



# Financial Report

for the Fiscal Year Ended  
December 31, 2018

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

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**Prepared by the Accounting Services, Finance, Corporate Services Department  
of the Corporation of the City of Brampton, Province of Ontario**

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## Mayor and City Council

Mayor Patrick Brown

## Chief Administrative Officer

Joseph Pittari (Interim)

- City Clerk
- Human Resources
- Strategic Communications
- Strategic Development

## • Internal Audit

Chief Audit Officer Foruzan Velji

## Corporate Services

Commissioner James Macintyre (Interim)

- Enforcement and By-Law Services
- Finance
- Information Technology
- Legal Services
- Purchasing
- Court Administration

## Community Services

Commissioner Al Meneses

- Animal Services
- Building Design and Construction
- Facilities, Operations and Maintenance
- Realty Services
- Recreation
- Service Brampton

## Public Works and Engineering

Commissioner Bruce Zvaniga

- Capital Works
- Environment and Development Engineering
- Parks Maintenance and Forestry
- Road Maintenance, Operations and Fleet
- Transportation Special Projects

## Planning and Development Services

Commissioner Richard Forward

- Building
- Development Services
- Policy Planning
- Transportation Planning
- Urban Design

## Economic Development and Culture

Director Clare Barnett

- Cultural Services
- Economic Development

## Fire and Emergency Services

Chief Bill Boyes

## Brampton Transit

General Manager Alex Milojevic



## Message from the City Treasurer



I am pleased to present the City of Brampton's consolidated financial statements for the 2018 fiscal year.

The City's focus in 2018 was to continue advancing key strategic priorities and provide citizens with more opportunities to live, work and play within Brampton. This includes prioritizing community safety, enhancing local and regional transit connections, providing opportunities for better post-secondary education and jobs, improving community living spaces and encouraging more active lifestyles. Brampton is proud to be a leader in several areas of service delivery, such as Transit, Fire Services and more. Guided by the priorities identified in Vision 2040 (our guide to growth over the next two decades), the City remained focussed on building stronger connections with the community and exemplary service delivery.

As Canada's second fastest-growing city, Brampton continues to face the challenge of balancing growth with public expectations. Our growth rate, according to 2016 census data, is twice that of the Region of Peel, three times Ontario's and two-and-a-half-times more than the national average. Every day, nearly 40 people will call Brampton their new home. This provides both challenge and opportunity for us to effectively manage growth while remaining fiscally responsible.

Brampton's Long Term Financial Master Plan and Corporate Asset Management Plan provide the framework by which the City continues to strengthen financial controls, measure its future success and provide improved transparency.

Our continued strong financial management, coupled with ongoing efforts to modernize operations and build opportunities for Brampton residents and businesses, have enabled us to focus on those priorities that can best establish Brampton as a global leader.

In addition to key financial results, this report provides an overview of the local economic climate, financial policies and performance related to the delivery of the City's programs and services.

### Consolidated Financial Statements

Management is responsible for the preparation of the City's consolidated financial statements. These consolidated financial statements have been prepared in accordance with the reporting standards established for municipalities by the Public Sector Accounting Board (PSAB), and included within the CPA Canada Accounting Handbook. We are confident that controls are in place in the City's accounting and financial reporting systems that ensure accuracy of the consolidated financial statements being presented.

Effective January 1, 2018, the City adopted the following standards issued by the PSAB:

- i. PS 2200 - Related party disclosures
- ii. PS 3420 - Inter-Entity Transactions
- iii. PS 3320 - Contingent Assets
- iv. PS 3210 - Assets
- v. PS 3380 - Contractual Rights

The adoption of these standards has resulted in additional note disclosures where necessary.

The 2018 consolidated financial statements have been audited by KPMG LLP, Chartered Professional Accountants (KPMG) in accordance with Canadian Generally Accepted Auditing Standards and their unqualified report is included with the consolidated financial statements. The role of the statutory auditor is to present an independent opinion on the fair presentation of the City's financial position and operating results as contained in the Financial Report, and confirm that the statements are free from material misstatements. The auditors are also responsible for advising management and

City Council of any control or operational issues that may be identified during their audit.

The auditors have expressed the opinion that the City's consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Brampton as at December 31, 2018, and comply with PSAB municipal financial reporting requirements.

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

### Overview of Economic Climate and Financial Strategies

Brampton continued to see robust economic growth in 2018. Several economic fundamentals work to Brampton's advantage. As one of Canada's fastest growing, diverse and youngest cities, Brampton has immense talent and human capital potential. Brampton's location and connectivity are key assets to trade and commerce, sitting in the middle of Canada's Innovation Super Corridor and adjacent to Toronto Pearson International, Canada's largest and busiest airport.

Brampton is a thriving economic hub and an active contributor to the national and provincial economy. The city receives a steady stream of public and private sector investments in commercial and infrastructure development. Brampton has a diverse and resilient economic base with key sectors such as advanced manufacturing, health and life sciences, innovation and technology and entrepreneurship.

Highlights of economic indicators in Brampton:

- Estimated population of more than 650,000, expected to increase to nearly 900,000 (888,600) by the year 2041. [Source: Hemson Consultant]
- The number of businesses in Brampton increased by 8.7 per cent between 2017 and 2018. [Source: Business Counts, Statistics Canada]
- Brampton had over 70,000 businesses as of December 2018. [Source: Business Counts, Statistics Canada]

- The Region of Peel unemployment rate is at 7.9% as of March 2019. [Source: Labour Force Survey, Statistics Canada]

Brampton saw 2018 investment of \$865 million in total construction across industrial, commercial, institutional and residential sectors [Source: COB, Building Permits]

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

In addition to responding to the infrastructure needs of a growing community, the City is also committed to maintaining its existing infrastructure base in a state of good repair. The City's Corporate Asset Management Plan provides a framework for managing our assets in an effective and efficient manner while complying with applicable regulations.

The City continues to pursue federal and provincial financial support for infrastructure projects to reduce the property tax burden to the residents, while City Council advocates on behalf of Brampton.

### Financial Management Policies

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

The City of Brampton is in compliance with the reporting guidelines required by the Ministry of Municipal Affairs and Housing.

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

## Message from the City Treasurer



## Message from the City Treasurer

Through its risk management program, the City proactively protects the Corporation's assets against financial losses and ensures preservation of public service capacities. In addition, the City purchases insurance to ensure financial protection is available should a large loss occur. The City has continued with the implementation of an Enterprise Risk Management program. This initiative will incorporate a consistent approach to managing risk into the culture and strategic planning processes of the City.

### **The Government Finance Officers Association of the United States and Canada (the "GFOA") Award for Financial Reporting**

In 2018, for the seventeenth consecutive year, the GFOA formally recognized Brampton for its excellence in financial reporting with the "Canadian Award for Financial Reporting" for the City's 2017 Annual Report.

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

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

### **The GFOA Distinguished Budget Presentation Award**

The City's Approved Business Plan and Budget 2018-2020 received 'The Distinguished Budget Presentation Award' from the GFOA which is the only national awards program in governmental budgeting. This is the third year the City applied for and received the award and it represents a significant achievement due to the stringent requirements for effective budget presentation.

### **Budget Process**

The City's budget is prepared by setting priorities that reflect strategic objectives and service standards, while balancing the need for prudent financial management. Priority setting takes place at all levels of the organization by departmental

staff, senior management, corporate leadership and, ultimately, City Council. During the budget process, public input received throughout the year was taken into account. This included calls and queries that come in to our staff, to interactions at events, surveys and other public engagement opportunities.

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 City uses a full accrual basis (PSAB) budgeting methodology. This methodology does not change how the tax levy is calculated, or how funding decisions are made by City Council. The 2018 consolidated financial statements reflect full accrual budget figures for comparison purposes.

The capital budget methodology uses a capital contract budgeting approach. This methodology only allows budgeting for contracts (purchase orders) with vendors that are anticipated to be issued in the budget year. This aligns annual funding requirements with the City's capacity to deliver capital projects.

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

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 2018 budget process. The 2018 budget reflected a balance between priorities of the community and a fiscally responsible approach to running the City.

Key budget objectives included in the 2018 budget were:

- Advancing the plan for Brampton's next phase of growth
- Enhancing Transit, Fire and Recreation services
- Advancing Brampton's strategic priorities
- Maintaining and developing corporate infrastructure

- Ensuring continued value for money in the provision of all City services
- Insulating taxpayers to the extent possible

#### Audit Committee

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

#### Financial Results

The City of Brampton's accumulated surplus at the end of 2018 was \$4.2 billion (2017: \$4.1 billion), of which \$3.8 billion reflects investments in tangible capital assets. This increase reflects the City's continuing commitment to invest in capital infrastructure to support current City services and future growth.

#### Revenues

Revenues totalled \$873 million in 2018. The sources were:

- \$482 million from property taxes
- \$208 million from user fees, fines, interest income and other
- \$11 million from federal and provincial government grants
- \$98 million from development levies and other restricted capital contributions (i.e. development charges and government transfer payments for restricted purposes being applied to applicable capital works)
- \$74 million of developer contributed tangible capital assets

Total revenues in 2018 were \$44 million higher than 2017 increasing from \$829 million to \$873 million. Major factors contributing to this increase include:

- The higher number of subdivisions assumed during 2018 over 2017 from developers resulted in a \$18 million increase in the Developer contributed tangible capital assets.

- \$32 million increase in property taxation as a result of assessment growth and budgetary increases. The majority of the growth is realized from new construction, particularly residential, and new plans of subdivision. Also contributing to the increase is the increased supplementary assessment received from MPAC.

- Increase in Transit revenues associated with 14% ridership growth.

#### Expenses

The operating expenses totalled \$780 million, including:

- General government - \$83 million
- Protection to persons and property - \$121 million
- Transportation services - \$338 million
- Environmental and health services - \$27 million
- Social and family services - \$4 million
- Recreation and cultural services - \$186 million
- Planning and development services - \$21 million

Total operating expenses of \$780 million (2017: \$719 million) increased by \$61 million. Included in this is \$8 million increase in amortization expense representing the value of tangible capital assets that were consumed during the year. The amortization expense increased due to the \$247 million in new tangible capital assets that were added during 2018. This increase in tangible capital assets is mainly due to the infrastructure assets assumed from developers through subdivision agreements, Downtown Property Acquisition, Sandalwood Works Yard expansion, purchase of transit buses and road construction activities.

Amortization expense does not require an outlay of cash and is not directly included in the determination of the annual property tax levy.

Following are key items driving the operating expense variance from 2017 to 2018:

- \$9 million increase in post-employment benefits and other liabilities
- \$4 million Increase in fuel costs

## Message from the City Treasurer



## Message from the City Treasurer

- Increases from the operating and maintenance of the City's growing infrastructure investment as well as continued growth in transit service

### Reserve Funds

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

As at December 31, 2018, the City of Brampton's reserves and reserve fund balances totalled \$411 million, compared to \$376 million in 2017. These funds are reported as a component of the accumulated surplus (see Note 9 of the consolidated 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 \$300 million as at December 31, 2018 as compared to \$307 million in 2017, a decrease of \$7 million.

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

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

### Final Comments

We are committed to ensuring accountability, transparency, credibility and clarity in financial reporting. We have established a framework to help with long-term prioritization and decision-making. 2018 was about building on our transformational successes and shifting our focus outwards, to translate our bigger thinking into the community through a more responsive business approach, stronger service culture, and investment in our Strategic Plan priorities.

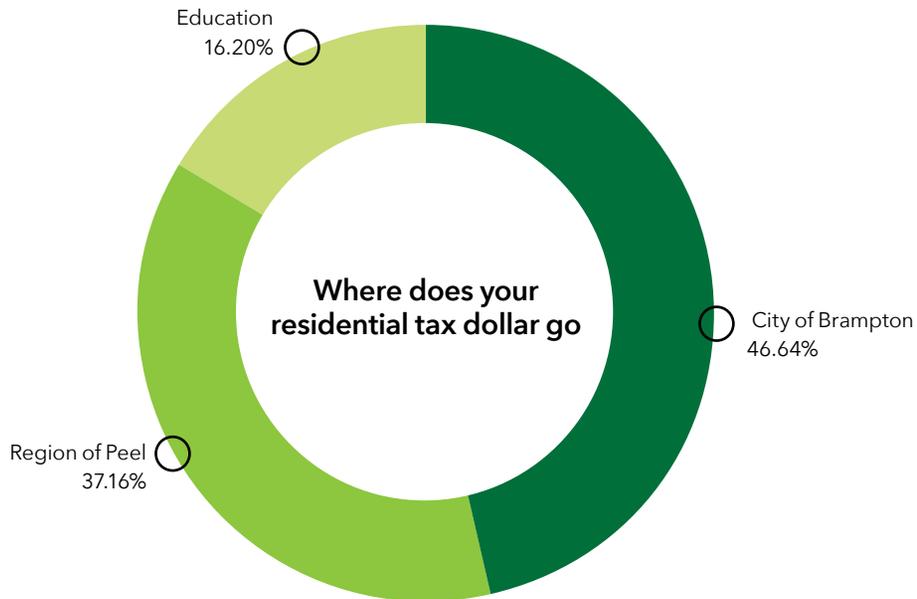
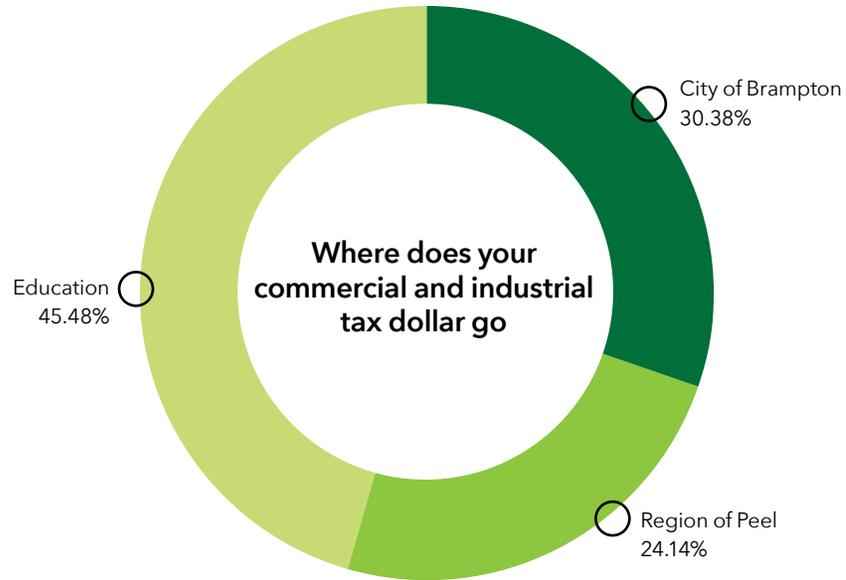
Brampton continues to meet the challenge of balancing service delivery, infrastructure building and maintenance, while remaining fiscally responsible in a rapidly growing city. Industry experts recognize Brampton as a well-managed organization with strong financial practices. We will continue to invest in our infrastructure priorities to help address the needs of our community - now and into the future. Our aim is to manage that future investment with prudent financial policy, while continuing to provide the best possible service to our residents and businesses.

Brampton is a strong contributor to Canada's economy. It is one of the most diverse cities in the country. Our team is committed to help achieve City Council's priorities, for Brampton to be: a City of Opportunities, a Mosaic, a Green City, a Safe and Healthy City and a Well-run City. We are energized by our diverse communities, we attract investment, and we are embarking on a journey to lead technological and environmental innovation. We will continue to partner for progress in building a healthy city that is safe, sustainable and successful.



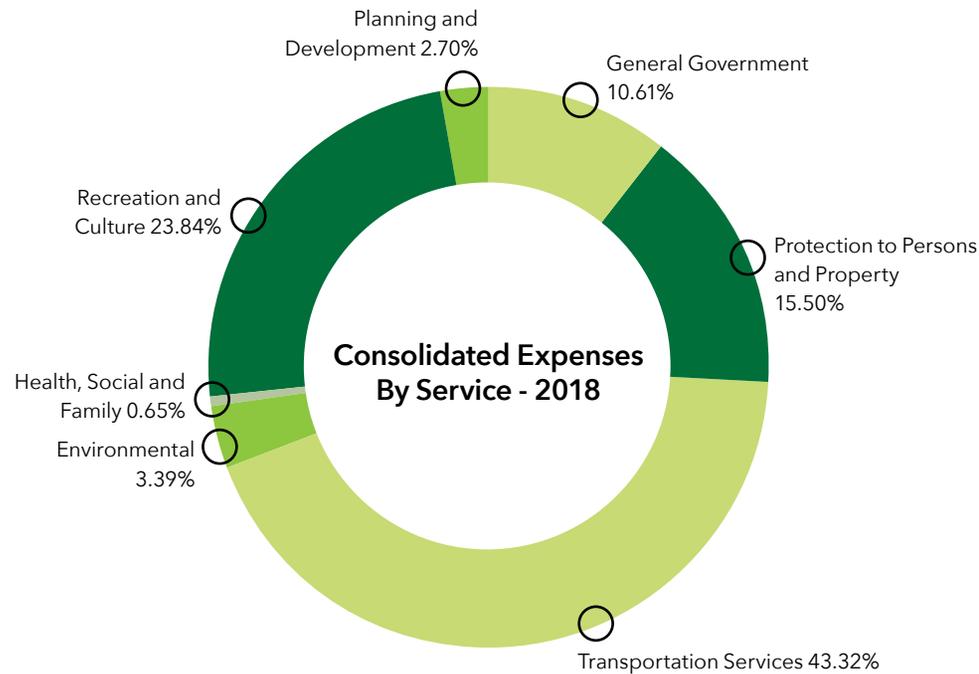
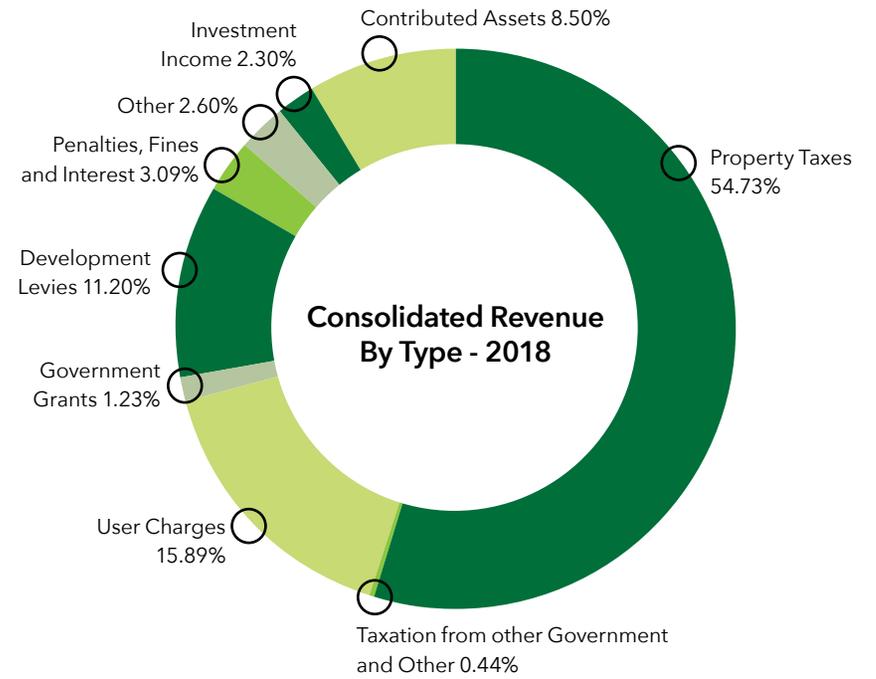
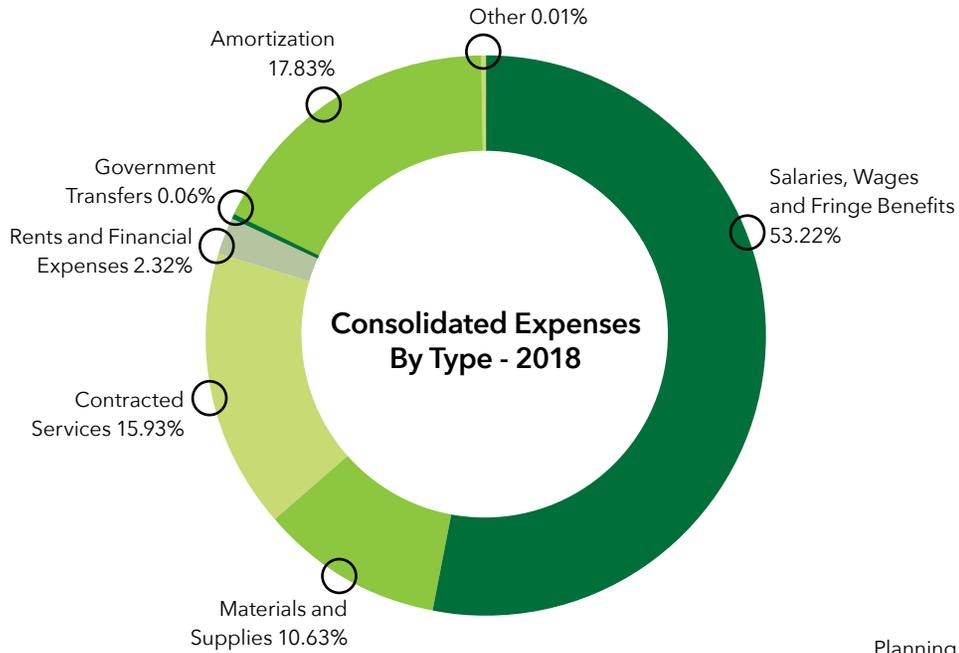
Dave Sutton,  
City Treasurer

May 24, 2019



# Financial Highlights

for the year Ended December 31, 2018





Government Finance Officers Association

**Canadian Award  
for  
Financial Reporting**

Presented to  
**The Corporation of the City of Brampton  
Ontario**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO



# Consolidated Financial Statements

**The Corporation of the City of Brampton for the Fiscal Year Ended December 31, 2018**

## 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 consolidated 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 consolidated financial statements.

City Council fulfils its responsibility for financial reporting through The City Council and its Audit Committee. The City Council consists of the Mayor and ten Councillors. The Audit Committee consists of seven Councillors.

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

Joseph Pittari  
Interim Chief Administrative Officer

David Sutton  
Treasurer

Brampton, Canada  
May 2, 2019





KPMG LLP  
Vaughan Metropolitan Centre  
100 New Park Place, Suite 1400  
Vaughan ON L4K 0J3  
Canada  
Tel 905-265-5900  
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## INDEPENDENT AUDITORS' REPORT

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

### **Opinion**

We have audited the consolidated financial statements of The Corporation of the City of Brampton (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2018, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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.



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### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 2, 2019



## Consolidated Statement of Financial Position

as at December 31, 2018  
(All dollar amounts in \$'000)

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments (Note 3)	\$ 268,928	\$ 348,750
Taxes receivable	56,862	48,665
User charges receivable	2,148	4,053
Accounts receivable	35,821	35,526
Long-term investments (Note 3)	659,605	595,286
Other assets (Note 4)	8,302	8,309
<b>Total financial assets</b>	<b>1,031,666</b>	<b>1,040,589</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	143,042	134,944
Capital lease obligation (Note 5)	86,905	88,597
Deferred revenue - general (Note 6 (a))	4,461	4,014
Deferred revenue - obligatory reserve funds (Note 6 (b))	300,478	306,686
Employee benefits and other liabilities (Note 7)	85,707	77,118
<b>Total financial liabilities</b>	<b>620,593</b>	<b>611,359</b>
<b>Net Financial Assets</b>	<b>411,073</b>	<b>429,230</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 13)	3,795,217	3,687,386
Inventory and prepaids	9,854	6,596
<b>Total non-financial assets</b>	<b>3,805,071</b>	<b>3,693,982</b>
Guarantee (Note 4)		
Contingencies (Note 12)		
Commitments (Note 14)		
<b>Accumulated surplus (Note 9)</b>	<b>\$ 4,216,144</b>	<b>\$ 4,123,212</b>

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

## Consolidated Statement of Operations and Accumulated Surplus

for the year ended December 31, 2018  
(All dollar amounts in \$000)

	2018 Budget (notes 1 (o) and 15)	2018	2017
<b>REVENUES</b>			
Property taxation	\$ 471,747	\$ 478,021	\$ 447,408
Taxation from other governments	3,008	3,880	2,963
User charges	136,089	138,775	130,400
Government grants	824	10,783	2,788
Development levies earned and other restricted capital contributions	164,113	97,843	133,174
Investment income	6,117	4,471	6,097
Interest earned on reserves	11,477	15,611	11,755
Penalties, fines and interest	22,004	27,019	23,628
Developer contributed tangible capital assets (Note 13 (b))	44,215	74,246	55,834
Other	4,285	22,700	15,294
<b>Total revenues</b>	<b>863,879</b>	<b>873,349</b>	<b>829,341</b>
<b>EXPENSES</b>			
General government	73,533	82,833	74,199
Protection to persons and property	120,766	120,933	114,553
Transportation services	330,020	338,083	308,223
Environmental services	23,263	26,426	19,053
Health services (cemeteries)	796	837	829
Social and family services	4,487	4,212	4,052
Recreation and cultural services	189,237	186,022	175,485
Planning and development services	20,836	21,071	22,453
<b>Total expenses</b>	<b>762,938</b>	<b>780,417</b>	<b>718,847</b>
<b>Annual Surplus</b>	<b>\$ 100,941</b>	<b>\$ 92,932</b>	<b>\$ 110,494</b>
Accumulated surplus, beginning of year		4,123,212	4,012,718
<b>Accumulated surplus, end of year (Note 9)</b>		<b>\$ 4,216,144</b>	<b>\$ 4,123,212</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, 2018

(All dollar amounts in \$000)

	2018 Budget (notes 1 (o) and 15)	2018	2017
<b>ANNUAL SURPLUS</b>	\$ 100,941	\$ 92,932	\$ 110,494
Acquisition of tangible capital assets	-	(247,052)	(220,339)
Amortization of tangible capital assets	129,459	139,110	130,611
Net book value of disposed tangible capital assets	-	111	576
Acquisition of inventory and prepaids	-	(12,280)	(9,824)
Use of inventory and prepaids	-	9,022	9,299
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>230,400</b>	<b>(18,157)</b>	<b>20,817</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>429,230</b>	<b>429,230</b>	<b>408,413</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 659,630</b>	<b>\$ 411,073</b>	<b>\$ 429,230</b>

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

## Consolidated Statement of Cash Flows

for the year ended December 31, 2018

(All dollar amounts in \$'000)

	2018	2017
<b>OPERATING ACTIVITIES</b>		
<b>Cash provided by (used in):</b>		
Annual surplus	\$ 92,932	\$ 110,494
<b>Change in non-cash assets and liabilities:</b>		
Taxes receivable	(8,197)	(7,408)
User charges receivable	1,905	(328)
Accounts receivable and other assets	(288)	(6,373)
Accounts payable and accrued liabilities	8,098	(13,504)
Deferred revenue - general	447	270
Deferred revenue - obligatory reserve fund	(6,208)	(16,596)
Employee benefits and other liabilities	8,589	4,281
Inventory and prepaids	(3,258)	(525)
	<b>1,088</b>	<b>(40,183)</b>
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	139,110	130,611
Loss on disposal of tangible capital assets	111	576
Developer contributed tangible capital assets	(74,246)	(55,834)
<b>NET CHANGE IN CASH FROM OPERATIONS</b>	<b>158,995</b>	<b>145,664</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of capital lease obligation	(1,692)	(1,568)
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(172,806)	(164,505)
<b>INVESTING ACTIVITIES</b>		
Increase in long-term investments	(64,319)	(56,642)
	<b>(238,817)</b>	<b>(222,715)</b>
<b>INCREASE IN CASH AND SHORT-TERM INVESTMENTS</b>	<b>(79,822)</b>	<b>(77,051)</b>
Cash and short-term investments, beginning of year	348,750	425,801
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<b>\$ 268,928</b>	<b>\$ 348,750</b>

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



## Notes to Consolidated Financial Statements

Year ended December 31, 2018  
(All dollar amounts are in 000s)

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

### 1. Significant accounting policies:

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

#### a) Reporting entity:

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

- **Brampton Public Library Board (the "Library")**
- **Downtown Brampton Business Improvement Area (the "BIA")**

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

#### b) Non-consolidated entities:

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

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

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

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

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of The Regional Municipality

of Peel ("Region of Peel") and the school boards are not reflected in the accumulated surplus of these consolidated financial statements.

#### d) Basis of accounting:

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

#### e) Investments:

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

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

#### f) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists
- (ii) contamination exceeds the environmental standard
- (iii) the organization is directly responsible or accepts responsibility for the liability
- (iv) future economic benefits will be given up, and
- (v) a reasonable estimate of the liability can be made.

#### g) Non-financial assets:

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

#### h) Tangible capital assets:

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

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

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

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

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

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

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

**(iii) Interest capitalization**

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

**(iv) Leased tangible capital assets**

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

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

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

**i) Government grants:**

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

**j) Deferred revenue - general:**

Deferred revenue represent user charges and fees which have been collected but for which the related services have yet to

be performed. These amounts will be recognized as revenues in the fiscal period the services are performed.

**k) 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.

**l) Taxation and related revenues:**

Tax receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred.

**m) Investment income:**

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

**n) 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 benefit plan. Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued where they are vested and subject to payout when an employee leaves the City's employment.

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

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

## Notes to Consolidated Financial Statements

Year ended December 31, 2018  
(All dollar amounts are in 000s)



## Notes to Consolidated Financial Statements

Year ended December 31, 2018  
(All dollar amounts are in 000s)

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

### **o) Budget figures:**

The City budgets for the following items on the consolidated statement of operations: interest earned on reserves, developer contributed tangible capital assets and amortization expense.

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

### **p) Use of estimates:**

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

### **q) Newly adopted accounting standards:**

Effective January 1, 2018, the City adopted the following standards issued by the PSAB:

- i. PS 2200 - Related party disclosures
- ii. PS 3420 - Inter-Entity Transactions
- iii. PS 3320 - Contingent Assets
- iv. PS 3210 - Assets
- v. PS 3380 - Contractual Rights

The adoption of these standards has resulted in additional note disclosures where necessary.

#### **(i) PS 2200, Related Party Disclosures**

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family

members and the entities they control or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has material effect on the consolidated financial statements.

For the year ended December 31, 2018, there were no material related party transactions to disclose, other than what is reported elsewhere. The City has a number of controls, guidelines and policies to mitigate risk of not identifying material related party transactions, including the Council Code of Conduct and policies covering conflicts of interest, use of City resources, and standard of behaviour.

#### **(ii) PS 3420, Inter-Entity Transactions**

PS 3420 provides guidance on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of this new section deal with the measurement of these transactions. Within the City, most inter-entity transactions are eliminated on consolidation (i.e. BIA's, Library). All City transactions are recorded at the exchange amount, being the amount agreed to by both parties.

For the year ended December 31, 2018, there were no material inter-entity transactions to disclose.

#### **(iii) PS 3320, Contingent Assets**

PS 3320 introduces a definition for possible assets arising from existing conditions or situations involving uncertainty which will be ultimately resolved when one of more future events occur that are not wholly within the government's control. Disclosure of a contingent asset is required under this standard when the occurrence of a confirming future event is likely. Government funding established through an agreement and not yet received at December 31, 2018 are included in receivables and do not fall within this standard.

For the year ended December 31, 2018, there were no material contingent assets to disclose.

#### **(iv) PS 3210, Assets**

PS 3210 provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained.

For the year ended December 31, 2018, all material assets have been disclosed and reported within this definition.

## Notes to Consolidated Financial Statements

Year ended December 31, 2018  
(All dollar amounts are in 000s)



### (v) PS 3380, Contractual Rights

PS 3380 requires disclosure of information pertaining to future rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Such disclosure includes the nature, extent and timing of contractual rights.

See note 17 for disclosure of contractual rights within this definition.

### 2. Future Accounting Pronouncements:

These standards and amendments were not effective for the year ended December 31, 2018, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

(i) PS 3430, Restructuring Transactions, requires that assets and liabilities in restructuring transactions to be measured at their carrying amount. It also prescribes financial statement presentation and disclosure requirements. This standard is effective for fiscal periods beginning on or after April 1, 2018 (the City's December 31, 2019 year-end).

(ii) PS 1201, Financial Statement Presentation, was issued in June, 2011. This standard requires entities to present a new statement of remeasurement gains and losses separate from the consolidated statement of operations and accumulated surplus. This new statement includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This section is effective for fiscal years beginning on or after April 1, 2019 (the City's December 31, 2020 year-end) and applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted.

(iii) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has recently been deferred and is now effective for fiscal periods beginning on or after April 1, 2021 (the City's December 31, 2022 year-end).

(iv) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. The effective date

of this standard has been deferred and is now effective for fiscal periods beginning on or after April 1, 2021 (the City's December 31, 2022 year-end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.

### 3. Cash and Investments:

Cash and short-term investments of \$268,928 (2017 - \$348,750) includes short-term investments of \$15,128 (2017 - \$29,115) with a market value \$15,290 (2017 - \$29,569) at the end of the year.

Long-term investments of \$659,605 (2017 - \$595,286) have a market value of \$654,273 (2017 - \$590,375), at the end of the year.

### 4. Other Assets:

Included under other assets in the consolidated statement of financial position is \$7,984 (2017 - \$7,984) consisting of a construction loan of \$6,000 advanced by the City towards the construction of the CAA Centre (formerly the "Powerade Centre") with a due date of August 31, 2034 and a further \$1,984 representing advances under the Loan and Priorities Agreement established in 1998.

The City is also the guarantor for the Powerade Centre Term Loan ("Term Loan", previously a mortgage) held by the Royal Bank of Canada. In 2017, the Term Loan, which has an amortization period ending in August 2034, was renegotiated with a 5-year term ending on March 21, 2022. The Term Loan has an outstanding balance of \$7,843 on December 31, 2018 (2017 - \$8,209).

### 5. Capital Lease Obligation:

In 2014, the City entered into a capital lease arrangement (the "agreement") for a City Hall West Tower.

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

Annual lease payments under the agreement are as follows:

2019	\$ 8,354
2020	8,354
2021	8,354
2022	8,354
2023	8,354
2024 and Thereafter	130,173

## Notes to Consolidated Financial Statements

Year ended December 31, 2018  
(All dollar amounts are in 000s)

Total minimum lease payments	\$ 171,943
Less amount representing implicit interest at 7.59%	85,038
Capital lease obligation	\$ 86,905

In 2018, the interest expense of \$6,662 (2017 - \$6,785) is reported in the consolidated statement of operations.

### 6. (a) Deferred revenue - general:

Deferred revenue - general is comprised 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, 2018 the deferred revenue - general amounted to \$4,461 (2017 - \$4,014).

### 6. (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, 2018, obligatory reserve funds amounted to \$300,478 (2017 - \$306,686). This balance includes unspent development charges, unspent gas tax receipts as well as unspent funding for specific infrastructure projects received from federal and provincial governments.

Details of these deferred revenues are as follows:

	Opening	Amount received	Amount recognized as revenue	Other adjustments	Closing
Developers	\$ 127,966	\$ 37,738	\$ 61,727	\$ -	\$ 103,977
Federal gas tax	31,340	30,537	27,881	-	33,996
Provincial gas tax	3,687	13,261	10,742	-	6,206
Other	143,693	9,460	(2,507)	639	156,299
<b>Total</b>	<b>\$ 306,686</b>	<b>\$ 90,996</b>	<b>\$ 97,843</b>	<b>\$ 639</b>	<b>\$ 300,478</b>

### 7. Employee benefits and other liabilities:

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

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

	2018	2017
WSIB	\$ 14,678	\$ 12,505
Vested sick leave benefits	21,149	19,099
Vacation pay	11,775	12,295
Non-pension post employment benefits	28,357	23,225
Self insurance liability	9,274	9,586
Legal liability	474	-
<b>Total</b>	<b>\$ 85,707</b>	<b>\$ 76,710</b>

As at December 31, 2018, the City has allocated reserves and reserve funds of \$33,516 (2017 - \$31,022) to fund these obligations.

The most recent full actuarial valuation for WSIB, vested sick leave benefits and non-pension post employment benefits was performed as at December 31, 2016.

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

Item	Non-Pension Post Employment Benefits	Vested Sick Leave Benefits	WSIB	2018 Total	2017 Total
Accrued Benefit obligation ("ABO"), beginning of year	\$ 34,635	\$ 26,312	\$ 20,320	\$ 81,267	\$ 77,628
<b>Add:</b> Current benefit costs	1,718	2,638	2,752	7,108	6,778
<b>Add:</b> Increase due to plan amendment	2,692	-	-	2,692	151
<b>Add:</b> Interest Cost	1,382	1,053	774	3,209	3,071
<b>Less:</b> Current Benefit Payments	1,880	2,594	2,106	6,580	6,361
<b>ABO, end of the year</b>	<b>\$ 38,547</b>	<b>\$ 27,409</b>	<b>\$ 21,740</b>	<b>\$ 87,696</b>	<b>\$ 81,267</b>
Unamortized actuarial gain/(loss)	(10,190)	(6,260)	(7,062)	(23,512)	(26,438)
Liability for Benefits, end of the year	<b>\$ 28,357</b>	<b>\$ 21,149</b>	<b>\$ 14,678</b>	<b>\$ 64,184</b>	<b>\$ 54,829</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:

	Non-Pension	Sick Leave	WSIB
Expected inflation rate	1.75%	1.75%	1.75%
Expected level of salary increases	2.75%	2.75%	n/a
Interest discount rate	4.00%	4.00%	3.75%
Dental premium rate increase	3.75%	n/a	n/a
Health care premium rates increase	6.42%	n/a	6.42%
Expected average remaining service life	15 years	14 years	11 years

#### 8. Pension agreements:

The City makes contributions to OMERS, which is a multi employer plan, on behalf of all permanent, full time members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees, based on the length of service and rates of pay. The City accounts for its participation in OMERS, as a defined contribution plan.

The amount contributed to OMERS for 2018 was \$28,268 (2017 - \$27,525) for current service and is included as an expense on the consolidated statement of operations. Employee contributions totaled \$28,268 (2017 - \$27,525).

The City is current with all payments to OMERS, therefore, there is neither a surplus nor deficit with the pension plan contributions. However, the OMERS pension plan had a deficit at December 31, 2018 of \$4.2 billion based on actuarial valuation of plan assets.

#### 9. Accumulated Surplus:

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

	2018	2017
Tangible capital assets	\$ 3,795,217	\$ 3,687,386
Surplus funds from committed capital projects and other	10,119	59,524
	3,805,336	3,746,910
Reserves	90,272	78,808
Reserve Funds	320,536	297,494
<b>Total</b>	<b>\$ 4,216,144</b>	<b>\$ 4,123,212</b>

#### 10. Expenses by object:

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

	2018 Budget	2018	2017
Salaries, wages and fringe benefits	\$ 416,100	\$ 415,364	\$ 386,748
Materials and supplies	84,172	82,943	77,668
Contracted services	114,357	124,282	104,216
Rents and financial expenses	18,437	18,122	18,311
Government transfers	413	485	717
Amortization	129,459	139,110	130,611
Other	-	111	576
<b>Total expenses</b>	<b>\$ 762,938</b>	<b>\$ 780,417</b>	<b>\$ 718,847</b>

## Notes to Consolidated Financial Statements

Year ended December 31, 2018  
(All dollar amounts are in 000s)



## Notes to Consolidated Financial Statements

Year ended December 31, 2018  
(All dollar amounts are in 000s)

### 11. Trust funds:

Trust funds administered by the City amounted to \$28,842 (2017 - \$27,728) are presented in the separate financial statements of trust funds balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's consolidated financial position or operations.

The City administers the following trust funds:

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

### 12. Public liability insurance:

The City is self-insured for all lines of coverage including public liability, errors and omissions and Brampton Transit claims up

to \$500. This is for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

The City has created a reserve fund for self-insurance which as at December 31, 2018 had a \$18,242 balance (2017 - \$15,725) and is part of accumulated surplus. Claims settled during the year amounting to \$3,592 (2017 - \$2,793) have been provided for from the reserve fund, and are accordingly reported as expenses on the consolidated statement of operations.

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

### 13. Tangible capital assets:

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

Cost	December 31, 2017	Additions	Disposals	Transfers	December 31, 2018
Land	\$ 1,633,698	\$ 30,582	-	-	\$ 1,664,280
Asset under capital lease	93,500	-	-	-	93,500
Buildings and building improvements	710,562	37,826	(11)	-	748,377
Furniture, computer and office equipment	89,935	10,744	(10,939)	-	89,740
Infrastructure	2,055,123	119,876	-	-	2,174,999
Land improvements	93,902	16,852	(940)	-	109,814
Vehicles and machinery	336,849	39,266	(2,563)	-	373,552
Assets under construction	188,680	177,037	-	(185,131)	180,586
<b>Total</b>	<b>\$ 5,202,249</b>	<b>\$ 432,183</b>	<b>\$ (14,453)</b>	<b>\$ (185,131)</b>	<b>\$ 5,434,848</b>

Accumulated amortization	December 31, 2017	Disposals	Amortization expense	December 31, 2018
Land	\$ -	\$ -	\$ -	\$ -
Asset under capital lease	12,778	-	3,740	16,518
Buildings and building improvements	280,823	(11)	32,485	313,297
Furniture, computer and office equipment	48,439	(10,882)	12,817	50,374
Infrastructure	943,490	-	59,771	1,003,261
Land improvements	40,677	(940)	5,587	45,324
Vehicles and machinery	188,656	(2,509)	24,710	210,857
<b>Total</b>	<b>\$ 1,514,863</b>	<b>\$ (14,342)</b>	<b>\$ 139,110</b>	<b>\$ 1,639,631</b>

## Notes to Consolidated Financial Statements

Year ended December 31, 2018  
(All dollar amounts are in 000s)



Net book value	December 31, 2017	December 31, 2018
Land	\$ 1,633,698	\$ 1,664,280
Asset under capital lease	80,722	76,982
Buildings and building improvements	429,739	435,080
Furniture, computer and office equipment	41,496	39,366
Infrastructure	1,111,633	1,171,738
Land improvements	53,225	64,490
Vehicles and machinery	148,193	162,695
Assets under construction	188,680	180,586
<b>Total</b>	<b>\$ 3,687,386</b>	<b>\$ 3,795,217</b>

### a) Assets under construction

Assets under construction having a value of \$180,586 (2017 - \$188,680) have not been amortized. Amortization of these assets will commence when the assets are put into service.

### b) Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution. Contributed capital assets are comprised of infrastructure assets acquired through subdivision assumptions. The value of contributed assets received during the year is \$74,246 (2017 - \$55,834).

### 14. Commitments:

The City leases facilities and equipment under operating leases expiring beyond 2023. The minimum amounts payable under these arrangements are as follows:

2019	\$ 3,499
2020	3,457
2021	3,214
2022	2,927
2023	1,707
2024 and thereafter	14,514
	<b>\$ 29,318</b>

Excluded from these amounts is the capital lease obligation outlined in Note 5.

### 15. Budget Data:

Budget data presented in these consolidated financial statements are based upon the 2018 operating and capital budgets as approved by Council and adopted by the City at the December 6, 2017 meeting. Adjustments to budgeted values were required to provide comparative budget values based on the components of full accrual basis of accounting.

The chart below reconciles the approved operating budget with the budget figures presented in these consolidated financial statements.

### Revenue:

Approved operating budget	\$ 677,912
Less: Contributions from reserve funds	33,087
Less: Other	751
Add: Development levies earned and other restricted capital contributions	164,113
Add: Interest earned on reserves	11,477
Add: Developer contributed assets	44,215
<b>Total reported on Consolidated Financial Statements</b>	<b>\$ 863,879</b>

### Expenses:

Approved operating budget	\$ 677,912
Less: Contributions to reserve funds	89,375
Add: Other	4,256
Add: Operating projects budget	40,686
Add: Amortization	129,459
<b>Total reported on Consolidated Financial Statements</b>	<b>\$ 762,938</b>

### 16. Segmented Information

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

Taxation revenue is recorded under general government.

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

#### General government

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

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

## Notes to Consolidated Financial Statements

Year ended December 31, 2018  
(All dollar amounts are in 000s)

### Protection to persons and property

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

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

### Transportation services

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

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

### Environmental services

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

### Health, social and family services

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

### Recreation and cultural services

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

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

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

### Planning and development services

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

### 17. Contractual Rights:

The City is involved in various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

Future revenues from incoming lease agreements for City-owned properties are approximately \$7,000. The City also has a number of material Federal and Provincial funding agreements with estimated future funding of approximately \$192,000.

## Consolidated Schedule of Segment Disclosure

for the year ended December 31, 2018

(All dollar amounts in \$000)

	General government	Protection to persons and property	Transportation services	Environmental services	Health, social and family services	Recreation and cultural services	Planning and development services	2018 Total	2017 Total
<b>Revenues</b>									
Property taxation and taxation from other governments	\$ 481,509	-	-	-	-	-	392	\$ 481,901	\$ 450,371
User charges	11,188	12,571	80,726	-	777	29,901	3,612	138,775	130,400
Government grants	-	-	8,152	-	108	456	2,067	10,783	2,788
Development levies earned and other restricted capital contributions	-	-	87,991	-	-	6,956	2,896	97,843	133,174
Investment income (including Reserves and Reserve Funds)	20,003	-	-	-	-	72	7	20,082	17,852
Penalties, fines and interest	11,611	14,880	-	-	-	528	-	27,019	23,628
Developer contributed tangible capital assets	-	-	74,246	-	-	-	-	74,246	55,834
Other	14,790	33	6,836	-	19	211	811	22,700	15,294
<b>Total Revenues</b>	<b>539,101</b>	<b>27,484</b>	<b>257,951</b>	<b>-</b>	<b>904</b>	<b>38,124</b>	<b>9,785</b>	<b>873,349</b>	<b>829,341</b>
<b>Expenses</b>									
Salaries, wages and fringe benefits	80,304	97,594	144,821	1,937	2,204	77,038	11,466	415,364	386,748
Materials	15,856	3,273	47,131	46	445	14,759	1,433	82,943	77,668
Contracted services	31,824	4,221	48,996	8,771	260	26,060	4,150	124,282	104,216
Rents and financial expenses	14,554	121	3,056	-	4	335	52	18,122	18,311
Government transfers	(73,693)	9,939	22,024	599	1,605	37,973	2,038	485	717
Amortization	13,988	5,785	72,040	15,073	531	29,761	1,932	139,110	130,611
Other	-	-	15	-	-	96	-	111	576
<b>Total Expenses</b>	<b>82,833</b>	<b>120,933</b>	<b>338,083</b>	<b>26,426</b>	<b>5,049</b>	<b>186,022</b>	<b>21,071</b>	<b>780,417</b>	<b>718,847</b>
<b>Annual surplus (deficit)</b>	<b>\$ 456,268</b>	<b>\$ (93,449)</b>	<b>\$ (80,132)</b>	<b>\$ (26,426)</b>	<b>\$ (4,145)</b>	<b>\$ (147,898)</b>	<b>\$ (11,286)</b>	<b>\$ 92,932</b>	<b>\$ 110,494</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, 2018**



KPMG LLP  
 Vaughan Metropolitan Centre  
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 Vaughan ON L4K 0J3  
 Canada  
 Tel 905-265-5900  
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**INDEPENDENT AUDITORS' REPORT**

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

**Opinion**

We have audited the financial statements of the trust funds of The Corporation of the City of Brampton (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of financial activities and changes in fund balances for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust funds of the Entity as at December 31, 2018, and its results of operations and fund balances for the year then ended in accordance with Canadian public sector accounting standards.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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.





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### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 2, 2019

## Statement of Financial Position

Trust Funds - December 31, 2018,  
with comparative figures for 2017

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	Brampton Sports Hall of Fame	Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance Trust Funds	2018 Total	2017 Total
<b>Financial Assets and Liabilities</b>							
<b>ASSETS</b>							
Cash	962,612	27,495,390	319,249	77,019	54,124	28,908,394	28,541,672
Accounts receivable	1,880	3,089	548,812	151	106	554,038	4,996
Due from City Revenue Fund	-	-	-	-	-	-	558
Subtotal	964,492	27,498,479	868,061	77,170	54,230	29,462,432	28,547,226
<b>LIABILITIES</b>							
Accounts payable	-	59,043	548,189	-	-	607,232	819,089
Due to City Revenue Fund	13,225	-	-	-	-	13,225	-
<b>Total Liabilities</b>	<b>13,225</b>	<b>59,043</b>	<b>548,189</b>	<b>-</b>	<b>-</b>	<b>620,457</b>	<b>819,089</b>
<b>Net financial resources</b>	<b>951,267</b>	<b>27,439,436</b>	<b>319,872</b>	<b>77,170</b>	<b>54,230</b>	<b>28,841,975</b>	<b>27,728,136</b>
<b>Fund balances</b>	<b>951,267</b>	<b>27,439,436</b>	<b>319,872</b>	<b>77,170</b>	<b>54,230</b>	<b>28,841,975</b>	<b>27,728,136</b>

See accompanying notes to financial statements.

## Statement of Financial Activities and Changes in Fund Balances

Trust Funds - December 31, 2018,  
with comparative figures for 2017

	Cemeteries Care and Maintenance Trust Funds	Developers' Performance Deposits Trust	Developer Front End Financing Trust Fund	Brampton Sports Hall of Fame	Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance Trust Funds	2018 Total	2017 Total
<b>Revenue</b>							
Monuments and markers deposits	1,350	-	-	-	-	1,350	2,400
Perpetual care deposits	3,189	-	-	-	-	3,189	4,908
Other deposits - Trusts	-	184,900	-	-	-	184,900	190,000
Loss on sale of investments	-	-	-	-	-	-	(12,544)
Performance deposits received	-	5,639,270	-	-	-	5,639,270	3,300,070
Subtotal	4,539	5,824,170	-	-	-	5,828,709	3,484,834
Interest Income	18,654	644,206	6,182	1,686	1,048	671,776	242,225
<b>Total Revenues</b>	<b>23,193</b>	<b>6,468,376</b>	<b>6,182</b>	<b>1,686</b>	<b>1,048</b>	<b>6,500,485</b>	<b>3,727,060</b>
<b>Expenditures</b>							
Transfers to City Revenue Fund:							
Maintenance Contribution	18,654	-	-	-	-	18,654	18,727
Professional Services/Audit	-	-	-	12,313	-	12,313	-
Office Expenses	-	-	-	7,160	-	7,160	-
Computer Software/Maintenance	-	-	-	-	-	-	-
Interest Transfer	-	644,206	-	-	-	644,206	213,754
Administration Charges	-	-	-	-	-	-	4,023
Subtotal	18,654	644,206	-	19,473	-	682,333	236,504
Return of performance deposits	-	4,704,313	-	-	-	4,704,313	4,915,116
Payments on behalf of developers	-	-	-	-	-	-	26,402
<b>Total Expenditures</b>	<b>18,654</b>	<b>5,348,519</b>	<b>-</b>	<b>19,473</b>	<b>-</b>	<b>5,386,646</b>	<b>5,178,022</b>
Increase (decrease) in net financial resources	4,539	1,119,857	6,182	(17,787)	1,048	1,113,839	(1,450,963)
Fund balances, beginning of year	946,728	26,319,579	313,690	94,957	53,182	27,728,136	29,179,099
<b>Fund balances, end of year</b>	<b>951,267</b>	<b>27,439,436</b>	<b>319,872</b>	<b>77,170</b>	<b>54,230</b>	<b>28,841,975</b>	<b>27,728,136</b>

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

**1. Significant accounting policies:**

**(a) Revenue recognition:**

- (i) 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.
- (ii) Returns of performance deposits are reported in the periods in which they are payable either directly by the Trust Funds or through The Corporation of the City of Brampton (the "City") funds. All other expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenses as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (iii) Investments, including any term deposits not available on demand, are reported at the lower of amortized cost and market value.

**(b) Adoption of new accounting policies:**

Effective January 1, 2018, the Trust funds adopted the following standards issued by the Public Sector Accounting Board:

- (i) PS 2200 - Related party disclosures
- (ii) PS 3420 - Inter-entity transactions
- (iii) PS 3210 - Assets
- (iv) PS 3320 - Contingent assets
- (v) PS 3380 - Contractual rights

The adoption of these standards has resulted in additional note disclosures where necessary.

- (i) PS 2200, Related Party Disclosures:  
A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control

or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has material effect on the financial statements.

For the year end December 31, 2018, all material related party transactions have been disclosed and reported within this definition.

(ii) PS 3420, Inter-Entity Transactions ("PS 3420"):

PS 3420 provides guidance on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of this new section deal with the measurement of these transactions. All Trust transactions are recorded at the exchange amount, being the amount agreed to by both parties.

For the year ended December 31, 2018, there were no material inter-entity transactions to disclose.

(iii) PS 3210, Assets ("PS 3210"):

PS 3210 provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained.

For the year end December 31, 2018, all material assets have been disclosed and reported within this definition.

(iv) PS 3320, Contingent Assets ("PS 3320"):

PS 3320 introduces a definition for possible assets arising from existing conditions or situations involving uncertainty which will be ultimately resolved when one of more future events occur that are not wholly within the government's control. Disclosure of a contingent asset is required under this standard when the occurrence of a confirming future event is likely. Government funding established through an agreement and not yet received at December 31, 2018 are included in receivables and do not fall within this standard.

For the year ended December 31, 2018, there were no material contingent asset transactions to disclose.

## Notes to the Financial Statements

Trust Funds - Year ended  
December 31, 2018



(v) PS 3380, Contractual Rights ("PS 3380"):

PS 3380 requires disclosure of information pertaining to future rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. Such disclosure includes the nature, extent and timing of contractual rights.

The Trust funds involved in various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

For the year ended December 31, 2018, there were no material contractual rights transactions to disclose.

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

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

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

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

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

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

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

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

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

**6. Brampton Sports Hall of Fame:**

The Brampton Sports Hall of Fame (the "BSHF") is a non-profit organization that was founded to recognize and honour the history of sport in the City of Brampton and in particular those persons who have made outstanding contributions and achievements in the development of sport within the community. The BSHF will collect, preserve, research, exhibit and promote all those objects, images and histories which are determined to be significant to the development of sport in the City of Brampton.

# Statistical Information

**Year Ended December 31, 2018**

## 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.)

	2018	2017	2016	2015	2014
Population	642,800	607,740	593,638	580,600	571,700
Households	176,442	172,563	168,120	164,680	160,710
Areas in hectares	27,138	27,138	27,138	27,138	27,138
Full-time employees	3,299	3,299	2,933	2,872	2,872
Housing Starts	2,985	2,985	4,044	5,449	4,366
<b>Building Permit Values</b>	<b>579,248</b>	<b>1,161,294</b>	<b>1,961,406</b>	<b>2,731,791</b>	<b>2,260,649</b>
<b>TAXABLE ASSESSMENT UPON WHICH TAX RATES WERE SET</b>					
Residential and farm	\$ 75,468,274	\$ 69,032,110	\$ 63,219,818	\$ 61,363,309	\$ 59,324,796
Commercial and industrial	15,269,504	14,328,624	13,639,517	13,498,302	13,035,512
<b>Total</b>	<b>\$ 90,737,778</b>	<b>\$ 83,360,734</b>	<b>\$ 76,859,335</b>	<b>\$ 74,861,611</b>	<b>\$ 72,360,308</b>
Total per capita	141,160	137,165	129,472	128,938	126,570
<b>TAX RATES/MILL RATES (URBAN AREA)</b>					
<b>Residential</b>					
City purposes	0.481785%	0.492331%	0.504409%	0.499812%	0.492340%
Region purposes	0.383806%	0.396521%	0.410616%	0.420315%	0.430992%
School board purposes	0.170000%	0.179000%	0.188000%	0.195000%	0.203000%
<b>Total</b>	<b>1.035591%</b>	<b>1.067852%</b>	<b>1.103025%</b>	<b>1.115127%</b>	<b>1.126332%</b>
<b>Commercial</b>					
City purposes	0.624923%	0.638603%	0.654269%	0.648306%	0.638614%
Region purposes	0.497835%	0.514327%	0.532610%	0.545191%	0.559040%
School board purposes	1.018727%	1.042947%	1.057399%	1.069252%	1.107083%
<b>Total</b>	<b>2.141485%</b>	<b>2.195877%</b>	<b>2.244278%</b>	<b>2.262749%</b>	<b>2.304737%</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.)

	2018	2017	2016	2015	2014
<b>Industrial</b>					
City purposes	0.708224%	0.723727%	0.741481%	0.734724%	0.723740%
Region purposes	0.564195%	0.582886%	0.603606%	0.617863%	0.633558%
School board purposes	1.171562%	1.231495%	1.292875%	1.325843%	1.361148%
<b>Total</b>	<b>2.443981%</b>	<b>2.538108%</b>	<b>2.637962%</b>	<b>2.678430%</b>	<b>2.718446%</b>
<b>TAXES RECEIVABLE, END OF THE YEAR</b>					
Amount	\$63,503	\$ 54,859	\$ 46,567	\$ 50,150	\$ 57,768
Per capita	\$99	\$90	\$78	\$86	\$101
Percentage of years' levy	5.49%	5.00%	4.46%	5.05%	6.18%
<b>NET LONG-TERM LIABILITIES, END OF YEAR</b>					
Amount	\$86,905	\$ 88,597	\$ 90,165	\$ 91,619	\$ 92,967
Per Capita	\$135	\$146	\$152	\$158	\$163
<b>CHARGES FOR NET LONG-TERM LIABILITIES</b>					
Amount	\$6,662	\$ 6,785	\$ 6,900	\$ 7,005	\$ 2,948
Per capita	\$10	\$11	\$12	\$12	\$5
<b>DEBT REPAYMENT LIMIT</b>	<b>\$ 151,734</b>	<b>\$ 145,581</b>	<b>\$ 132,609</b>	<b>\$ 124,718</b>	<b>\$ 101,068</b>
(as determined by the Province of Ontario)					

## 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.)

	2018	2017	2016	2015	2014
<b>TAXES COLLECTED</b>					
City collection	\$ 481,901	\$ 450,363	\$ 425,337	\$ 396,482	\$ 362,325
Taxes Transferred to the Region	381,084	362,048	345,653	331,371	315,094
Taxes Transferred to the School Boards	292,728	284,551	274,257	266,015	257,647
<b>Total</b>	<b>\$ 1,155,713</b>	<b>\$ 1,096,962</b>	<b>\$ 1,045,247</b>	<b>\$ 993,868</b>	<b>\$ 935,066</b>
<b>TAX LEVIES</b>					
City purposes	\$ 478,326	\$ 447,661	\$ 422,704	\$ 393,851	\$ 359,899
Region purposes	380,816	360,309	343,919	331,138	314,854
School board purposes	292,149	283,015	272,796	265,524	257,647
<b>Total</b>	<b>\$ 1,151,291</b>	<b>\$ 1,090,985</b>	<b>\$ 1,039,419</b>	<b>\$ 990,513</b>	<b>\$ 932,400</b>
<b>TRUST FUNDS BALANCE - End of year</b>	<b>\$ 28,842</b>	<b>\$ 27,728</b>	<b>\$ 29,179</b>	<b>\$ 29,748</b>	<b>\$ 29,530</b>
<b>CONTRIBUTION FROM DEVELOPERS AND OTHER OBLIGATORY RESERVES</b>					
Development charges	\$ 37,738	\$ 66,090	\$ 100,737	\$ 136,071	\$ 119,859
Gas tax - Province	13,261	11,333	10,467	10,047	11,837
Gas tax - Federal	30,537	29,431	29,149	27,761	28,117
Other obligatory reserves	9,460	9,085	11,176	18,369	13,772
<b>Total</b>	<b>\$ 90,996</b>	<b>\$ 115,939</b>	<b>\$ 151,529</b>	<b>\$ 192,248</b>	<b>\$ 173,585</b>
<b>DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS</b>					
Development charges	\$ 103,977	\$ 127,966	\$ 139,009	\$ 127,214	\$ 88,190
Gas tax - Province	6,206	3,687	3,253	2,885	3,572
Gas tax - Federal	33,996	31,340	31,972	47,224	56,674
Other obligatory reserves	156,299	143,693	149,048	139,387	158,014
<b>Total</b>	<b>\$ 300,478</b>	<b>\$ 306,686</b>	<b>\$ 323,282</b>	<b>\$ 316,710</b>	<b>\$ 306,450</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.)

	2018	2017	2016	2015	2014
<b>CONSOLIDATED REVENUES BY SOURCE</b>					
Property taxation	\$ 478,021	\$ 447,408	\$ 422,459	\$ 393,608	\$ 359,644
Taxation from other governments	3,880	2,963	2,903	2,874	2,681
User charges	138,775	130,400	124,722	114,620	111,357
Government grants	10,783	2,788	12,252	13,468	26,509
Development levies earned and other restricted capital contributions	97,843	133,174	145,597	182,628	97,344
Investment income	4,471	6,097	7,641	9,955	9,655
Penalties, fines and interest	27,019	23,628	21,474	21,688	21,259
Interest earned on reserves	15,611	11,755	9,286	9,728	8,021
Developer contributed tangible capital assets	74,246	55,834	29,856	76,271	115,410
Other	22,700	15,294	3,363	5,792	6,712
<b>Total</b>	<b>\$ 873,349</b>	<b>\$ 829,341</b>	<b>\$ 779,553</b>	<b>\$ 830,632</b>	<b>\$ 758,592</b>
<b>CONSOLIDATED EXPENSES BY FUNCTION</b>					
General government	\$ 68,845	\$ 64,076	\$ 102,172	\$ 51,649	\$ 52,003
Protection to persons and property	115,148	109,227	95,441	95,449	109,341
Transportation services	266,028	238,636	224,672	210,897	197,567
Environment services	11,353	4,530	3,047	6,792	3,288
Health services (cemeteries)	714	699	630	708	571
Social and family services	3,804	3,605	3,369	2,298	2,399
Recreation and cultural services	156,165	146,747	151,482	138,651	126,500
Planning and development	19,139	20,140	26,887	25,069	23,372
Amortization expense	139,110	130,611	125,971	119,939	118,399
Other	111	576	350	261	193
<b>Total</b>	<b>\$ 780,417</b>	<b>\$ 718,847</b>	<b>\$ 734,021</b>	<b>\$ 651,713</b>	<b>\$ 633,633</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.)

	2018	2017	2016	2015	2014
<b>CONSOLIDATED EXPENSES BY OBJECT</b>					
Salaries, wages and employee benefits	\$ 415,364	\$ 386,748	\$ 379,483	\$ 345,602	\$ 334,507
Long term debt payments	6,662	6,785	6,900	7,005	2,948
Goods and services	219,170	194,127	221,317	178,906	177,586
Amortization	139,110	130,611	125,971	119,939	118,399
Other	111	576	350	261	193
<b>Total</b>	<b>\$ 780,417</b>	<b>\$ 718,847</b>	<b>\$ 734,021</b>	<b>\$ 651,713</b>	<b>\$ 633,633</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>\$ 4,123,212</b>	<b>\$ 4,012,718</b>	<b>\$ 3,967,186</b>	<b>\$ 3,788,267</b>	<b>\$ 3,663,308</b>
<b>ANNUAL SURPLUS</b>	<b>92,932</b>	<b>110,494</b>	<b>45,532</b>	<b>178,919</b>	<b>124,959</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>\$ 4,216,144</b>	<b>\$ 4,123,212</b>	<b>\$ 4,012,718</b>	<b>\$ 3,967,186</b>	<b>\$ 3,788,267</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>\$ 1,031,666</b>	<b>\$ 1,040,589</b>	<b>\$ 1,046,889</b>	<b>\$ 1,060,860</b>	<b>\$ 994,172</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>620,593</b>	<b>611,359</b>	<b>638,476</b>	<b>607,484</b>	<b>592,059</b>
<b>NET FINANCIAL ASSETS</b>	<b>\$ 411,073</b>	<b>\$ 429,230</b>	<b>\$ 408,413</b>	<b>\$ 453,376</b>	<b>\$ 402,113</b>
<b>TANGIBLE CAPITAL ASSET NET BOOK VALUE</b>					
Land	\$ 1,664,280	\$ 1,633,698	\$ 1,630,775	\$ 1,628,129	\$ 1,608,632
Asset under capital lease	76,982	80,722	84,462	88,202	91,942
Buildings and building improvements	435,080	429,739	403,237	396,139	395,169
Furniture, computer and office equipment	39,366	41,496	40,789	41,691	44,955
Infrastructure	1,171,738	1,111,633	1,076,300	1,060,870	986,006
Land improvements	64,490	53,225	52,279	47,983	48,039
Vehicles and machinery	162,695	148,193	145,111	139,507	132,904
Assets under construction	180,586	188,680	165,281	105,894	72,940
<b>Total</b>	<b>\$ 3,795,217</b>	<b>\$ 3,687,386</b>	<b>\$ 3,598,234</b>	<b>\$ 3,508,415</b>	<b>\$ 3,380,587</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.)

	2018	2017	2016	2015	2014
<b>TANGIBLE CAPITAL ASSET COST</b>					
Assets - beginning of year	\$ 5,202,249	\$ 4,999,075	\$ 4,822,234	\$ 4,655,337	\$ 4,319,366
Additions	432,183	356,363	340,942	392,028	484,232
Disposals and transfers	(199,584)	(153,189)	(164,101)	(225,131)	(148,261)
<b>Assets - end of year</b>	<b>\$ 5,434,848</b>	<b>\$ 5,202,249</b>	<b>\$ 4,999,075</b>	<b>\$ 4,822,234</b>	<b>\$ 4,655,337</b>
<b>TANGIBLE CAPITAL ASSET AMORTIZATION</b>					
Accumulated amortization - beginning of year	\$ 1,514,863	\$ 1,400,841	\$ 1,313,819	\$ 1,274,750	\$ 1,160,755
Current year expense	139,110	130,611	125,971	119,939	118,399
Accumulated amortization on disposals	(14,342)	(16,589)	(38,949)	(80,870)	(4,404)
<b>Accumulated amortization - end of year</b>	<b>\$ 1,639,631</b>	<b>\$ 1,514,863</b>	<b>\$ 1,400,841</b>	<b>\$ 1,313,819</b>	<b>\$ 1,274,750</b>
<b>TANGIBLE CAPITAL ASSET NET BOOK VALUE</b>	<b>\$ 3,795,217</b>	<b>\$ 3,687,386</b>	<b>\$ 3,598,234</b>	<b>\$ 3,508,415</b>	<b>\$ 3,380,587</b>

## 10 Largest Corporate Property Taxpayers in Brampton - 2018

Rank	Owner Name	Assessment Value \$
1	Morguard Corporation	619,895,982
2	Orlando Corporation	458,470,500
3	1388688 Ontario Limited	207,985,500
4	Riotrin Properties (Brampton)	199,610,500
5	Chiefton Investments Limited	170,605,000
6	Industrial 5000 Real Estate	169,803,500
7	Hoopp Realty Inc	165,127,082
8	Cp Reit Ontario Properties L	163,117,500
9	Investors Group Trust Co Ltd	150,871,063
10	Cap Reit Apartments Inc	142,953,500
<b>Top Ten - Assessment Total</b>		<b>2,448,440,127</b>
% of Total Industrial and Commercial Assessment		16.03%
% of Total		2.70%
Total Residential Assessment		75,468,273,526
Total Industrial and Commercial Assessment		15,269,504,297
<b>Total</b>		<b>90,737,777,823</b>