

**DRAFT #2**  
**May 7, 2024**

Financial Statements of

**THE CORPORATION OF THE  
CITY OF BRAMPTON  
TRUST FUNDS**

And Independent Auditor's Report thereon

Year ended December 31, 2023

## INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

### ***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.

### ***Auditor's 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 auditor's 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.
- 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 auditor's 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 auditor's 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.

***DRAFT***

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

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# THE CORPORATION OF THE CITY OF BRAMPTON TRUST FUNDS

## *DRAFT* Statement of Financial Position

December 31, 2023, with comparative information for 2022

						2023	2022
	Cemeteries Care and Maintenance Trust Funds (Fund #1)	Developers' Performance Deposits Trust (Fund #16)	Developer Front End Financing Trust Fund (Fund #39)	Brampton Sports Hall of Fame (Fund #83)	Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance Trust Funds (Fund #41, 47 and 48)	Total	Total
<b>Assets</b>							
Cash	\$ 1,023,284	\$ 30,616,372	\$ 357,025	\$ 86,138	\$ 60,487	\$ 32,143,306	\$ 35,701,148
Due from The Corporation of the City of Brampton	–	–	–	–	–	–	8,910
Accounts receivable	4,736	3,089	1,653	399	280	10,157	–
	1,028,020	30,619,461	358,678	86,537	60,767	32,153,463	35,710,058
<b>Liabilities</b>							
Accounts payable	–	127,572	–	–	–	127,572	23,516
Due to The Corporation of the City of Brampton	10,581	–	–	–	–	10,581	8,258
	10,581	127,572	–	–	–	138,153	31,774
Accumulated surplus	\$ 1,017,439	\$ 30,491,889	\$ 358,678	\$ 86,537	\$ 60,767	\$ 32,015,310	\$ 35,678,284

See accompanying notes to financial statements.

# THE CORPORATION OF THE CITY OF BRAMPTON TRUST FUNDS

## **DRAFT** Statement of Financial Activities and Changes in Fund Balances

Year ended December 31, 2023, with comparative information for 2022

						2023	2022
	Cemeteries Care and Maintenance Trust Funds (Fund #1)	Developers' Performance Deposits Trust (Fund #16)	Developer Front End Financing Trust Fund (Fund #39)	Brampton Sports Hall of Fame (Fund #83)	Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance Trust Funds (Fund #41, 47 and 48)	Total	Total
<b>Revenue:</b>							
Monuments and markers deposits	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 3,600
Perpetual care deposits	8,321	-	-	-	-	8,321	6,134
Other deposits - Trusts	-	168,645	-	-	-	168,645	623,960
Performance deposits received	-	3,611,669	-	-	-	3,611,669	6,053,012
	10,321	3,780,314	-	-	-	3,790,635	6,686,706
Interest income	52,910	1,618,051	18,109	4,369	3,068	1,696,507	790,389
	63,231	5,398,365	18,109	4,369	3,068	5,487,142	7,477,095
<b>Expenditures:</b>							
Transfers to The Corporation of the City of Brampton:							
Maintenance contribution	52,910	-	-	-	-	52,910	23,180
Interest transfer	-	1,618,051	-	-	-	1,618,051	756,303
	52,910	1,618,051	-	-	-	1,670,961	779,483
Return of performance deposits	-	7,479,155	-	-	-	7,479,155	3,859,764
	52,910	9,097,206	-	-	-	9,150,116	4,639,247
Annual surplus	10,321	(3,698,841)	18,109	4,369	3,068	(3,662,974)	2,837,848
Accumulated surplus, beginning of year	1,007,119	34,190,728	340,570	82,168	57,699	35,678,284	32,840,436
Accumulated surplus, end of year	\$ 1,017,440	\$ 30,491,887	\$ 358,679	\$ 86,537	\$ 60,767	\$ 32,015,310	\$ 35,678,284

See accompanying notes to financial statements.

# THE CORPORATION OF THE CITY OF BRAMPTON TRUST FUNDS

**DRAFT** Notes to Financial Statements

Year ended December 31, 2023

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## 1. Significant accounting policy:

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.

The financial statements of The Corporation of the City of Brampton Trust Funds (the "Trust Funds") are prepared by management in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

- (a) 'FS Caption for Receipts', other than interest and letters of credit receipts, are reported on deposits are recognized as revenue upon cash receipt. Interest income and letters of credit receipts are recorded on the accrual basis of accounting.
- (b) Returns of performance deposits are reported in the periods in which they are payable either directly by the Trust Funds or through the City funds. All other expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.
- (c) Investments, including any term deposits not available on demand, are reported at the lower of amortized cost and market value.
- (d) Adoption of new accounting policies:

Effective January 1, 2023, the Trust Funds adopted the following standards issued by the PSAB:

- (i) PS 3450, Financial Instruments, establishes standards on how to account for and report types of financial instruments including derivatives.
- (ii) PS 2601, Foreign Currency Translation, which replaces PS 2600, establishes standards on how to account for and report transactions that are denominated in a foreign currency in government financial statements.

# THE CORPORATION OF THE CITY OF BRAMPTON TRUST FUNDS

**DRAFT** Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 1. Significant accounting policy (continued):

(iii) PS 1201, Financial Statement Presentation, which replaces PS 1200, establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the statement of remeasurement gains and losses, which reports changes in the values of financial assets and financial liabilities arising from their remeasurement at current exchange rates and/or fair value.

### (e) Future accounting pronouncements:

These standards and amendments were not yet effective for the year ended December 31, 2023, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of these standards on the future financial statements.

(i) PS 3400, Revenue, establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. This standard is effective for fiscal years beginning on or after April 1, 2023 (the Trust Fund's December 31, 2024 year end).

(ii) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023 (the Trust Fund's December 31, 2024 year end).

(iii) PS 3160, Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3s arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity. This standard is effective for fiscal years beginning on or after April 1, 2023 (the Trust Fund's December 31, 2024 year end).



# THE CORPORATION OF THE CITY OF BRAMPTON TRUST FUNDS

**DRAFT** Notes to Financial Statements (continued)

Year ended December 31, 2023

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## **2. Due from the City:**

The amounts due from/to the City represent amounts from different Funds, are non-interest bearing, and have no fixed repayment terms.

## **3. 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; Alloo; 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)".

## **4. 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.

# THE CORPORATION OF THE CITY OF BRAMPTON TRUST FUNDS

**DRAFT** Notes to Financial Statements (continued)

Year ended December 31, 2023

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**5. 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.

**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.

**7. Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance Trust Funds:**

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.

**8. Risk management:**

The Trust Funds are not exposed to any significant liquidity, interest rate, credit, market or cash flow risk.