

DRAFT #3
April 12, 2021

Financial Statements of

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

And Independent Auditors' Report thereon

Year ended December 31, 2020

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, 2020
- 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, 2020, 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.

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.

- 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.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

DRAFT Statement of Financial Activities and Changes in Fund Balances

								2020	2019
	Cemeteries Care and Maintenance Trust Funds (Fund #1)						Brampton Marketing Board, Greater Toronto Area and Greater Toronto		
							Marketing Alliance Trust Funds (Fund #41, 47 and 48)		Total
Revenue:									
Monuments and markers deposits	\$ 1,600	\$ —	\$ —	\$ —	\$ —	\$ —		\$ 1,600	\$ 2,000
Perpetual care deposits	8,284	—	—	—	—	—		8,284	7,717
Other deposits - Trusts	—	325,176	—	—	—	—		325,176	140,000
Performance deposits received	—	4,688,338	—	—	—	—		4,688,338	5,825,925
Interest income	9,884	5,013,514	—	—	—	—		5,023,398	5,975,642
	10,486	332,358	3,559	860	860	604		347,867	451,769
	20,370	5,345,872	3,559	860	860	604		5,371,265	6,427,411
Expenditures:									
Transfers to the Corporation of the City of Brampton									
Maintenance contribution	10,486	—	—	—	—	—		10,486	22,235
Interest transfer	—	332,358	—	—	—	—		332,358	419,047
Administration charges	—	—	—	—	—	—		—	60
Return of performance deposits	10,486	332,358	—	—	—	—		342,844	441,342
Payments on behalf of developers	—	3,889,195	—	—	—	—		3,889,195	3,016,107
	—	132,729	—	—	—	—		132,729	—
	10,486	4,354,282	—	—	—	—		4,364,768	3,457,449
Annual Surplus	9,884	991,590	3,559	860	860	604		1,006,497	2,969,962
Accumulated surplus, beginning of year	960,984	30,389,254	327,287	78,963	78,963	55,449		31,811,937	28,841,975
Accumulated surplus, end of year	\$ 970,868	\$ 31,380,844	\$ 330,846	\$ 79,823	\$ 79,823	\$ 56,053		\$ 32,818,434	\$ 31,811,937

2

THE CORPORATION OF THE CITY OF BRAMPTON TRUST FUNDS

DRAFT Notes to Financial Statements

Year ended December 31, 2020

1. Significant accounting policies:

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 ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

(a) Basis of accounting:

- (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 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.

2. Due from the City:

The amount due from the City is non-interest bearing with no fixed repayment terms.

THE CORPORATION OF THE CITY OF BRAMPTON

TRUST FUNDS

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2020

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.

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.

THE CORPORATION OF THE CITY OF BRAMPTON TRUST FUNDS

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2020

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.