Whillans Drive; and tree planting by school children

**Page 8 and 9**

Taking pride in our diversity: children at a summer camp; the Flower City Parade; and seniors leading an active life

**Page 10 and 11**

Nurturing an urban community: the newly refurbished historic CPR station at Mount Pleasant Square; WinterLights at Chinguacousy Park; and the Rose Theatre Brampton

For more information visit [www.brampton.ca](http://www.brampton.ca)

