

# Corporation of the City of Brantford

December 31, 2021

## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the consolidated financial statements of The Corporation of the City of Brantford (the 'City'), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2021, and its consolidated results of operations, its consolidated changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### 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 Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these 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 consolidated 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 City'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 City'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 City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an audit 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.

We 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 may identify during our audit.

*Millard, Rose & Rosebrugh LLP*

May 31, 2022  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

	2021	2020
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	74,055,758	120,993,566
Taxes receivable (Note 4)	4,335,476	5,953,852
Accounts and grants receivable (Note 5)	22,871,609	19,005,181
Inventories held for resale	53,162	50,615
Land held for resale	1,213,032	439,684
Investments (Note 6)	350,054,682	254,892,908
Investment in Brantford Energy Corporation (Note 8)	50,382,468	46,853,900
Note receivable - Brantford Power Inc. (Note 8)	24,189,168	24,189,168
Note receivable - Brantford Hydro Inc. (Note 8)	1,303,335	1,303,335
<b>Total Financial Assets</b>	<b>528,458,690</b>	<b>473,682,209</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	62,150,363	67,603,504
Deferred revenues - obligatory reserve funds (Note 9)	114,920,303	106,617,125
Vested sick leave (Note 10)	3,419,191	3,330,596
Post-employment/retirement benefits (Note 10)	21,649,786	20,616,586
Accrued interest on long term liabilities	525,557	518,893
Landfill closure and post-closure liability (Note 11)	39,120,054	32,358,402
Contaminated sites liability (Note 12)	13,984,813	5,004,338
Boundary adjustment liability (Note 13)	9,742,286	11,991,111
Long-term commitments payable (Note 14)	2,084,000	2,605,000
Net long-term liabilities (Note 15)	70,459,109	64,989,838
<b>Total Liabilities</b>	<b>338,055,462</b>	<b>315,635,393</b>
<b>NET FINANCIAL ASSETS</b>	<b>190,403,228</b>	<b>158,046,816</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (net) (Schedule 1)	806,389,863	774,044,601
Inventories	667,677	720,171
Prepaid expenses (Note 17)	2,832,951	1,714,258
<b>Total Non-Financial Assets</b>	<b>809,890,491</b>	<b>776,479,030</b>
<b>ACCUMULATED SURPLUS (NOTE 18)</b>	<b>1,000,293,719</b>	<b>934,525,846</b>

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



## CONSOLIDATED STATEMENT OF OPERATIONS

	Budget (Note 23)	2021	2020
For the year ended December 31	\$	\$	\$
<b>REVENUES</b>			
Taxation (Note 19)	172,009,781	173,219,419	166,421,178
User fees and service charges (Note 20)	62,020,244	63,757,242	59,285,896
Government transfers (Note 22)	69,535,483	82,159,720	75,221,742
Rents and concessions	9,689,214	9,158,269	8,947,951
Investment Income	5,774,528	5,683,147	6,437,701
Casino revenue	500,000	1,907,656	1,204,822
Development and other contributions applied	-	22,099,157	2,746,578
Provincial Offences Act and other fines	1,822,920	1,654,144	1,543,677
Licences and permits	2,794,754	2,804,229	2,473,006
Penalties and interest on taxes	1,750,000	1,870,774	1,245,745
Contributed tangible capital assets (Schedule 1)	-	36,594,918	9,453,561
Interest from Brantford Energy Corporation (Note 8)	1,012,265	1,020,378	1,070,685
Income from Brantford Energy Corporation (Note 8)	1,150,000	4,678,568	142,846
Other revenues (Note 21)	7,112,366	7,950,467	8,097,787
<b>Total Revenues</b>	<b>335,171,555</b>	<b>414,558,088</b>	<b>344,293,175</b>
<b>EXPENSES</b>			
General government	14,925,917	15,891,805	14,081,948
Protection services	76,000,918	79,550,929	76,081,832
Transportation services	47,759,860	45,596,389	42,001,575
Environmental services	77,444,788	75,540,689	57,248,219
Health services	8,994,944	8,865,466	8,770,741
Social and family services	64,344,438	58,225,590	60,767,169
Social housing	24,463,389	23,619,480	23,644,550
Recreation and cultural services	36,394,445	33,706,422	31,773,680
Planning and development	8,130,410	7,793,445	7,903,010
<b>Total Expenses</b>	<b>358,459,109</b>	<b>348,790,215</b>	<b>322,272,724</b>
<b>ANNUAL SURPLUS (DEFICIT) FROM OPERATIONS</b>	<b>(23,287,554)</b>	<b>65,767,873</b>	<b>22,020,451</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>934,525,846</b>	<b>934,525,846</b>	<b>912,505,395</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>911,238,292</b>	<b>1,000,293,719</b>	<b>934,525,846</b>

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



## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31

	Budget	2021	2020
	\$	\$	\$
<b>Annual surplus</b>	(23,287,554)	65,767,873	22,020,451
Amortization	34,391,686	35,326,024	34,227,509
Contributed tangible capital assets	-	(36,594,918)	(9,453,561)
Acquisition of tangible capital assets, net of reclassification	-	(31,696,319)	(49,912,607)
(Gain)/Loss on disposal of tangible capital assets	-	(106,131)	(1,013,357)
Proceeds on disposal of tangible capital assets	-	726,087	2,119,666
(Increase) / Consumption of inventory and prepaid expense	842,456	(1,066,204)	1,882,999
<b>INCREASE (DECREASE) IN NET FINANCIAL ASSETS</b>	<b>11,946,588</b>	<b>32,356,412</b>	<b>(128,900)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>158,046,816</b>	<b>158,046,816</b>	<b>158,175,716</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>169,993,404</b>	<b>190,403,228</b>	<b>158,046,816</b>

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



## CONSOLIDATED STATEMENT OF CASH FLOWS

	2021	2020
For the year ended December 31	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual Surplus (Deficit)	65,767,873	22,020,451
<b>Items not affecting cash:</b>		
Equity in earnings of Brantford Energy Corporation	(5,698,946)	(1,213,531)
Amortization	35,326,024	34,227,509
(Gain)/Loss on disposal of tangible capital assets	(106,131)	(1,013,357)
Contributed tangible capital assets	(36,594,918)	(9,453,561)
<b>Change in non-cash assets and liabilities</b>		
Taxes receivable	1,618,377	(3,151,907)
Accounts receivable	(3,866,431)	2,938,761
Accounts payable and accruals	(5,453,147)	9,467,107
Deferred revenues - obligatory reserve funds	8,303,181	18,009,080
Employee benefits and interest	1,128,459	796,783
Landfill closure and post-closure liability	6,761,652	(13,927)
Contaminated sites liability	8,980,475	300,315
Other financial assets	(775,895)	(425,501)
Inventories and prepaid expenses	(1,066,199)	1,882,999
<b>Cash provided by operating activities</b>	<b>74,324,374</b>	<b>74,371,221</b>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets, net of reclassification	(31,696,319)	(49,912,607)
Proceeds on disposal of tangible capital assets	726,087	2,119,666
<b>Cash applied to capital activities</b>	<b>(30,970,232)</b>	<b>(47,792,941)</b>
<b>INVESTING ACTIVITIES</b>		
(Increase)/Decrease in investments	(95,161,773)	35,469,680
Dividends and interest from Brantford Energy Corporation	2,170,378	2,220,685
<b>Cash provided by (applied to) investing activities</b>	<b>(92,991,395)</b>	<b>37,690,365</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt issued	9,300,000	-
Principal repayments on long-term debt	(3,830,730)	(3,870,635)
Payments on long-term commitments and boundary adjustment	(2,769,825)	(2,406,644)
<b>Cash provided by (applied to) financing activities</b>	<b>2,699,445</b>	<b>(6,277,279)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(46,937,808)</b>	<b>57,991,366</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>120,993,566</b>	<b>63,002,200</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>74,055,758</b>	<b>120,993,566</b>

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

# **CORPORATION OF THE CITY OF BRANTFORD**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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### **NATURE OF THE ORGANIZATION**

The Corporation of the City of Brantford 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 and related legislation.

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Corporation of the City of Brantford (the "City") are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of CPA Canada.

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgment. Actual results could differ from these estimates. Significant aspects of the accounting policies adopted by the City are as follows:

#### **(a) Reporting Entities**

##### **(i) Consolidated Entities**

The consolidated financial statements include the assets, liabilities, revenues, and expenses, of the City. The reporting entity is composed 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:

Brant and Brantford Local Housing Corporation  
Brantford Downtown Business Improvement Area  
Brantford Municipal Non-Profit Housing Corporation  
Brantford Police Services Board  
Brantford Public Library

Inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated.



**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) Reporting Entities (continued)**

**(ii) Proportionate Consolidation**

The John Noble Home is operated jointly by the City of Brantford and the County of Brant and has been consolidated on a proportionate basis, based upon the population of the City of Brantford in proportion to the entire population of the City of Brantford and County of Brant combined.

**(iii) Brant and Brantford Local Housing Corporation**

Effective January 1, 2002, the City entered into a service agreement with the Brant and Brantford Local Housing Corporation whereby the Housing Corporation transferred all operations to the City. The Housing Corporation has retained title to its physical assets in the capacity of bare trustee for the benefit of the City.

**(iv) Brant County Health Unit**

The assets, liabilities, revenues and expenses relating to the operations of the health unit are not reflected in these consolidated financial statements.

**(v) Accounting for School Board Transactions**

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the accumulated surplus of these financial statements.

**(vi) Trust Funds**

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds statement of continuity and statement of financial position.

**(vii) Brantford Energy Corporation**

Brantford Energy Corporation is accounted for on a modified equity basis, consistent with the Canadian public sector accounting standards for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated.

**(b) Basis of Accounting**

**(i) Accrual Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Basis of Accounting (continued)**

**(ii) Government Transfers**

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

**(iii) Taxation Revenue**

Taxation revenue is recorded when property tax bills are levied. Taxation revenue recognized each year is adjusted for estimates for expected supplementary taxes, appeals and non-collectible taxes.

**(iv) Deferred Revenues - Obligatory Reserve Funds**

Deferred revenues represent development charges, user fees and government contributions which have been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

**(v) Investment income**

Investment income is reported as revenue in the period it is earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

**(vi) Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash on hand, cash held in financial institutions, and short term investments with original maturities of three months or less from the time of acquisition.

**(vii) Loans and Other Receivables**

Loans and other receivables are valued at cost. Recoverability is reviewed annually and a valuation allowance is recorded when recoverability is impaired. A loan receivable is written off when it is no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized as it is earned.

**(viii) Land Held for Resale**

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Basis of Accounting (continued)**

**(ix) Investments**

Investments consist of deposit notes, bonds, debentures, guaranteed investment certificates (GIC's), high interest savings accounts and holdings in the One Investment Canadian Equity Portfolio. All investments are recorded at amortized cost and have original dates to maturity of 91 days or longer. Discounts and premiums arising from 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 in the consolidated statement of operations.

**(x) Employee future benefits**

The City provides certain employee benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, life insurance, and extended health and dental benefits for early retirees.

The costs of sick leave, benefits under the WSIB Act, life insurance, and extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discounted rates.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Actuarial gains and losses arising in a year are amortized into future years' expenses over the average remaining service period of active employees. Past service costs (if any) arising from a plan amendment are immediately recognized.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation, life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period when the events occur. Any actuarial gains or losses that are related to these benefits are recognized immediately in the period they arise.

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Basis of Accounting (continued)**

**(xi) 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 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.

**(xii) Use of Estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statement, and the reported amounts of revenues and expenses during the period. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, carrying value of tangible capital assets, provisions for accrued liabilities, contaminated sites liability, landfill closure and post-closure liability, and obligations related to employee future benefits.

Actual results could differ from these estimates.

**(xiii) Non-financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

**a) Tangible Capital Assets**

Under Canadian public sector accounting standards guidelines, tangible capital assets are recorded at their historical cost and amortized over their estimated useful life. Tangible capital assets are defined as non-financial assets with an estimated useful life greater than one year, held for use in the production or supply of goods and services, not held for resale, in continuous use, and valued in excess of an established financial threshold.

The capitalization threshold for general assets is \$5,000 and \$25,000 for infrastructure assets. Individual tangible capital assets with lesser value are expensed or recorded as pooled assets if the collective value of the homogeneous assets is greater than \$25,000 in the year of acquisition.

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Basis of Accounting (continued)**

**(xiii) Non-financial Assets (continued)**

**a) Tangible Capital Assets (continued)**

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

Buildings	10 - 50 years
Vehicles:	
Transit buses	12 years
Vehicles	5 - 15 years
Computer hardware and software	4 - 15 years
Other:	
Machinery and equipment	10 - 20 years
Land improvements	10 - 30 years
Waste, wastewater plants and networks:	
Underground networks	50 - 75 years
Water and wastewater plants and facilities	30 - 100 years
Transportation	
Roads	15 - 50 years
Bridges, culverts, etc.	20 - 40 years

Expected useful lives are determined based on experience with the asset. Revisions to the estimates may be caused by upgrades or renewal expenditures that result in a change in the service level of the asset or may revise the life expectancy. These estimates and potential impairment of the tangible capital assets are reviewed annually.

Amortization is calculated beginning in the month the asset is put into service. Assets under construction are not amortized until the asset is available for productive use.

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

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Basis of Accounting (continued)**

**(xiii) Non-financial Assets (continued)**

**b) Contributed Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at their fair market value at the date of contribution or at a nominal value if the fair market value of a contributed asset is not known.

**c) Tangible Capital Assets Recognized at Nominal Value**

Tangible capital assets are recognized at nominal value whenever fair value cannot be determined. Land, machinery and equipment, land improvements, and buildings are tangible capital asset categories that include nominal values.

**d) Capital Leases**

Leases are classified as capital leases if they transfer substantially all of the benefits and risks incidental to ownership of property. Leased capital assets are recorded as tangible capital assets.

**e) Inventories**

Inventories held for consumption are not considered tangible capital assets.

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**2. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT BOARDS**

Contributions amounting to \$2,739,995 (2020 - \$2,520,691) which are included as an expense in the consolidated statement of operations were made by the municipality to the Brant County Health Unit.

**3. TRUST FUNDS**

Trust funds administered by the Municipality amounting to \$4,387,221 (2020 - \$4,220,902) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

**4. TAXES RECEIVABLE**

	<b>2021</b>	<b>2020</b>
Taxes Receivable	13,243,626	13,529,600
Allowance for uncollectibles	(8,908,150)	(7,575,748)
	<b>4,335,476</b>	<b>5,953,852</b>

**5. ACCOUNTS AND GRANTS RECEIVABLE**

	<b>2021</b>	<b>2020</b>
Accounts receivable	15,626,115	15,699,169
Grant receivable - Federal	5,694,160	2,641,772
Grant receivable - Provincial	1,551,334	664,240
	<b>22,871,609</b>	<b>19,005,181</b>

**6. INVESTMENTS**

The total investments of \$350,054,682 (2020 - \$254,892,908) recorded on the consolidated statement of financial position at cost, having a market value of \$348,690,149 (2020 - \$256,107,733) at the end of the year are comprised of the following:

	<b>2021</b>	<b>2020</b>
Provincial	8,997,702	9,966,506
Municipal - own	8,006,844	1,994,078
Municipal - other	9,163,641	14,356,652
Financial Institutions	307,522,236	222,986,940
One Investment Program	16,364,259	5,588,732
	<b>350,054,682</b>	<b>254,892,908</b>

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities are comprised of the following:

	<b>2021</b>	<b>2020</b>
Trade payables	24,945,723	31,309,924
Deposits/Unearned revenue	27,934,008	22,832,956
Payable to the provincial and federal government	3,385,759	6,641,698
Payable to other municipalities	5,334,923	6,769,941
Payable to school boards	549,950	48,983
	<b>62,150,363</b>	<b>67,603,502</b>

**8. INVESTMENT IN BRANTFORD ENERGY CORPORATION**

In compliance with provincial legislation enacted to restructure the electricity industry in Ontario, Council approved the incorporation of the business of the former Brantford Hydro-Electric Commission ("the Commission"). Through its 100 per cent interest in Brantford Energy Corporation, the City retains its interest in the electricity business conducted by Brantford Energy Corporation's wholly-owned subsidiaries, Brantford Power Inc., and Brantford Hydro Inc. The three companies are incorporated under the Ontario Business Corporations Act. Brantford Power Inc. provides regulated electricity distribution services, Brantford Hydro Inc. provides fibre optics networks, water heater and other equipment rental services.

The notes receivable of \$25,492,503 is made up of two notes. The Brantford Power Inc. note of \$24,189,168 is payable, interest only, at 3.95% per annum, with principal due February 1, 2026. The Brantford Hydro Inc. note of \$1,303,335 is payable, interest only, at 3.95% per annum, with principal due February 1, 2026. The City has the option to extend the maturity date for successive five year periods. The City also has the option to convert the principal sum of the notes into common shares of the corporation at a conversion ratio of \$100 per common share.



**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

**8. INVESTMENT IN BRANTFORD ENERGY CORPORATION (CONTINUED)**

Government Business Enterprises must follow International Financial Reporting Standards (IFRS) for fiscal years beginning on or after January 1, 2011. The following table provides condensed financial information prepared under IFRS in respect of the consolidated operations of Brantford Energy Corporation for the year ended December 31:

	<b>2021</b>	<b>2020</b>
Current assets	35,909,192	42,667,620
Non-current assets	11,779,135	4,654,447
Property, plant and equipment	101,422,839	103,178,128
Regulatory balances	5,500,312	4,829,545
Total Assets and Regulatory Balances	154,611,478	155,329,740
Current liabilities	21,215,426	26,753,979
Long term debt	59,393,530	61,204,723
Other non-current liabilities	17,131,052	13,768,360
Post-employment benefits and accumulated vested sick leave	1,453,000	1,466,600
Regulatory balances	1,409,854	1,656,030
Total Liabilities and Regulatory Balances	100,602,862	104,849,692
<b>Net Equity</b>	<b>54,008,616</b>	<b>50,480,048</b>
Results of Operations:		
Revenues	141,886,370	151,909,950
Operating expenses	136,340,863	145,313,831
<b>Income from operating expenses</b>	<b>5,545,507</b>	<b>6,596,119</b>
Other income	429,545	463,132
Other expenses	3,656,082	2,803,885
<b>Net income before regulatory movement</b>	<b>2,318,970</b>	<b>4,255,366</b>
Net movement in regulatory balances, net of tax	918,711	(2,285,004)
<b>Net income for the year and net movement in regulatory balances</b>	<b>3,237,681</b>	<b>1,970,362</b>

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**8. INVESTMENT IN BRANTFORD ENERGY CORPORATION (CONTINUED)**

The City's investment is comprised of the following:

	<b>2021</b>	<b>2020</b>
Equity - Beginning of Year		
Common Shares	23,895,512	23,895,512
Prior years accumulated net income	26,584,536	27,591,690
	<b>50,480,048</b>	<b>51,487,202</b>
Net income (loss) for the year	3,237,681	1,970,362
Dividends	(1,150,000)	(1,150,000)
Other Comprehensive Income (Loss)	1,440,887	(1,827,516)
	<b>3,528,568</b>	<b>(1,007,154)</b>
Change in equity for the year		
Equity - End of year	54,008,616	50,480,048
Reversal of intercompany gains	(3,626,148)	(3,626,148)
Notes receivable	25,492,503	25,492,503
<b>Net Investment</b>	<b>75,874,971</b>	<b>72,346,403</b>

Subsequent to December 31, 2021, the merger participation agreement with: The Corporation of the City of Cambridge ("Cambridge"); The Corporation of the Township of North Dumfries ("North Dumfries"); The Corporation of the City of Brantford ("Brantford"); Cambridge and North Dumfries Energy Plus Inc.; Energy+ Inc.; Cambridge and North Dumfries Energy Solutions Inc.; Brantford Power Inc., and Brantford Hydro Inc. was approved by the Ontario Energy Board and closed May 2, 2022. For further information see note 36.

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

**9. DEFERRED REVENUES - OBLIGATORY RESERVE FUNDS**

A requirement of the public sector accounting standards of CPA Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the City are summarized as follows:

	<b>2021</b>	<b>2020</b>
Development charges	62,247,914	64,140,942
Subdivision contributions	2,568,747	2,438,201
Recreational land (The Planning Act)	3,918,278	1,210,806
Canada Community - Building Fund	25,038,235	20,961,982
Provincial Gas Tax	1,813,728	1,964,962
B-Home Housing Program	576,141	268,014
Cash in lieu of Parking	1,605	1,576
Ontario Municipal Commuter Cycling Program	-	337,435
Ontario Community Infrastructure Fund	10,747,531	10,208,583
Building Code Act	8,008,124	5,084,624
	<b>114,920,303</b>	<b>106,617,125</b>

Continuity of deferred revenue is as follows:

	<b>2021</b>	<b>2020</b>
Balance, beginning of year	106,617,125	88,608,046
Contributions from:		
Canada Community - Building Fund	12,129,249	5,915,323
Provincial Gas Tax	1,484,809	1,371,387
Development charges	18,514,225	12,676,092
Developers and others	9,831,506	4,511,256
Interest earned	2,044,969	2,203,551
Total revenue	<b>44,004,758</b>	<b>26,677,609</b>
Deferred revenue utilized:		
Canada Community - Building Fund	8,476,857	4,242,530
Provincial Gas Tax	1,670,861	1,745,861
Development charges	21,571,840	2,209,273
Developers and others	3,982,022	470,866
Total deferred revenue utilized	<b>35,701,580</b>	<b>8,668,530</b>
Balance, end of year	<b>114,920,303</b>	<b>106,617,125</b>

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

**10. POST-EMPLOYMENT/RETIREMENT BENEFITS**

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 a cash payment when they leave the City's employment. The City also has obligations for amounts owing to former employees under the Workplace Safety and Insurance Board permanent partial disability pension and for amounts owing under various benefit programs. An actuarial valuation of future liabilities was completed in February 2022 and forms the basis for the estimated liability reported in these financial statements.

The weighted average assumptions used in the valuation were as follows:

	<b>2021</b>	<b>2020</b>
Discount rate	2.57%	2.10%
Average compensation increase	2.50%	2.50%
Healthcare cost increases		
Initial rate	6.00%	6.00%
Ultimate rate	4.75%	4.75%
Dental care cost increase	3.75%	3.75%

	<b>Post-Employment/Retirement Benefits</b>				
	<b>Medical, Dental, Life Insurance</b>	<b>Sick Leave Gratuity</b>	<b>Disability Benefits</b>	<b>Total Benefits 2021</b>	<b>Total Benefits 2020</b>
<b>December 31, 2021</b>					
Liability as at January 1	20,042,796	3,330,596	573,790	23,947,182	23,119,393
Net Service Cost	1,129,200	223,800	-	1,353,000	1,097,000
Net Interest Cost	491,400	82,100	27,200	600,700	669,800
Recognition of (Gains) / Losses	(1,282,338)	586,109	514,652	(181,577)	3,941,418
Amortization of (Gains) / Losses	293,842	33,095	48,258	375,195	106,189
Benefit Payments	(913,500)	(250,400)	(43,200)	(1,207,100)	(1,045,200)
Accrued Benefit Obligation as at December 31	<b>19,761,400</b>	<b>4,005,300</b>	<b>1,120,700</b>	<b>24,887,400</b>	<b>27,888,600</b>
Unrecognized Gains / (Losses)	1,282,338	(586,109)	(514,652)	181,577	(3,941,418)
Liability as at December 31	<b>21,043,738</b>	<b>3,419,191</b>	<b>606,048</b>	<b>25,068,977</b>	<b>23,947,182</b>

The City and the Brantford Public Library have established reserves to mitigate the future impact of these obligations, as disclosed in Note 24. The balance at the end of the year is \$3,519,378 (2020 - \$3,544,780).

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**11. LANDFILL CLOSURE AND POST CLOSURE LIABILITY**

The *Environmental Protection Act* sets out regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites.

The City has one active landfill site, the Mohawk Street Landfill Site ("Site"). In 2014 the City hired a consultant to develop a Landfill Master Plan to assist the City in preparing for the continued operation, management, and development of the Site for a 25 year planning period and beyond. The Landfill Master Plan also forecasts the City's required financial commitments during continued landfill operation and also following its closure to the end of its estimated contaminating life span.

The Landfill Master Plan integrates predicted waste generation and disposal needs, remaining capacity and life expectancy of the Site, a detailed inventory of City-owned landfill assets, their condition and life expectancy, and the estimated future capital costs and financial liability to the end of the landfill's estimated contamination life span.

Based on the analysis conducted by the consultant, the Site has a licensed capacity of approximately 13,345,000 cubic metres with approximately 7,688,120 cubic metres of remaining capacity. At current average fill rates, the Site is estimated to have a remaining operating life span of approximately 40 - 45 years.

It is estimated the total cost to close and maintain the Site and to maintain all other closed phases is approximately \$92,287,115 (2020 - \$78,163,774) with \$39,120,054 (2020 - \$32,358,402) recognized in the financial statements and \$53,167,061 (2020 - \$45,805,372) to be recognized as the capacity of the Site is used up. The liability has been estimated using a risk-based approach and was calculated using a present value technique with a discount rate of 3.33%.

The City has not designated any assets to assist with the cost of closing and maintaining the Site. Once the Site has reached full capacity it is estimated that post-closure activities would continue for approximately 112 years.

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**12. CONTAMINATED SITES LIABILITY**

The City has recognized a contaminated sites liability of \$13,984,813 as at December 31, 2021 (2020 - \$5,004,338) for remediation of known contaminated sites where an assessment has been conducted, or where available information on sites is sufficient to estimate the costs.

	<b>2021</b>	<b>2020</b>
The liability is comprised of the following:		
Mohawk Lake	12,966,820	4,000,000
Other sites	1,017,993	1,004,338
	<b>13,984,813</b>	<b>5,004,338</b>

The nature of the contamination includes chemicals, heavy metals, and other organic and inorganic contaminants. The liability has been estimated using a risk-based approach and was calculated using a present value technique with a discount rate of 2.57%. The estimated total undiscounted expenditures for 2021 is \$19,941,713 (2020 - \$5,041,713). The assumptions and basis of measurement used in estimating the liability include past land usage, the nature and level of contamination, current land use, length of time to remediate the site, engineer cost estimates, environmental site assessments and analysis from staff reports. The amount of estimated recoveries from the Federal Government is \$NIL (2020 - \$712,500).

**13. BOUNDARY ADJUSTMENT - COUNTY OF BRANT**

On January 1, 2017, the City's boundary lines were expanded to include 2,720 hectares of land transferred from the County of Brant ("the County") to the City's jurisdiction. Using a present value technique with a current discount rate of 2.57%, a liability is recognized for the compensation due to the County in the amount of \$9,742,286 (2020 - \$11,991,111). The undiscounted balance is \$10,561,428 (2020 - \$12,920,056). The City is required to pay the County \$11,633,500 by way of 10 equal annual installments from January 2018 to January 2027. In addition, the City must pay the County \$11,259,144 for the phase-out of County Taxes based on the amount of the County municipal taxes levied on the lands in the annexed area in 2016. This amount is paid in annual installments that will decline on a straight-line basis until 2027.

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

**14. LONG-TERM COMMITMENTS PAYABLE**

**Wilfrid Laurier University and YMCA project Grant**

Grant payable to Wilfrid Laurier University and the YMCA of Hamilton/Burlington/Brantford for the construction of the Laurier Brantford YMCA facility. The grant represents 10% of eligible expenses totaling \$5,210,000. The liability is payable in annual installments of \$521,000 and will mature on November 1, 2025.

<b>2021</b>	<b>2020</b>
<b>2,084,000</b>	<b>2,605,000</b>

**15. NET LONG TERM LIABILITIES**

(a) The long term liabilities consist of a mortgage, serial debentures and loans. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing. The long-term liabilities reported in (c) of this note carry interest rates ranging from 2.27% to 5.87% and maturity dates ranging from March 2023 to December 2044.

(b) The net long term liabilities reported in (a) of this note are payable as follows:

	<b>2022 to 2026</b>	<b>After 2026</b>
From benefiting landowners and user rates	22,707,672	46,756,117
From consolidated municipal enterprises	502,917	125,801
From the County of Brant	70,179	296,423
	<b>23,280,768</b>	<b>47,178,341</b>

(c) For the long-term liabilities in (a) of this note, the annual principal payments over the next five years and thereafter until the year 2044 are as follows:

2022	4,434,726
2023	4,589,343
2024	4,589,212
2025	4,750,273
2026	4,917,213
Thereafter	47,178,342
	<b>70,459,109</b>

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

**15. NET LONG TERM LIABILITIES (CONTINUED)**

(d) Included in the long term liabilities is the Municipal Non-Profit Housing Corporation mortgage payable for the corporation's property: Branlyn Meadows Project. The building is pledged as security for the mortgage.

	2021	2020
<b>Branlyn Meadows Project</b>		
2.39% first mortgage loan to Canada Mortgage and Housing Corporation, due March 2023, payable in monthly installments of \$9,142 on account of principal and interest	<b>628,718</b>	<b>722,261</b>

(e) As at December 31, 2021, the City held \$8,006,844 (2020 - \$1,994,078) of the net long term liabilities outstanding.

**16. CHARGES FOR NET LONG TERM LIABILITIES**

	2021	2020
Total charges for the year for net long term liabilities are as follows:		
Debt Principal	3,830,730	3,870,635
Due to County - Boundary Adjustment	2,248,825	1,885,644
Due to YMCA/Wilfrid Laurier - Grant	521,000	521,000
Interest	2,243,217	2,349,867
	<b>8,843,772</b>	<b>8,627,146</b>

**17. PREPAID EXPENSES**

Prepaid expenses are comprised of the following:

	2021	2020
1 Market Square Lease	266,485	1,108,941
Insurance Premiums	1,723,013	123,221
Other	843,453	482,096
	<b>2,832,951</b>	<b>1,714,258</b>



**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

**18. ACCUMULATED SURPLUS**

Accumulated surplus consists of the following:

For the General Reduction of Taxation:

City - operating fund

Local Boards

Capital fund balance

Brantford Energy Corporation, net investment

Reserves (Note 24)

Reserve funds (Note 24)

Equity in tangible capital assets

Land held for resale

Prepaid Expense - 1 Market Square Lease

Unfunded liabilities

<b>2021</b>	<b>2020</b>
2,978,113	1,189,377
303,345	198,523
<b>3,281,458</b>	<b>1,387,900</b>
45,938,649	43,015,301
75,874,971	72,346,403
105,884,935	72,748,744
122,062,519	110,470,677
806,389,863	774,044,601
1,213,032	439,684
266,485	1,108,941
<b>1,157,630,454</b>	<b>1,074,174,351</b>
160,618,193	141,036,403
<b>1,000,293,719</b>	<b>934,525,848</b>

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

**19. TAXATION**

Taxation revenue, reported on the Consolidated Statement of Operations, is made up of the following:

	<b>2021</b>	<b>2020</b>
Municipal and school property taxes	205,430,837	204,431,637
Payments in lieu of taxes	3,825,400	4,720,946
<b>Net property taxes</b>	<b>209,256,237</b>	<b>209,152,583</b>
School board requisitions	36,036,818	42,731,405
<b>Taxation revenue available for municipal purposes</b>	<b>173,219,419</b>	<b>166,421,178</b>

**20. USER FEES AND SERVICE CHARGES**

	<b>2021</b>	<b>2020</b>
User fees and service charges are comprised of the following:		
Environmental services	50,564,841	49,907,881
General government	691,097	621,924
Health services	395,212	355,874
Planning and development	4,660,009	1,122,895
Protection services	1,138,800	814,472
Recreation and cultural services	3,050,677	3,512,901
Social and family services	350,839	411,821
Social housing	147,365	118,386
Transportation services	2,758,402	2,419,742
	<b>63,757,242</b>	<b>59,285,896</b>

**21. OTHER REVENUES**

Other revenues received by the City are comprised of the following sources:

	<b>2021</b>	<b>2020</b>
Sale of non-inventory items	1,945,943	1,662,452
Donations	221,500	483,788
Transfer from trust funds	98,571	119,100
Gain/(Loss) on disposal of tangible capital assets, inventory, and land held for resale	106,131	1,013,358
Service Level Agreements	612,385	830,738
Other recoveries and rebates	4,965,937	3,988,351
	<b>7,950,467</b>	<b>8,097,787</b>

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

**22. GOVERNMENT TRANSFERS**

The sources of government funding by function are as follows:

	<b>2021</b>	<b>2020</b>
Provincial Grants:		
General government	254,100	1,388
Protection services	10,025,250	9,883,255
Transportation services	5,907,601	2,411,614
Environmental services	-	(3,123)
Social and family services	45,872,895	48,131,581
Social housing	3,443,222	3,580,625
Recreation and cultural services	356,982	251,229
Planning and development	409,147	220,288
<b>Provincial Total</b>	<b>66,269,197</b>	<b>64,476,857</b>
Federal Grants:		
General government	22,177	135,449
Protection services	529,538	278,966
Transportation services	7,609,886	4,017,495
Environmental services	1,740,919	677,648
Social and family services	515,349	421,247
Social housing	1,175,445	1,695,553
Recreation and cultural services	908,197	296,319
Planning and development	2,274	4,646
<b>Federal Total</b>	<b>12,503,785</b>	<b>7,527,323</b>
Other Municipalities Grants:		
General government	1,110	1,422
Protection services	185,638	169,370
Environmental services	311,574	300,709
Social and family services	1,027,843	971,566
Social housing	1,850,992	1,747,969
Recreation and cultural services	4,746	6,691
Planning and development	4,835	19,835
<b>Other Municipalities Total</b>	<b>3,386,738</b>	<b>3,217,562</b>
<b>Total</b>	<b>82,159,720</b>	<b>75,221,742</b>

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**23. BUDGET FIGURES**

The budget data presented in these consolidated financial statements are based upon the 2021 operating budget approved by Council. The budget that was approved by Council was not prepared on a basis consistent with that used to report actual consolidated financial statement results. The budget was approved on a modified accrual basis while Public Sector Accounting Standards (PSAS) now require a full accrual basis. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements. In addition, to ensure comparability of expenses, the allocation of program support costs completed for actual reporting was also applied to the budget amounts.

City Council net approved budget	\$ 0
Approved Consolidated Local Board budgets	449,767
Add:	
Capital project revenues	3,108,212
Interest earned on reserve funds	2,135,528
Operating expenses resulting in tangible capital assets	678,587
Net transfers (from) to reserves and reserve funds	36,023,882
Debt principal repayments	3,725,911
Long-term commitments	521,000
Boundary adjustment liability repayment	2,248,825
Less:	
Capital project operating expenses	(20,663,192)
Amortization	(34,391,686)
Post employment benefits	(1,149,681)
Landfill closure / post closure liability	(6,125,428)
Accrued interest	(6,664)
1 Market Square lease prepaid	(842,456)
Land held for resale	(19,684)
Contaminated sites liability	(8,980,475)
<b>Budget Deficit (Full Accrual)</b>	<b><u>(23,287,554)</u></b>

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

**24. RESERVES AND RESERVE FUNDS**

The total balance of reserves and reserve funds of \$105,884,935 (2020 - \$72,748,744) and \$122,062,519 (2020 - \$110,470,677) respectively is made up of the following:

	<b>2021</b>	<b>2020</b>
<b>Reserves set aside for specific purposes:</b>		
Replacement of equipment	280,702	317,891
Sick leave	3,519,378	3,544,780
Insurance	4,449,156	4,121,883
Social housing	7,248,739	9,132,173
Protection services	3,908,823	3,064,186
Transportation	13,206,638	8,147,226
Waste disposal	751,769	688,547
Industrial development	1,452,867	1,452,867
Brownfields	51,929	51,929
Contingencies	5,143,538	4,404,128
General government	2,648,361	3,169,874
Recreation facilities	29,159,692	21,190,665
Post-employment benefits	34,402	36,389
Libraries	1,479,992	1,548,768
Other corporate financing	29,494,311	8,791,387
Other	3,054,638	3,086,051
<b>Total Reserves</b>	<b>105,884,935</b>	<b>72,748,744</b>
<b>Reserve funds set aside for specific purposes by Council:</b>		
Wastewater	61,921,879	60,403,893
Water	60,140,640	50,066,784
<b>Total Reserve Funds</b>	<b>122,062,519</b>	<b>110,470,677</b>
<b>Total Reserves and Reserve Funds</b>	<b>227,947,454</b>	<b>183,219,421</b>

# **CORPORATION OF THE CITY OF BRANTFORD**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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### **25. LANDFILL GAS ELECTRICITY GENERATION PROJECT**

On June 14, 2016, the City was assigned all of the assets and undertakings of the Brantford Generation Inc. landfill gas electricity generation project for a purchase price of \$3,250,000. Ontario Infrastructure and Lands Corporation (IO) has provided financing to the City in the amount of \$3,250,000 for purposes of acquiring the project.

On August 18, 2016, a revenue sharing agreement was established between IO and the City requiring the City to pay to IO a cash amount equal to 50% of the project's excess cash flow for the fiscal year to a maximum amount of \$8,662,883 (plus accrued interest) within 210 days following the City's year-end. It is expected that this payment will be \$NIL for 2021 (2020 - \$NIL).

### **26. PENSION AGREEMENTS**

Contributions are made to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time members of its staff and other qualifying employees. 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 employer's amount contributed to OMERS for 2021 was \$11,060,442 (2020 - \$10,388,323) for current and past service. Employees' contributions to OMERS in 2021 totaled \$11,060,442 (2020 - \$10,388,323).

The OMERS pension plan has a deficit. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions may be required in the future. The program deficit in 2021 is \$3.1 billion (2020 - \$3.2 billion).

### **27. COVID-19 PANDEMIC**

The impacts of the global COVID-19 pandemic continued to place operational and financial pressures on municipalities in 2021. Public transit, recreation, and casino related revenues remain well below pre-pandemic levels. Additional costs to provide enhanced health and safety measures for staff and the public were also incurred. To mitigate the negative financial impacts associated with the pandemic, the City implemented measures including the closure of certain administrative and recreational facilities, and the introduction of a work from home model. Grants from upper levels of government, most notably through the various funding streams of the Safe Restart Agreement were also utilized. The City recognized \$3,354,840 in combined Safe Restart Agreement (SRA) funding in 2021 (2020 - \$5,136,616) in addition to \$3,510,708 (2020 - \$1,552,786) from the Social Services Relief Fund (SSRF). The remainder of funds received from the SRA, SSRF and Provincial COVID-19 Recovery Funding totaling \$3,429,522 are included in accrued liabilities and will be utilized to offset pandemic related pressures in 2022.

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

**28. BELL HOMESTEAD STATEMENT OF REVENUE AND EXPENSES**

As a National Historic Site, the Bell Homestead provides public programs for residents and visitors to the community, as well as preservation and maintenance requirements for the historic buildings and artifacts it holds in trust. Operating costs for such are supported by earned revenues and the financial support of Bell Canada, the County of Brant, and the Ministry of Tourism, Culture and Sport–Heritage Programs Unit. The latter requires the disclosure of this information for the purposes of the Community Museum Grant application submitted annually by the Bell Homestead.

	<b>Budget 2021</b>	<b>Actual 2021</b>	<b>Actual 2020</b>
<b>Revenue</b>			
Government Transfers - Federal	1,960	30,914	28,103
Government Transfers - Provincial	24,125	32,538	24,124
Government Transfers - Municipal	6,800	4,746	6,691
Merchandise sales	6,850	2,661	3,190
Café	4,360	1,120	1,482
Admissions	30,000	5,689	4,628
Registration fees	13,600	6,345	1,469
Donation - Bell Canada	50,000	50,000	50,000
General donations and fundraising	2,000	2,045	1,904
Rentals	7,000	7,150	6,996
Memberships	1,800	1,889	1,527
	<b>148,495</b>	<b>145,097</b>	<b>130,114</b>
<b>Expenses</b>			
Salaries, wages, and benefits	274,957	271,425	204,422
Materials and supplies	7,945	13,001	4,533
Food	2,100	669	614
Heat, light, and water	11,680	11,122	9,580
Repairs and maintenance	20,000	13,995	24,698
Janitorial Services	-	9,777	-
Security	750	756	756
Telephone	300	261	230
Advertising	-	-	5,285
Travel, conventions, and seminars	436	-	-
Registration fees	850	71	-
Memberships and subscriptions	150	165	157
Concession supplies	3,420	1,054	2,883
Other purchased services	-	358	182
Administration	345	494	589
	<b>322,933</b>	<b>323,148</b>	<b>253,929</b>
<b>Deficit</b>	<b>(174,438)</b>	<b>(178,051)</b>	<b>(123,815)</b>

# **CORPORATION OF THE CITY OF BRANTFORD**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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### **29. COMPARATIVE FIGURES**

Certain comparative information has been reclassified to conform to the current year's financial statement presentation.

### **30. CONTINGENT ASSETS**

As at December 31, 2021, the City has contingent assets relating to the commencement of legal action against various parties. The amount and nature of the possible outcomes are not determinable at this time and, as a result, no provision has been made in the financial statements. Where management has assessed the likelihood of future economic benefits as being more likely than not, and is able to reasonably assess the benefit, an amount is provided for in these consolidated financial statements.

As at December 31, 2021, the City has contingent assets relating to forgivable loan arrangements valued at \$10,938,246 (2020 - \$10,822,680). Forgivable loan repayment is not expected unless certain conditions are not met. If the conditions on a forgivable loan are no longer met, the loan would be recorded as a financial asset on the balance sheet.

### **31. CONTINGENT LIABILITIES**

#### **(a) Corporation of the City of Brantford**

As at December 31, 2021, there are legal claims commenced against the City that remain outstanding. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed the likelihood of exposure as being more likely than not and is able to reasonably assess the exposure, an amount is provided for in these consolidated financial statements. For the majority of claims against the city, the amount and nature of the possible outcome is not determinable at this time and, as a result, no provision has been made in the financial statements.

#### **(b) Brantford Energy Corporation**

**(i) General Liability Insurance** - The Company has obtained general liability and enhanced directors and officers insurance coverage from the Municipal Electric Association Reciprocal Insurance Exchange (The Mearie Group) expiring January 1, 2024. The Mearie Group is an insurance reciprocal whereby all members through the unincorporated group share risks with each other. Members of the Mearie Group are assessed a premium deposit at policy execution. Should the group experience losses that are in excess of the accumulated premium deposits of its members combined with reserves and supplementary insurance, members would be assessed a supplementary or retro assessment on a pro-rata basis for the years in which the Company was a member.

As at December 31, 2021, the Company has not been made aware of any additional assessments. Participation in The Mearie Group covers a three-year underwriting period which expires on January 1, 2024.



**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**31. CONTINGENT LIABILITIES (CONTINUED)**

(b) Brantford Energy Corporation (continued)

(ii) General - From time to time, the Company is involved in various litigation matters arising in the ordinary course of its business. The Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or its ability to carry on any of its business activities.

**32. CONTRACTUAL RIGHTS**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights consist of contracts entered into for operating leases and cost share agreements with the County of Brant. The City has also entered into an agreement with the Ontario Lottery and Gaming Corporation (OLG) whereby quarterly contributions are received based on a percentage of gaming revenues.

**33. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

(i) Operating Leases

The City has entered into operating leases for various equipment, vehicles, and properties with expected annual lease payments as follows:

2022 - \$1,495,526	2023 - \$1,384,064	2024 - \$1,279,308
2025 - \$17,500	2026 & Thereafter - \$8,500	

(ii) The City has outstanding contractual obligations of approximately \$50.3 million at December 31, 2021 for capital works (2020 - \$35.1 million). City Council has authorized the financing of these obligations.

(iii) The City has a contract with Integrated Gas Recovery Services Inc. to manage, operate and maintain the Landfill Gas Utilization Facility. The term of the agreement is five years for the period of January 9, 2021 to January 8, 2026 plus one five-year extension. The annual cost of this contract is estimated at \$1,050,163.

(iv) The City has a contract with Canada Fibers Ltd. for the weekly collection of recyclable materials. The term of the agreement is five years for the period of November 1, 2019 to October 31, 2024 plus three one-year extensions. The annual cost of this contract is estimated at \$2,072,000.

(v) The City has a contract with Canada Fibers Ltd. for the receiving, transporting, processing and marketing of recyclables. The term of the agreement is five years for the period of November 1, 2019 to October 31, 2024 plus three one-year extensions. The annual cost of this contract is estimated at \$551,000.

**CORPORATION OF THE CITY OF BRANTFORD**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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**33. CONTRACTUAL OBLIGATIONS AND COMMITMENTS (CONTINUED)**

(vi) The City has a contract with Future Waste Systems (Niagara) Inc. for the operation of the Mohawk Street Landfill. The term of the agreement is seven years for the period of November 1, 2020 to October 31, 2027. The annual cost of this contract is estimated at \$1,835,811.

(vii) The City has a contract with Waste Connections of Canada. for the collection of solid waste and yard waste materials. The term of the agreement is seven years for the period of November 1, 2020 to October 31, 2027. The annual cost of this contract is estimated at \$2,218,079.

(viii) The City has a contract with 2174677 ON Inc. o/a Clean Shot Environmental Services for winter road maintenance. The term of the agreement is four years and five months for the period of November 15, 2020 to April 15, 2025 plus three one-year extensions. The annual cost of this contract is estimated at \$1,043,500.

**34. EMPLOYEE COMPENSATION**

The *Public Sector Salary Disclosure Act*, 1996, requires municipalities to disclose annually the names, positions, salaries, and taxable benefits of employees paid \$100,000 or more in 2021. In 2021 the City of Brantford and its local boards had 350 employees paid \$100,000 or more in the calendar year (2020 - 322 employees). This information can be found on the Ministry of Finance website at:

<https://www.ontario.ca/public-sector-salary-disclosure/2021/all-sectors-and-seconded-employees>

**35. RELATED PARTY TRANSACTIONS**

All related party transactions are considered to be in the normal course of operations and are recorded at the exchange amount agreed to by the related parties.

# **CORPORATION OF THE CITY OF BRANTFORD**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2021

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### **36. SUBSEQUENT EVENTS**

#### **Brantford Energy Corporation Merger**

On September 1, 2021, Brantford Energy Corporation (the Company) entered into a Merger Participation Agreement ("MPA") with: The Corporation of the City of Cambridge ("Cambridge"); The Corporation of the Township of North Dumfries ("North Dumfries"); The Corporation of the City of Brantford ("Brantford"); Cambridge and North Dumfries Energy Plus Inc. ("Energy Plus"); Energy+ Inc. ("Energy+"); Cambridge and North Dumfries Energy Solutions Inc. ("Energy Solutions"); Brantford Power Inc. ("BPI"); and Brantford Hydro Inc. ("BHI").

The MPA provides terms and conditions under which the Company and Energy Plus will amalgamate (the "HoldCo Amalgamation"). Subject to meeting certain conditions in the MPA, at the closing date, Brantford Energy Corporation will issue a total of 100,000,000 Common Shares to Cambridge, North Dumfries, and Brantford, as well as certain Class A, B, C and D Special Shares. The issuance of such common shares by the Corporation would represent a 54.339% ownership interest by Cambridge, a 41% ownership interest by Brantford, and a 4.661% ownership interest by North Dumfries. The effective ownership interest to be conveyed was as negotiated between the parties based on the respective relative fair values of Brantford Energy Corporation and Energy Plus. Brantford currently holds 100% ownership interest in Brantford Energy Corporation.

The merger was approved by the Ontario Energy Board and closed on May 2, 2022. The newly formed company is called Grandbridge Corporation.

#### **Sale of 84 Market Street**

On February 11, 2022, the City of Brantford sold land and a building used for administrative purposes located at 84 Market Street for proceeds in the amount of \$3,050,000.

# CORPORATION OF THE CITY OF BRANTFORD

## TANGIBLE CAPITAL ASSETS - CONTINUITY SCHEDULE SCHEDULE 1

For the year ended December 31

	Land	Land Improvements	Building	Machinery & Equipment	Infrastructure	Assets Under Construction	2021 Total (incl WIP)	2020 Total (incl WIP)
<b>Total Historical Cost:</b>								
Balance: Beginning of Year	37,232,873	69,091,106	315,101,781	84,525,171	953,423,462	35,557,662	1,494,932,055	1,448,409,237
Add: Additions during the year	844,893	1,445,545	24,089,439	10,486,923	49,168,817	9,424,381	95,459,998	75,230,526
Less: Disposals during the year	341,160	408,343	1,716,197	3,338,215	2,287,495	26,395,413	34,486,823	28,727,393
<b>Balance: End of year</b>	<b>37,736,606</b>	<b>70,128,308</b>	<b>337,475,023</b>	<b>91,673,879</b>	<b>1,000,304,784</b>	<b>18,586,630</b>	<b>1,555,905,230</b>	<b>1,494,912,370</b>
<b>Accumulated Amortization</b>								
Balance: Beginning of year	316,123	37,769,995	178,112,650	54,429,807	450,239,195	-	720,867,770	698,396,818
Add: Amortization expense	22,305	2,327,550	7,655,305	6,081,831	19,239,028	-	35,326,019	34,227,677
Less: Accumulated amortization on disposals	-	388,537	1,191,663	3,232,022	1,866,200	-	6,678,422	11,756,726
<b>Balance: End of year</b>	<b>338,428</b>	<b>39,709,008</b>	<b>184,576,292</b>	<b>57,279,616</b>	<b>467,612,023</b>	<b>-</b>	<b>749,515,367</b>	<b>720,867,769</b>
<b>TOTAL: NET BOOK VALUE</b>	<b>37,398,178</b>	<b>30,419,300</b>	<b>152,898,731</b>	<b>34,394,263</b>	<b>532,692,761</b>	<b>18,586,630</b>	<b>806,389,863</b>	<b>774,044,601</b>

### a) Assets under construction:

Assets under construction, having a value of \$18,586,630 (2020 - \$35,557,659), have not been amortized. Amortization of these assets will commence when the asset is put into service. Additions to assets under construction are reported net of assets whose construction is complete and have been put into service.

### b) Contributed tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair market value at the date of contribution. The value of contributed assets received during the year is \$36,594,918 (2020 - \$9,453,561) and is comprised of infrastructure valued at \$33,660,596 (2020 - \$7,157,798), a building valued at \$NIL (2020 - \$NIL), culverts valued at \$50,313 (2020 - \$1,797,026) and a detention pond valued at \$2,884,009 (2020 - \$498,737).

### c) Reclassification of land:

The costs and accumulated amortization relating to Land Improvements for the Brant Municipal Non-Profit Housing local board was reclassified to Land in accordance with the classification used in the entity's own financial statements.

### d) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$NIL (2020 - \$NIL).

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

## **CORPORATION OF THE CITY OF BRANTFORD SEGMENTED INFORMATION SCHEDULE 2**

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The City of Brantford is a single tier municipality that provides a wide range of services to its citizens. The major services chosen for segmented disclosure are those for which the percentage of annual operating expenditures is greater than 10% of the Corporation's total operating expenditures. The revenues and expenditures reported for each segment includes directly attributable amounts as well as internal charges and recoveries allocated on a reasonable basis. A description of each major service and the activities each provide are as follows:

### **Protection Services**

Protection services enhances the quality of life for all citizens and responds to their changing needs by ensuring and promoting public safety in partnership with our community. Services provided include fire prevention and suppression, crime prevention, bylaw enforcement, court security, prisoner transportation, protective inspection and control, building permit and inspection services, emergency measures, and administration of the Provincial Offences Act.

### **Transportation Services**

Transportation services includes the safe and efficient movement of people and goods within the City of Brantford. Responsibilities include road construction and maintenance, traffic signals and signs, winter control, transit operation, developing parking and traffic control bylaws, implementation and maintenance of street lighting, and management and maintenance of parking garages and lots.

### **Environmental Services**

Environmental services include sanitary sewer system, storm sewer system, waterworks, waste collection, waste disposal and recycling. Responsibilities include water treatment and maintenance, water distribution, water quality, water conservation, the water pollution control plant, pumping stations, pollution control, storm and sanitary sewer maintenance, curbside garbage collection, waste diversion, yard waste management, household hazardous waste day events and landfill site operations.

### **Social and Family Services**

Social and Family services ensures a healthy community by providing a social infrastructure to the Citizens of Brantford. Services include general assistance, income support, employment assistance, childcare, affordable housing and assistance to aged persons.

### **Recreation and Cultural Services**

This segment includes parks, recreation programs, recreation facilities, golf courses, libraries and cultural services. Responsibilities include management and provision of recreational services, facilities and programs, administration and maintenance of the main library and St. Paul Avenue branch, operation and maintenance of two public golf courses, preservation of art galleries, museums and the Sanderson Centre for the Performing Arts.

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

**CORPORATION OF THE CITY OF BRANTFORD  
SEGMENTED INFORMATION**

**SCHEDULE 2**

For the year ended December 31

	Protection Services	Transportation Services	Environmental Services	Social and Family Services	Recreation & Cultural Services	Other Services <sup>[1]</sup>	Consolidated 2021
<b>Revenues</b>							
Taxation	-	-	-	-	-	173,219,419	173,219,419
Grants	10,756,529	13,715,153	3,143,511	48,264,962	1,286,430	7,280,261	84,446,846
Other revenues <sup>[2]</sup>	6,835,260	12,864,101	86,746,872	674,649	19,765,395	24,195,027	151,081,304
Government Business Enterprise	-	8,113	-	-	-	5,802,406	5,810,519
<b>Total Revenues</b>	<b>17,591,789</b>	<b>26,587,367</b>	<b>89,890,383</b>	<b>48,939,611</b>	<b>21,051,825</b>	<b>210,497,113</b>	<b>414,558,088</b>
<b>Expenses</b>							
Salaries, wages, and benefits	60,989,902	19,321,745	10,029,452	17,596,916	16,709,583	27,054,532	151,702,130
Materials	4,930,939	13,379,913	23,905,210	2,104,653	7,774,676	17,767,843	69,863,234
Contracted services	4,511,905	2,699,030	18,914,077	14,151,362	387,156	8,534,040	49,197,570
External transfers	179,704	-	1,055,275	21,681,461	287,568	12,594,690	35,798,698
Amortization	1,564,313	10,070,254	14,028,666	963,309	5,967,799	2,731,683	35,326,024
Debt servicing	17,287	38,333	873,676	279,154	2,184	1,032,583	2,243,217
Other expenses <sup>[3]</sup>	7,356,879	87,114	6,734,333	1,448,735	2,577,456	(13,545,175)	4,659,342
<b>Total Expenses</b>	<b>79,550,929</b>	<b>45,596,389</b>	<b>75,540,689</b>	<b>58,225,590</b>	<b>33,706,422</b>	<b>56,170,196</b>	<b>348,790,215</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(61,959,140)</b>	<b>(19,009,022)</b>	<b>14,349,694</b>	<b>(9,285,979)</b>	<b>(12,654,597)</b>	<b>154,326,917</b>	<b>65,767,873</b>

<sup>[1]</sup> Other services - Includes General Government, Social Housing, Health Services, Planning and Development, and Utility operation.

<sup>[2]</sup> Other revenues - Includes licenses, permits, interest, donations, sale of land, sale of equipment, sale of publications, proceeds on disposal, contributed capital assets, gaming revenues, investment income, fines and penalties, recoveries and rebates, and user charges.

<sup>[3]</sup> Other expenses - Includes tax write-offs, rents and financial expenses, inter-functional adjustments, allocation of program support, and loss on disposal of tangible capital assets.

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

**CORPORATION OF THE CITY OF BRANTFORD  
SEGMENTED INFORMATION**

**SCHEDULE 2**

For the year ended December 31

	Protection Services	Transportation Services	Environmental Services	Social and Family Services	Recreation & Cultural Services	Other Services <sup>[1]</sup>	Consolidated 2020
<b>Revenues</b>							
Taxation	-	-	-	-	-	166,421,178	166,421,178
Grants	10,345,428	6,429,110	1,930,352	50,042,596	586,239	7,632,999	76,966,724
Other revenues <sup>[2]</sup>	5,153,436	10,224,273	57,817,676	794,881	6,903,297	18,534,561	99,428,124
Government Business Enterprise	-	-	-	-	-	1,477,149	1,477,149
<b>Total Revenues</b>	<b>15,498,864</b>	<b>16,653,383</b>	<b>59,748,028</b>	<b>50,837,477</b>	<b>7,489,536</b>	<b>194,065,887</b>	<b>344,293,175</b>
<b>Expenses</b>							
Salaries, wages, and benefits	58,475,333	17,757,202	9,849,945	19,082,442	15,093,709	25,513,301	145,771,932
Materials	6,007,763	12,087,936	14,842,869	2,098,403	7,565,481	15,453,893	58,056,345
Contracted services	3,105,281	2,517,024	10,148,820	11,344,818	576,155	8,704,479	36,396,577
External transfers	383,980	-	1,030,287	25,003,439	272,537	13,652,920	40,343,163
Amortization	1,418,126	9,757,217	13,775,464	941,486	5,811,337	2,523,879	34,227,509
Debt servicing	-	23,170	946,951	290,501	13,879	1,075,366	2,349,867
Other expenses <sup>[3]</sup>	6,691,349	(140,974)	6,653,883	2,006,080	2,440,582	(12,523,589)	5,127,331
<b>Total Expenses</b>	<b>76,081,832</b>	<b>42,001,575</b>	<b>57,248,219</b>	<b>60,767,169</b>	<b>31,773,680</b>	<b>54,400,249</b>	<b>322,272,724</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>(60,582,968)</b>	<b>(25,348,192)</b>	<b>2,499,809</b>	<b>(9,929,692)</b>	<b>(24,284,144)</b>	<b>139,665,638</b>	<b>22,020,451</b>

<sup>[1]</sup> Other services - Includes General Government, Social Housing, Health Services, Planning and Development, and Utility operation.

<sup>[2]</sup> Other revenues - Includes licenses, permits, interest, donations, sale of land, sale of equipment, sale of publications, proceeds on disposal, contributed capital assets, gaming revenues, investment income, fines and penalties, recoveries and rebates, and user charges.

<sup>[3]</sup> Other expenses - Includes tax write-offs, rents and financial expenses, inter-functional adjustments, allocation of program support, and loss on disposal of tangible capital assets.

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