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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, 2023, and the consolidated statements of operations, change in net financial assets, remeasurement gains and losses 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, 2023, and its consolidated results of operations, its consolidated changes in net financial assets, its remeasurement gains and losses 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

June 12, 2024
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants



**CORPORATION OF THE CITY OF BRANTFORD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31

	2023	2022
	\$	(Restated - Note 2)
		\$
FINANCIAL ASSETS		
Cash and cash equivalents	67,519,820	79,991,400
Taxes receivable (Note 5)	14,761,328	11,173,592
Accounts and grants receivable (Note 6)	38,888,483	29,240,850
Inventories held for resale	71,698	46,185
Land held for resale	420,000	420,000
Development charge installments receivable	624,867	591,171
Investments (Note 7)	457,780,359	431,680,296
Investment in GrandBridge Corporation (Note 13)	105,985,631	102,952,041
Total Financial Assets	686,052,186	656,095,535
LIABILITIES		
Accounts payable and accrued liabilities (Note 31)	75,859,264	79,517,596
Deferred revenues (Note 14)	162,337,000	145,318,616
Vested sick leave (Note 15)	3,854,300	3,626,614
Post-employment/retirement benefits (Note 15)	22,906,900	21,225,672
Accrued interest on long term liabilities	500,332	539,243
Asset retirement obligations (Note 10)	46,153,603	44,328,912
Contaminated sites liability (Note 16)	19,030,804	17,524,712
Boundary adjustment liability (Note 17)	5,762,211	7,407,395
Long-term commitments payable (Note 18)	1,042,000	1,563,000
Net long-term liabilities (Note 19)	78,065,140	83,239,647
Total Liabilities	415,511,554	404,291,407
NET FINANCIAL ASSETS	270,540,632	251,804,128
NON-FINANCIAL ASSETS		
Tangible capital assets (net) (Schedule 1)	873,545,358	848,010,487
Inventories	2,509,502	988,729
Prepaid expenses (Note 21)	9,450,585	3,650,528
Total Non-Financial Assets	885,505,445	852,649,744
ACCUMULATED SURPLUS (NOTE 22)	1,157,080,137	1,104,453,872
Accumulated Remeasurement Gains (Losses)	(1,034,060)	-
ACCUMULATED SURPLUS AND REMEASUREMENT GAINS (LOSSES)	1,156,046,077	1,104,453,872

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

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CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31	Budget (Note 27) \$	2023 \$	2022 (Restated - Note 2) \$
REVENUES			
Taxation (Note 23)	188,176,980	189,414,789	181,388,247
User fees and service charges (Note 24)	64,676,638	72,992,473	66,882,807
Government transfers (Note 26)	76,086,346	115,767,887	91,630,895
Rents and concessions	13,462,369	13,805,934	12,659,434
Investment Income	12,261,553	13,395,581	8,315,030
Casino revenue	5,000,000	5,186,284	4,837,826
Development and other contributions applied	-	12,030,059	12,508,548
Provincial Offences Act and other fines	2,602,000	2,806,556	1,906,483
Licences and permits	4,194,748	3,846,645	3,338,732
Penalties and interest on taxes	1,750,000	2,272,095	1,858,258
Contributed tangible capital assets (Schedule 1)	-	2,462,029	6,758,040
Interest from Brantford Energy Corporation (Note 12)	-	-	325,535
Income from Brantford Energy Corporation (Note 12)	-	-	4,214,565
Income from GrandBridge Corporation (Note 13)	2,281,000	5,365,390	4,404,220
Gain from amalgamation (Note 13)	-	-	26,504,164
Other revenues (Note 25)	8,755,907	17,403,151	26,597,367
Total Revenues	379,247,541	456,748,873	454,130,151
EXPENSES			
General government	17,094,630	15,993,528	16,075,032
Protection services	84,815,603	91,893,038	83,601,474
Transportation services	58,442,062	55,537,775	53,831,439
Environmental services	65,155,282	64,115,882	63,829,435
Health services	10,638,261	12,078,787	11,405,808
Social and family services	72,146,282	81,707,984	67,149,387
Social housing	27,148,070	26,841,381	25,557,643
Recreation and cultural services	39,695,708	44,948,717	37,509,228
Planning and development	10,075,235	11,005,516	8,540,587
Total Expenses	385,211,133	404,122,608	367,500,033
ANNUAL SURPLUS FROM OPERATIONS	(5,963,592)	52,626,265	86,630,118
ACCUMULATED SURPLUS, BEGINNING OF YEAR	1,104,453,872	1,104,453,872	1,017,823,754
ACCUMULATED SURPLUS, END OF YEAR	1,098,490,280	1,157,080,137	1,104,453,872



CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended December 31

	Budget	2023	2022 (Restated - Note 2)
	\$	\$	\$
Annual surplus	(5,963,592)	52,626,265	86,630,118
Amortization	36,904,399	38,941,063	37,930,093
Contributed tangible capital assets	-	(2,462,029)	(6,758,040)
Acquisition of tangible capital assets, net of reclassification	-	(64,419,681)	(53,994,310)
(Gain)/Loss on disposal of tangible capital assets and land held for resale	-	(8,263,084)	(14,455,552)
Proceeds on disposal of tangible capital assets and land held for resale	-	10,668,862	16,867,363
(Increase)/Consumption of inventory and prepaid expense	-	(7,320,832)	(1,138,601)
Net change in remeasurement gains (losses)	-	3,770,006	-
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	30,940,807	23,540,570	65,081,071
NET FINANCIAL ASSETS, BEGINNING OF YEAR	251,804,128	251,804,128	186,944,331
ADJUSTMENT ON ADOPTION OF FINANCIAL INSTRUMENTS	-	(4,804,066)	-
CHANGE IN PROPORTIONATE CONSOLIDATION	-	-	(221,274)
NET FINANCIAL ASSETS, END OF YEAR	282,744,935	270,540,632	251,804,128



STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the year ended December 31

	2023
	\$
Accumulated remeasurement gains (losses), beginning of year	-
Adjustment on adoption of the financial instruments standard (Note 2)	(4,804,066)
	(4,804,066)
Unrealized gains (losses) attributed to:	
Portfolio Investments	3,851,466
Realized (gains) losses, reclassified to the statement of operations:	
Portfolio Investments	(81,460)
NET CHANGE IN REMEASUREMENT GAINS (LOSSES) FOR THE YEAR	3,770,006
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	(1,034,060)



CONSOLIDATED STATEMENT OF CASH FLOWS

	2023	2022
For the year ended December 31	\$	(Restated - Note 2) \$
OPERATING ACTIVITIES		
Annual surplus	52,626,265	86,630,118
Items not affecting cash:		
Equity in earnings of Brantford Energy Corporation	-	(4,540,100)
Amortization	38,941,063	37,930,093
(Gain)/Loss on disposal of tangible capital assets and land held for resale	(8,263,084)	(14,455,552)
Contributed tangible capital assets	(2,462,029)	(6,758,040)
Equity in earnings of GrandBridge Corporation and gain on amalgamation	(5,365,390)	(30,908,384)
Asset retirement obligations accretion	1,824,691	1,749,959
Net change in remeasurement gains (losses)	3,770,006	-
Change in non-cash assets and liabilities		
Taxes receivable	(3,587,735)	(6,838,118)
Accounts receivable	(9,647,628)	(6,369,244)
Accounts payable and accruals	(3,658,293)	17,367,235
Deferred revenues - obligatory reserve funds	17,018,376	30,398,317
Employee benefits and interest	1,870,003	(203,005)
Contaminated sites liability	1,506,092	3,539,899
Other financial assets	(59,209)	208,838
Inventories and prepaid expenses	(7,320,870)	(1,138,600)
Cash provided by operating activities	77,192,258	106,613,416
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets, net of reclassification	(64,419,681)	(53,994,310)
Proceeds on disposal of tangible capital assets	10,668,862	16,867,363
Cash applied to capital activities	(53,750,819)	(37,126,947)
INVESTING ACTIVITIES		
(Increase)/Decrease in investments	(26,100,062)	(81,625,615)
Dividends and interest from Brantford Energy Corporation	-	7,875,536
Dividends from GrandBridge Corporation	2,331,800	495,879
Cash provided by (applied to) investing activities	(23,768,262)	(73,254,200)
FINANCING ACTIVITIES		
Proceeds from long-term debt issued	-	17,500,000
Principal repayments on long-term debt	(5,174,507)	(4,719,462)
Payments on long-term commitments and boundary adjustment	(2,166,184)	(2,855,891)
Cash provided by (applied to) financing activities	(7,340,691)	9,924,647
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,667,514)	6,156,916
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	79,991,400	74,055,758
ADJUSTMENT ON ADOPTION OF FINANCIAL INSTRUMENTS	(4,804,066)	-
CHANGE IN PROPORTIONATE CONSOLIDATION	-	(221,274)
CASH AND CASH EQUIVALENTS, END OF YEAR	67,519,820	79,991,400

CORPORATION OF THE CITY OF BRANTFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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.

(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.

CORPORATION OF THE CITY OF BRANTFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Reporting entities (continued)

(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.

(viii) GrandBridge Corporation

GrandBridge Corporation is not consolidated but is accounted for on the modified equity basis which reflects the City's investment in the enterprise and its share of net income or loss less dividends received since its formation in May 2022. Under the modified equity basis, the 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, 2023

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) Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- i. There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- ii. The past transaction or event giving rise to the liability has occurred;
- iii. It is expected that future economic benefits will be given up; and
- iv. A reasonable estimate of the amount can be made.

A liability has been recognized for the estimated future expenses related to landfill closure and post-closure costs, asbestos removal in several buildings, and the removal and remediation of underground fuel storage tanks owned by the City. The liability is adjusted to reflect changes due to the passage of time, revisions in the timing or amount of the original undiscounted cash flow estimates, and fluctuations in the discount and inflation rates using present value techniques. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets.

The tangible capital assets impacted by the asset retirement obligations are being amortized along with the related asset in accordance with the amortization accounting policies detailed in Note 1(b)(xiv)(a).

(vi) 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.

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

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting (continued)

(vii) 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.

(viii) 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.

(ix) 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.

(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, 2023

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.

In addition, the City's implementation of *PS 3280 Asset Retirement Obligations* has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from these estimates.

(xiii) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method (or effective interest rate method).

All financial assets are assessed for impairment on an annual basis at the end of the

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting (continued)

(xiii) Financial instruments (continued)

fiscal year. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Long term debt is recorded at cost.

The Standards require an organization to classify the fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets and liabilities.

(xiv) 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, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting (continued)

(xiv) 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 - 60 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.

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.

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

For the year ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of accounting (continued)

(xiv) Non-financial assets (continued)

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.

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.

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, 2023

2. CHANGES IN ACCOUNTING POLICIES

(a) Adoption of new accounting standard - PS 3280 Asset Retirement Obligations

On January 1, 2022, the City of Brantford adopted Canadian Public Sector Accounting Standard PS 3280 - Asset retirement obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities. The new accounting standard has resulted in the withdrawal of the existing Section PS 3270 - Solid waste landfill closure and post-closure liability. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The City removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of PS 3280 on January 1, 2022, using the modified retrospective method. The liability represents the required closure and post-closure care for the landfill site by the City.

In accordance with the provisions of this new standard, the City reflected the following adjustments as of January 1, 2022:

- An increase of \$37,866,714 to tangible capital assets representing the original estimate of the obligation as of the date of purchase and/or construction, and an accompanying increase of \$16,656,536 to accumulated amortization.
- The opening accumulated surplus decreased by \$17,751,309 due to the derecognition of the landfill liability of \$39,120,054 previously reported under PS 3270, and the recognition of the asset retirement obligations amounting to \$42,578,953.

Due to the adoption of PS 3280, certain amounts in the 2022 financial statements have been restated for comparative purposes. Restated amounts include:

	As previously stated	Adjustment	2022 As restated
Asset retirement obligations	-	44,328,912	44,328,912
Landfill closure and post-closure liability	45,181,968	(45,181,968)	-
Tangible capital assets	827,219,448	20,791,039	848,010,487
Amortization of tangible capital assets	37,510,953	419,140	37,930,093
Asset retirement obligations accretion expense	-	1,749,959	1,749,959
Annual surplus from operations	82,737,303	3,892,815	86,630,118
Accumulated surplus - Beginning of year	1,000,072,445	17,751,309	1,017,823,754
Accumulated surplus - End of year	1,082,809,748	21,644,124	1,104,453,872
Net Financial Assets - Beginning of year	190,403,228	(3,458,897)	186,944,331
Net Financial Assets - End of year	250,951,072	853,056	251,804,128

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

(b) PS 3450 - Financial Instruments and PS 2601 - Foreign Currency Translation

On January 1, 2023, the City adopted Canadian Public Sector Accounting Standards PS 3450 – Financial Instruments and PS 2601 - Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included in the statement of financial position and are measured at fair value or amortized cost based on the characteristics of the instrument and the City’s accounting policy choices (see Note 1(b)(xiii)).

In accordance with the provisions of this new standard, the City reflected the following adjustments at January 1, 2023:

- A decrease of \$4,804,066 to investments and a decrease of \$4,804,066 to accumulated remeasurement gains (losses) due to the unrealized loss of the City’s investments previously held at cost being reclassified to accumulated remeasurement gains / (losses).

3. CONTRIBUTIONS TO NON-CONSOLIDATED JOINT BOARDS

Contributions amounting to \$3,056,277 (2022 - \$2,888,880) which are included as an expense in the consolidated statement of operations were made by the municipality to the Brant County Health Unit.

4. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$4,615,599 (2022 - \$4,477,271) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

5. TAXES RECEIVABLE

	2023	2022
Taxes Receivable	16,693,074	13,547,649
Allowance for uncollectibles	(1,931,746)	(2,374,057)
	14,761,328	11,173,592

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

For the year ended December 31, 2023

6. ACCOUNTS AND GRANTS RECEIVABLE

	2023	2022
Accounts receivable	23,393,256	19,636,931
Grant receivable - Federal	14,057,850	5,720,663
Grant receivable - Provincial	1,437,377	3,883,256
	38,888,483	29,240,850

7. INVESTMENTS

Canadian Public Sector Accounting Standard PS 3450 - *Financial Instruments* requires an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value (see Note 1(b)(xiii))

The ONE Canadian Equity Portfolio is designated to the fair value category and classified as a Level 2 asset. Principal-protected notes (PPNs) are designated to the fair value category and classified as Level 2 assets. There were no transfers between Levels 1 and 2 during the year. There were no transfers in or out of Level 3.

	2023	2022
Portfolio investments	411,288,741	431,680,296
Portfolio investments, designated to the fair value category	46,491,618	-
	457,780,359	431,680,296

8. 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.

9. 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 2023. In 2023 the City of Brantford and its local boards had 410 employees paid \$100,000 or more in the calendar year (2022 - 366 employees). This information can be found on the Ministry of Finance website at:

<https://www.ontario.ca/public-sector-salary-disclosure/2023/all-sectors-and-seconded-employees>

CORPORATION OF THE CITY OF BRANTFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

10. ASSET RETIREMENT OBLIGATIONS

The City of Brantford recognizes asset retirement obligations ("ARO") in accordance with the Canadian Public Sector Accounting Standards ("PSAS"). ARO represents the estimated future costs related to legal obligations associated with the retirement of tangible capital assets. The ARO liability is measured at its fair value, which is determined using discounted cash flow techniques. Significant assumptions used in estimating the ARO liability include the discount rate, inflation rate, future costs, and the timing of cash flows.

As at December 31, 2023, the City's ARO liability amounted to \$46,153,603. The ARO liability is recorded at the present value of the estimated future cash flows using an inflation rate of 4.40% and a discount rate of 4.30%.

The City reviews and updates its ARO estimates annually, taking into consideration changes in assumptions and regulations that may impact the estimated costs. Any changes in the ARO liability due to revisions in estimates or changes in inflation rates or discount rates are recognized in the income statement in the period they occur.

The City's asset retirement obligations consist of the following:

a) Asbestos obligation:

The City owns and operates several buildings that are known to contain asbestos. There is a legal obligation to remediate asbestos from these buildings when asbestos-containing material is disturbed during demolition or renovation activities as it can release harmful fibers into the air, potentially posing a health hazard.

b) Fuel tank obligation:

The City owns several underground fuel storage tanks, which have a legal requirement for removal and remediation of any contaminated soil and ground water upon retirement.

c) Landfill closure and post-closure obligation:

The City has one active landfill site, the Mohawk Street Landfill Site ("Site"). The Site is estimated to have a remaining operating life span of approximately 40 years. Once the Site has reached full capacity it is estimated that the post-closure activities would continue for approximately 112 years. There is a legal obligation to develop and implement a closure plan, including the installation of a final cover system and the management of leachate and gas emissions. Post-closure care includes long-term monitoring and maintenance activities.

The discount rate applied to estimate the future costs after 30 years in the post-closure period is based on the discount rate plus 3.00%. Therefore, from 31 years after closure to the end of the contaminating lifespan of the site, the discount rate used is 7.40%. Amortization is calculated in a rational and systematic manner, prorated based on the filling ratio of the landfill's capacity.

The transition and recognition of asset retirement obligations involved an accompanying increase to the building's tangible capital assets and the restatement of prior year balances (see Note 2).

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2023

10. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

Changes to the asset retirement obligation in 2023 and 2022 are as follows:

	<u>Asbestos removal</u>	<u>Fuel storage tank removal</u>	<u>Landfill closure and post-closure</u>	<u>2023 Total</u>
Balance, beginning of year	6,189,914	81,354	38,057,644	44,328,912
Increase in liabilities due to accretion expense	184,714	3,498	1,636,479	1,824,691
Balance, end of year	6,374,628	84,852	39,694,123	46,153,603

	<u>Asbestos removal</u>	<u>Fuel storage tank removal</u>	<u>Landfill closure and post-closure</u>	<u>2022 Total</u>
Balance, beginning of year	6,012,321	78,000	36,488,632	42,578,953
Increase in liabilities due to accretion expense	177,594	3,354	1,569,011	1,749,959
Balance, end of year	6,189,915	81,354	38,057,643	44,328,912

11. FINANCIAL INSTRUMENTS

(a) Credit Risk

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the income statement. Subsequent recoveries of impairment losses related to accounts receivable are credited to the income statement.

The City assesses on a continuous basis, accounts receivable and provide for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the City at December 31, 2023 is the carrying value of these assets. The risk of significant loss is considered remote.

(b) Fair Value

The fair value of financial instruments, such as cash and short term investments, accounts receivable and accounts payable, are determined to approximate their recorded values. The fair value of marketable securities is based on quoted market values as at year end.

The City actively manages its exposure to market risk within acceptable parameters to ensure an optimal return on investment. This involves regular monitoring of market conditions and adjusting the portfolio as necessary to align with the City's investment objectives and risk tolerance. A summary of investments measured at fair value and at cost is included in Note 7.

CORPORATION OF THE CITY OF BRANTFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

12. INVESTMENT IN BRANTFORD ENERGY CORPORATION

On September 1, 2021, Brantford Energy Corporation 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”); Brantford Power Inc. (“BPI”); and Brantford Hydro Inc. (“BHI”). At the closing date, Brantford Energy Corporation issued 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 represents a 54.339% ownership interest by Cambridge, a 41% ownership interest by Brantford, and a 4.661% ownership interest by North Dumfries. The merger was approved by the Ontario Energy Board and closed on May 2, 2022. The newly formed company is called GrandBridge Corporation and was incorporated under the Business Corporations Act (Ontario) by legal amalgamation of the former entities: Energy Plus and Brantford Energy Corporation.

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 four month period ended May 1, 2022:

	<u>May 1, 2022</u>
Current assets	28,436,970
Non-current assets	13,184,430
Property, plant and equipment	102,611,914
Regulatory balances	6,356,871
Total Assets and Regulatory Balances	<u>150,590,185</u>
Current liabilities	20,261,906
Long term debt	35,099,040
Other non-current liabilities	17,279,089
Post-employment benefits and accumulated vested sick leave	1,309,567
Regulatory balances	474,899
Total Liabilities and Regulatory Balances	<u>74,424,501</u>
Net Equity	<u>76,165,684</u>
Results of Operations:	
Revenues	45,912,627
Operating expenses	43,767,720
Income from operating	2,144,907
Other income	154,953
Other expenses	2,191,081
Net income before regulatory movement	108,779
Net movement in regulatory balances, net of tax	1,791,493
Net income for the year and net movement in regulatory balances	<u>1,900,272</u>

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

For the year ended December 31, 2023

12. INVESTMENT IN BRANTFORD ENERGY CORPORATION (CONTINUED)

The City earned \$325,535 in interest from two notes receivable prior to their conversion to equity. The Brantford Power Inc. note of \$24,189,168 and the Brantford Hydro Inc. note of \$1,303,335 both had interest-only payments at an annual rate of 3.95%. Immediately prior to the merger with GrandBridge, the City liquidated these promissory notes and converted them into Brantford Energy Corporation common shares, totaling \$25,492,503.

The City's investment is comprised of the following:

	<u>May 1, 2022</u>
Equity - Beginning of Year	
Common Shares	23,895,512
Common Shares Issued	25,492,503
Prior years accumulated net income	<u>30,113,104</u>
	<u>79,501,119</u>
Net income (loss) for the year	1,900,272
Dividends	(7,550,000)
Other Comprehensive Income (Loss)	<u>2,314,293</u>
Change in equity for the year	<u>(3,335,435)</u>
Equity - End of year	76,165,684
Reversal of intercompany gains	(3,626,148)
Amalgamation adjustment	<u>(72,539,536)</u>
Net Investment	<u>-</u>

CORPORATION OF THE CITY OF BRANTFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

13. INVESTMENT IN GRANDBRIDGE CORPORATION

On September 1, 2021, Brantford Energy Corporation 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”); Brantford Power Inc. (“BPI”); and Brantford Hydro Inc. (“BHI”). At the closing date, Brantford Energy Corporation issued 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 represents a 54.339% ownership interest by Cambridge, a 41.0% ownership interest by Brantford, and a 4.661% ownership interest by North Dumfries. The merger was approved by the Ontario Energy Board and closed on May 2, 2022. The newly formed company is called GrandBridge Corporation and was incorporated under the Business Corporations Act (Ontario) by legal amalgamation of the former entities: Energy Plus and Brantford Energy Corporation.

GrandBridge Corporation is an investment holding company with a 100% ownership interest in GrandBridge Energy Inc. (“GrandBridge Energy”), GrandBridge Group Inc. (“GrandBridge Group”) and GrandBridge Solutions Inc. (“GrandBridge Solutions”). For accounting purposes, Energy Plus was deemed the acquirer under the Amalgamation Transaction. Consequently, the opening balances were the balances of the former Energy Plus at May 1, 2022.

GrandBridge Energy is a rate regulated electricity distribution company wholly owned by GrandBridge Corporation. GrandBridge Energy delivers electricity and related utility services to approximately 109,000 customers within the Cities of Brantford and Cambridge, the Township of North Dumfries, and the County of Brant. GrandBridge Energy was formed on May 2, 2022 as a result of the legal amalgamation between the former Energy+ Inc. and former Brantford Power Inc., pursuant to the provisions of the Business Corporations Act (Ontario).

GrandBridge Group is an unregulated services company and has two primary businesses - the provision of access to a fibre optics network including related operations and maintenance (NetOptiks) and the rental of water heaters, water treatment systems and other equipment (Enersure).

GrandBridge Solutions is an unregulated services company; the scope of which currently comprises streetlight maintenance and business development activities. GrandBridge Solutions owns a 1/3 interest in Grand River Energy Solutions Corp., an unregulated generation and renewable energy solutions company.

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 Grandbridge Corporation for the year ended December 31:

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

For the year ended December 31, 2023

13. INVESTMENT IN GRANDBRIDGE CORPORATION (CONTINUED)

	2023	2022
Current assets	71,926,000	86,308,000
Non-current assets	87,866,000	87,954,000
Property, plant and equipment	360,588,000	333,355,000
Regulatory balances	31,713,000	30,354,000
Total Assets and Regulatory Balances	552,093,000	537,971,000
Current liabilities	70,810,000	71,556,000
Long term debt	130,557,000	138,687,000
Other non-current liabilities	87,320,000	70,445,000
Regulatory balances	4,904,000	6,180,000
Total Liabilities and Regulatory Balances	293,591,000	286,868,000
Net Equity	258,502,000	251,103,000
Results of Operations:		
Revenues	385,546,000	269,307,000
Operating expenses	362,862,000	254,379,000
Income from operating expenses	22,684,000	14,928,000
Other income	478,000	607,000
Other expenses	11,758,000	7,891,000
Net income before regulatory movement	11,404,000	7,644,000
Net movement in regulatory balances, net of tax	2,354,000	2,347,000
Net income for the year and net movement in regulatory balances	13,758,000	9,991,000
City's share of net income - 41.0%	5,640,780	4,096,310

The City's share of the investment is comprised of the following:

	2023	2022
Equity		
Common Shares	72,539,536	72,539,536
Prior years accumulated net income	30,412,505	-
	102,952,041	72,539,536
Net income (loss) for the year	5,640,780	4,096,310
Dividends	(2,331,800)	(495,879)
Gain from amalgamation	-	26,504,164
Other Comprehensive Income (Loss)	(275,390)	307,910
Change in equity for the year	3,033,590	30,412,505
Equity - End of year	105,985,631	102,952,041
Net Investment	105,985,631	102,952,041

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

14. 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:

	2023	2022
Development charges	100,507,644	85,031,132
Subdivision contributions	3,654,637	3,074,425
Recreational land (The Planning Act)	2,117,735	5,022,765
Canada Community - Building Fund	27,681,982	25,957,206
Provincial Gas Tax	1,780,543	1,752,863
B-Home Housing Program	834,935	749,431
Cash in lieu of Parking	1,701	1,643
Ontario Community Infrastructure Fund	15,421,409	13,947,342
Building Code Act	10,336,414	9,781,809
	162,337,000	145,318,616

Continuity of deferred revenue is as follows:

	2023	2022
Balance, beginning of year	145,318,616	114,920,303
Contributions from:		
Canada Community - Building Fund	6,453,080	6,184,201
Provincial Gas Tax	1,487,258	1,493,053
Development charges	19,609,515	33,215,319
Ontario Community Infrastructure Fund	7,958,104	6,987,091
Other	2,575,713	3,543,461
Interest earned	5,428,200	3,082,269
Total revenue	43,511,870	54,505,394
Deferred revenue utilized:		
Canada Community - Building Fund	5,658,616	5,864,939
Provincial Gas Tax	1,520,861	1,595,861
Development charges	7,443,231	12,185,954
Ontario Community Infrastructure Fund	6,993,406	4,077,693
Other	4,877,372	382,634
Total deferred revenue utilized	26,493,486	24,107,081
Balance, end of year	162,337,000	145,318,616

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

For the year ended December 31, 2023

15. 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 lump-sum 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 May 2024 and forms the basis for the estimated liability reported in these financial statements.

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

	2023	2022
Discount rate	4.30%	4.56%
Average compensation increase	3.00%	2.50%
Healthcare cost increases		
Initial rate	7.27%	6.00%
Ultimate rate	4.25%	4.75%
Dental care cost increase	4.25%	3.75%

	Post-Employment/Retirement Benefits				
	Medical, Dental, Life Insurance	Sick Leave Gratuity	Disability Benefits	Total Benefits 2023	Total Benefits 2022
December 31, 2023					
Liability as at January 1	20,596,634	3,626,614	629,038	24,852,286	25,068,977
Net Service Cost	1,278,800	165,000	-	1,443,800	1,197,900
Net Interest Cost	979,600	145,800	37,000	1,162,400	653,600
Past Service Cost	1,203,700	-	-	1,203,700	-
Recognition of (Gains) / Losses	(1,188,700)	475,200	389,400	(324,100)	(4,931,186)
Amortization of (Gains) / Losses	(517,285)	(19,600)	24,000	(512,885)	(768,291)
Benefit Payments	(1,295,649)	(63,514)	(28,938)	(1,388,101)	(1,299,900)
Accrued Benefit Obligation as at December 31	21,057,100	4,329,500	1,050,500	26,437,100	19,921,100
Unrecognized Gains / (Losses)	1,188,700	(475,200)	(389,400)	324,100	4,931,186
Liability as at December 31	22,245,800	3,854,300	661,100	26,761,200	24,852,286

The City and the Brantford Public Library have established reserves to mitigate the future impact of these obligations, as disclosed in Note 28. The balance at the end of the year is \$3,687,337 (2022 - \$3,525,787).

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

For the year ended December 31, 2023

16. CONTAMINATED SITES LIABILITY

The City has recognized a contaminated sites liability of \$19,030,804 as at December 31, 2023 (2022 - \$17,524,712) for remediation of known contaminated sites where an assessment has been conducted, or where available information on sites is sufficient to estimate the costs.

	2023	2022
The liability is comprised of the following:		
Mohawk Lake	18,277,539	16,500,366
Other sites	753,265	1,024,346
	19,030,804	17,524,712

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 4.30%. The estimated total undiscounted expenditures for 2023 is \$21,741,713 (2022 - \$19,941,713). 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.

17. 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 4.30%, a liability is recognized for the compensation due to the County in the amount of \$5,762,211 (2022 - \$7,407,395). The undiscounted balance is \$6,358,800 (2022 - \$8,374,845). 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, 2023

18. LONG-TERM COMMITMENTS PAYABLE

	<u>2023</u>	<u>2022</u>
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.	1,042,000	1,563,000

19. NET LONG TERM LIABILITIES

(a) The long term liabilities consist of a mortgage, amortizing 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 December 2029 to December 2044.

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

	<u>2024 to 2028</u>	<u>After 2028</u>
From benefiting landowners and user rates	27,338,061	49,949,106
From consolidated municipal enterprises	437,034	-
From the County of Brant	78,788	262,151
	<u>27,853,883</u>	<u>50,211,257</u>

(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:

2024	5,199,515
2025	5,387,549
2026	5,582,613
2027	5,785,030
2028	5,899,176
Thereafter	<u>50,211,257</u>
	<u>78,065,140</u>

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

For the year ended December 31, 2023

19. 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.

	<u>2023</u>	<u>2022</u>
Branlyn Meadows Project		
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	437,034	532,929

(e) As at December 31, 2023, the City held \$23,613,688 (2022 - \$24,745,218) of the net long term liabilities outstanding.

20. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for net long term liabilities are as follows:

	<u>2023</u>	<u>2022</u>
Debt Principal	5,174,507	4,719,462
Due to County - Boundary Adjustment	1,645,184	2,334,891
Due to YMCA/Wilfrid Laurier - Grant	521,000	521,000
Interest	2,851,836	2,706,619
	10,192,527	10,281,972

21. PREPAID EXPENSES

Prepaid expenses are comprised of the following:

	<u>2023</u>	<u>2022</u>
Capital improvement project	3,361,122	-
Insurance premiums	1,945,709	1,990,257
IT software subscriptions	1,429,275	149,789
Other	2,714,479	1,510,482
	9,450,585	3,650,528

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

For the year ended December 31, 2023

22. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022 <i>(Restated - Note 2)</i>
For the General Reduction of Taxation:		
City - operating fund	3,420,134	6,662,316
Local Boards	454,582	339,798
	3,874,716	7,002,114
Capital fund balance	78,795,872	65,354,682
GrandBridge Corporation, net investment	105,985,631	102,952,041
Reserves (Note 28)	109,927,916	120,174,558
Reserve funds (Note 28)	160,220,789	139,428,513
Equity in tangible capital assets	873,545,358	848,010,487
Invested in land inventory	850,544	-
Land held for resale	420,000	420,000
Accrued Rent - Brant Community Healthcare System	433,676	212,500
	1,330,179,786	1,276,552,781
Unfunded liabilities	176,974,365	179,101,023
	1,157,080,137	1,104,453,872

23. TAXATION

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

	2023	2022
Municipal and school property taxes	222,959,409	214,423,869
Payments in lieu of taxes	3,693,571	3,940,731
Net property taxes	226,652,980	218,364,600
School board requisitions	37,238,191	36,976,353
Taxation revenue available for municipal purposes	189,414,789	181,388,247

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

For the year ended December 31, 2023

24. USER FEES AND SERVICE CHARGES

User fees and service charges are comprised of the following:

	2023	2022
Environmental services	57,183,971	52,945,322
General government	778,861	811,224
Health services	479,986	419,304
Planning and development	3,017,701	2,967,579
Protection services	1,442,904	1,657,048
Recreation and cultural services	5,115,133	3,935,700
Social and family services	599,772	471,570
Social housing	186,507	138,134
Transportation services	4,187,638	3,536,926
	72,992,473	66,882,807

25. OTHER REVENUES

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

	2023	2022
Sale of non-inventory items	2,178,993	2,038,407
Donations	147,217	278,730
Transfer from trust funds	151,716	118,801
Gain/(Loss) on disposal of tangible capital assets, inventory, and land held for resale	8,263,084	14,455,552
Service Level Agreements	419,401	431,738
Other recoveries and rebates	4,531,698	7,911,752
Stewardship Ontario funding	1,711,042	1,362,387
	17,403,151	26,597,367

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

For the year ended December 31, 2023

26. GOVERNMENT TRANSFERS

The sources of government funding by function are as follows:

	2023	2022
Provincial Grants:		
General government	92,929	133,160
Protection services	5,213,792	10,557,018
Transportation services	9,513,545	6,992,913
Environmental services	261,634	89,147
Social and family services	68,317,727	53,233,071
Social housing	4,538,563	3,307,608
Recreation and cultural services	1,975,937	414,586
Planning and development	1,214,716	474,097
Provincial Total	91,128,843	75,201,600
Federal Grants:		
General government	24,296	(20,096)
Protection services	149,590	84,858
Transportation services	5,129,320	5,608,420
Environmental services	1,442,036	20,535
Social and family services	2,461,843	1,883,743
Social housing	2,174,342	2,063,339
Recreation and cultural services	3,257,201	2,558,240
Planning and development	3,170	20,029
Federal Total	14,641,798	12,219,068
Other Municipalities Grants:		
General government	1,078	1,321
Protection services	146,655	130,321
Transportation services	14,350	-
Environmental services	336,835	332,512
Social and family services	2,351,129	1,407,765
Social housing	7,108,282	2,316,620
Recreation and cultural services	8,914	9,353
Planning and development	30,003	12,335
Other Municipalities Total	9,997,246	4,210,227
Total	115,767,887	91,630,895

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

27. BUDGET FIGURES

The budget data presented in these consolidated financial statements are based upon the 2023 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		561,024
Add:		
Capital project revenues		4,971,347
Interest earned on reserve funds		5,222,553
Operating expenses resulting in tangible capital assets		1,141,322
Net transfers (from) to reserves and reserve funds		37,719,853
Debt principal repayments		5,065,410
Long-term commitments		521,000
Boundary adjustment liability repayment		2,657,938
Accrued interest		38,911
Accrued Rent - Brant Community Healthcare Services		212,500
Less:		
Capital project operating expenses		22,084,977
Amortization		36,904,399
Post-employment benefits		1,908,299
Asset retirement obligations		1,671,682
Contaminated sites liability		1,506,093
Budget Deficit (Full Accrual)		<u>(5,963,592)</u>

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

28. RESERVES AND RESERVE FUNDS

The total balance of reserves and reserve funds of \$109,927,916 (2022 - \$120,174,558) and \$160,220,789 (2022 - \$139,428,513) respectively is made up of the following:

	2023	2022
Reserves set aside for specific purposes:		
Contingencies	6,693,816	6,363,616
Replacement of equipment	1,217,250	728,919
Sick leave	3,687,337	3,525,787
Insurance	4,727,838	4,283,164
General government	4,075,359	3,367,861
Protection services	1,165,326	3,319,150
Roadways	8,134,392	11,340,151
Winter control	3,001,153	2,012,673
Transit	324,752	686,840
Air transportation	478,055	1,136,098
Storm water system	36,679	36,679
Solid waste disposal	669,743	651,769
Waste diversion	2,093,800	1,686,800
Health services	302	6,302
Social and family services	603,811	1,158,772
Social housing	18,749,111	18,593,062
Recreation facilities - Golf	465,043	427,469
Recreation facilities - Other	666,892	730,985
Libraries	1,327,522	1,416,630
Cultural services	268,412	147,738
Planning and development	3,664,361	3,327,637
Other corporate financing	47,876,962	55,226,456
Total Reserves	109,927,916	120,174,558
Reserve funds set aside for specific purposes by Council:		
Wastewater	74,166,321	65,271,588
Water	77,162,482	68,417,615
Health services	8,891,986	5,739,310
Total Reserve Funds	160,220,789	139,428,513
Total Reserves and Reserve Funds	270,148,705	259,603,071

CORPORATION OF THE CITY OF BRANTFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

29. 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 2023 (2022 - \$NIL).

30. 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 2023 was \$12,253,270 (2022 - \$11,346,712) for current and past service. Employees' contributions to OMERS in 2023 totaled \$12,253,270 (2022 - \$11,346,712).

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 2023 is \$4.2 billion (2022 - \$6.7 billion).

31. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	2023	2022
Trade payables	38,017,109	31,734,523
Deposits/Unearned revenue	25,705,478	30,830,393
Payable to the provincial and federal government	5,081,614	10,289,965
Payable to other municipalities	7,049,479	6,661,803
Payable to school boards	5,584	912
	75,859,264	79,517,596

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

For the year ended December 31, 2023

32. 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 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.

	Budget 2023	Actual 2023	Actual 2022
Revenue			
Government Transfers - Federal	2,995	2,170	24,437
Government Transfers - Provincial	24,125	24,124	22,244
Government Transfers - Municipal	9,023	8,914	9,353
Merchandise sales	6,850	7,278	7,524
Café	8,360	6,879	6,570
Admissions	26,800	22,063	18,450
Registration fees	18,150	18,838	16,521
Donation - Bell Canada	50,000	50,000	50,000
General donations and fundraising	2,000	5,646	15,214
Rentals	538	951	7,369
Memberships	1,800	2,049	1,411
	150,641	148,912	179,093
Expenses			
Salaries, wages, and benefits	295,636	309,008	295,076
Materials and supplies	8,670	9,969	20,185
Food	1,200	2,068	2,062
Heat, light, and water	11,881	11,307	11,238
Repairs and maintenance	22,425	23,340	25,149
Janitorial Services	10,490	10,183	10,118
Security	775	764	693
Telephone	260	290	350
Advertising	-	1,109	359
Travel, conventions, and seminars	430	-	197
Registration fees	850	626	50
Memberships and subscriptions	170	236	165
Concession supplies	3,420	1,700	2,307
Other purchased services	800	1,018	1,788
Bank charges	500	1,231	1,075
Administration	-	1,459	389
	357,507	374,308	371,201
Deficit	(206,866)	(225,396)	(192,108)

CORPORATION OF THE CITY OF BRANTFORD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

33. COMPARATIVE FIGURES

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

34. CONTINGENT ASSETS

As at December 31, 2023, 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, 2023, the City has contingent assets relating to forgivable loan arrangements valued at \$9,310,905 (2022 - \$10,160,333). 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.

35. CONTINGENT LIABILITIES

As at December 31, 2023, 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.

36. 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 at Elements Casino Brantford.

37. 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:

2024 - \$976,626	2025 - \$891,683	2026 - \$712,273
2027 - \$630,959	2028 & Thereafter - \$3,608,521	

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

37. CONTRACTUAL OBLIGATIONS AND COMMITMENTS (CONTINUED)

(ii) The City has outstanding contractual obligations of approximately \$101.2 million at December 31, 2023 for capital works (2022 - \$67.1 million). City Council has authorized the financing of these obligations.

(iii) The City has a contract 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, with one five-year extension. The annual cost of this contract is estimated at \$1,050,000.

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

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

(vi) The City has a contract 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 \$1,835,800.

(vii) The City has a contract 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 \$2,218,100.

(viii) The City has a contract 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, with three one-year extensions. The annual cost of this contract is estimated at \$1,043,500.

(ix) The City has a contract for the receipt, processing, and marketing of organic materials collected for the City of Brantford. The term of the agreement is four years for the period of November 1, 2023, to October 31, 2027, with three one-year extensions. The annual cost of this contract is estimated at \$303,570 to \$791,622, dependent on program uptake.

(x) The City has a contract for the supply and delivery of bulk fuels. The term of the agreement is three years for the period of June 1, 2023, to May 31, 2026, with one two-year extension. The annual cost of this contract is estimated at \$2,306,500.

CORPORATION OF THE CITY OF BRANTFORD
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

37. CONTRACTUAL OBLIGATIONS AND COMMITMENTS (CONTINUED)

(xi) The City has a contract for the transportation of household organics. The term of the agreement is four years for the period of November 1, 2023, to October 31, 2027, with three one-year extensions. The annual cost of this contract by 2025 is estimated to exceed \$250,000.

(xii) The City has a contract for municipal parking enforcement services. The term of the agreement is five years for the period of October 1, 2023, to September 30, 2028. The annual cost of this contract is estimated at \$369,700.

(xiii) The City has a contract with a service provider to operate a Housing Resource Centre. The term of the agreement is three years for the period of February 1, 2024, to January 31, 2027 with one one-year extension. The annual cost of this contract is estimated at \$750,000.

**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 (WIP)	2023 Total (incl WIP)	2022 Total (incl WIP) <i>(Restated - Note 2)</i>
Total Historical Cost:								
Balance: Beginning of Year	39,360,253	108,395,841	343,992,114	95,556,041	1,022,712,037	32,073,391	1,642,089,677	1,593,350,322
Add: Additions during the year	1,733,551	3,724,359	7,937,214	13,654,753	16,407,866	36,506,847	79,964,590	66,227,417
Less: Disposals during the year	51,879	609,283	551,087	7,475,393	4,502,437	13,082,875	26,272,954	17,488,062
Balance: End of year	41,041,925	111,510,917	351,378,241	101,735,401	1,034,617,466	55,497,363	1,695,781,313	1,642,089,677
Accumulated Amortization								
Balance: Beginning of year	361,269	58,179,305	192,598,232	56,065,837	486,874,550	-	794,079,193	765,969,703
Add: Amortization expense	22,866	3,168,218	7,685,483	7,458,561	20,605,934	-	38,941,062	37,930,091
Less: Accumulated amortization on disposals	-	551,789	528,734	6,702,658	3,001,119	-	10,784,300	9,820,604
Balance: End of year	384,135	60,795,734	199,754,981	56,821,740	504,479,365	-	822,235,955	794,079,190
TOTAL: NET BOOK VALUE	40,657,790	50,715,183	151,623,260	44,913,661	530,138,101	55,497,363	873,545,358	848,010,487

a) Assets under construction:

Assets under construction, having a value of \$55,497,363 (2022 - \$32,073,391), have not been amortized. Amortization of these assets will commence when the assets are 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 \$2,462,029 (2022 - \$6,758,040) and is comprised of infrastructure valued at \$2,462,029 (2022 - \$6,569,581), land and building valued at \$NIL (2022 - \$70,001), culverts valued at \$NIL (2022 - \$NIL) and a detention pond valued at \$NIL (2022 - \$118,459).

c) Asset retirement obligation:

Included in the above schedule is an increase to the building and machinery & equipment tangible capital asset accounts representing the asset retirement obligation and an accompanying increase to accumulated amortization, reflecting the additional amortization had the liability originally been recognized.

d) 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.

e) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$NIL (2022 - \$NIL).

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

CORPORATION OF THE CITY OF BRANTFORD SEGMENTED INFORMATION SCHEDULE 2

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 a public golf course, preservation of art galleries, museums and the Sanderson Centre for the Performing Arts.

**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 ^[1]	Consolidated 2023
Revenues							
Taxation	-	-	-	-	-	189,414,789	189,414,789
Grants	5,510,037	14,737,396	3,820,860	73,130,694	5,311,311	15,351,282	117,861,580
Other revenues ^[2]	10,456,558	9,616,909	63,605,638	964,585	16,666,841	42,796,583	144,107,114
Government Business Enterprise	-	-	-	-	-	5,365,390	5,365,390
Total Revenues	15,966,595	24,354,305	67,426,498	74,095,279	21,978,152	252,928,044	456,748,873
Expenses							
Salaries, wages, and benefits	72,219,915	23,119,484	10,245,183	20,823,637	21,275,706	30,790,533	178,474,458
Materials	6,989,167	17,600,359	14,055,627	2,697,826	10,860,157	24,374,679	76,577,815
Contracted services	1,632,784	2,907,133	12,946,288	16,536,117	731,778	10,887,682	45,641,782
External transfers	417,034	-	1,147,888	38,691,787	199,003	14,138,362	54,594,074
Amortization	1,733,360	11,236,284	15,648,591	955,529	6,032,021	3,335,278	38,941,063
Debt servicing	82,292	64,608	724,071	258,435	1,721	1,720,709	2,851,836
Other expenses ^[3]	8,818,486	609,907	9,348,234	1,744,653	5,848,331	(19,328,031)	7,041,580
Total Expenses	91,893,038	55,537,775	64,115,882	81,707,984	44,948,717	65,919,212	404,122,608
ANNUAL SURPLUS (DEFICIT)	(75,926,443)	(31,183,470)	3,310,616	(7,612,705)	(22,970,565)	187,008,832	52,626,265

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

^[2] 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.

^[3] 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.

**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 ^[1]	Consolidated 2022 (Restated - Note 2)
Revenues							
Taxation	-	-	-	-	-	181,388,247	181,388,247
Grants	10,772,700	12,601,333	1,885,079	57,285,871	3,013,216	8,468,288	94,026,487
Other revenues ^[2]	8,048,178	13,738,859	66,126,910	891,784	22,659,910	31,801,292	143,266,933
Government Business Enterprise	-	-	-	-	-	35,448,484	35,448,484
Total Revenues	18,820,878	26,340,192	68,011,989	58,177,655	25,673,126	257,106,311	454,130,151
Expenses							
Salaries, wages, and benefits	65,500,402	21,549,998	9,746,450	17,989,846	18,569,370	28,332,355	161,688,421
Materials	5,425,799	19,485,380	13,791,584	2,371,535	8,955,831	20,919,788	70,949,917
Contracted services	3,541,102	2,399,103	14,178,839	14,001,474	617,812	9,118,182	43,856,512
External transfers	643,939	-	1,106,256	28,825,977	186,534	14,747,720	45,510,426
Amortization	1,547,401	10,560,399	15,155,739	943,348	5,988,150	3,735,056	37,930,093
Debt servicing	87,423	68,937	801,774	268,876	1,955	1,477,654	2,706,619
Other expenses ^[3]	6,855,408	(232,378)	9,048,793	2,748,331	3,189,576	(16,751,685)	4,858,045
Total Expenses	83,601,474	53,831,439	63,829,435	67,149,387	37,509,228	61,579,070	367,500,033
ANNUAL SURPLUS (DEFICIT)	(64,780,596)	(27,491,247)	4,182,554	(8,971,732)	(11,836,102)	195,527,241	86,630,118

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

^[2] 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.

^[3] 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.